DEBATES

OF

THE SENATE

OF THE

DOMINION OF CANADA

1929

OFFICIAL REPORT

Editor: DAVID J. HALPIN

Reporters: H. H. EMERSON, B. P. LAKE

Reserve Reporter: THOS. BENGOUGH

THIRD SESSION—SIXTEENTH PARLIAMENT—19-20 GEORGE V

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1929

SENATORS OF CANADA

ACCORDING TO SENIORITY

JUNE 14, 1929

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

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS
The Honourable		
PASCAL POIRIER	Acadie	Shediac, N.B.
RAOUL DANDURAND, P.C.	De Lorimier	Montreal, Que.
JOSEPH P. B. CASGRAIN	De Lanaudière	Montreal, Que.
FRÉDÉRIC L. BÉIQUE, P.C.	De Salaberry	Montreal, Que.
JOSEPH H. LEGRIS	Repentigny	Louiseville, Que.
JULES TESSIER	De la Durantaye	Quebec, Que.
HEWITT BOSTOCK, P.C. (Speaker)	Kamloops	Monte Creek, B.C.
JAMES H. ROSS	Moose Jaw	Moose Jaw, Sask.
GEORGES C. DESSAULLES	Rougemont	St. Hyacinthe, Que.
NAPOLÉON A. BELCOURT, P.C.	Ottawa	Ottawa Ont.
EDWARD MATTHEW FARRELL	Liverpool	Liverpool, N.S.
LOUIS LAVERGNE	Kennebec	Arthabaska, Que.
JOSEPH M. WILSON	Sorel	Montreal, Que.
BENJAMIN C. PROWSE	Charlottetown	Charlottetown, P.E.I.
RUFUS HENRY POPE	Bedford	Cookshire, Que.
JOHN W. DANIEL	Saint John	Saint John, N.B.
GEORGE GORDON	Nipissing	North Bay, Ont.
NATHANIEL CURRY	Amherst	Amherst, N.S.
EDWARD L. GIRROIR	Antigonish	Antigonish, N.S.
ERNEST D. SMITH	Wentworth	Winona, Ont.

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SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
James J. Donnelly	South Bruce	Pinkerton, Ont.
Charles Philippe Beaubien	Montarville	Montreal, Que.
John McLean	Souris	Souris, P.E.I.
John Stewart McLennan	Sydney	Sydney, N.S.
William Henry Sharpe	Manitou	Manitou, Man.
Gideon D. Robertson, P.C.	Welland	Welland, Ont.
George Lynch-Staunton	Hamilton	Hamilton, Ont.
Charles E. Tanner	Pictou	Halifax, N S.
Thomas Jean Bourque	Richibucto	Richibucto, N.B.
Henry W. Laird	Regina	Regina, Sask.
Albert E. Planta	Nanaimo	Nanaimo, B.C.
John Henry Fisher	Brant	Paris, Ont.
Lendrum McMeans	Winnipeg	Winnipeg, Man.
David Ovide L'Espérance	Gulf	Quebec, Que.
George Green Foster	Alma	Montreal, Que.
Richard Smeaton White	Inkerman	Montreal, Que.
Aimé Bénard	St. Boniface	Winnipeg, Man.
George Henry Barnard	Victoria	Victoria, B.C
Wellington B. Willoughby	Moose Jaw	Moose Jaw, Sask.
James Davis Taylor	New Westminster	New Westminster, B.C.
Frederick L. Schaffner	Boissevain	Boissevain, Man.
Edward Michener	Red Deer	Red Deer, Alta.
William James Harmer	Edmonton	Edmonton, Alta.
Irving R. Todd	Charlotte	Milltown, N.B.
Pierre Edouard Blondin, P.C.	The Laurentides	Montreal, Que.
John G. Turriff	Assiniboia	Carlyle, Sask.
Gerald Verner White	Pembroke	Pembroke, Ont.
Thomas Chapais	Grandville	Quebec, Que.
Lorne C. Webster	Stadacona	Montreal, Que.
John Stanfield	Colchester	Truro, N.S.
John Anthony McDonald	Shediac	Shediac, N.B.
William A. Griesbach, C.B., C.M.G.	Edmonton	Edmonton, Alta.
John McCormick	Sydney Mines	Sydney Mines, N.S.
Rt. Hon. Sir George E. Foster, P.C., G.C.M.G.	Ottawa	Ottawa, Ont.
John D. Reid, P.C.	Grenville	Prescott, Ont.
James A. Calder, P.C.	Saltcoats	Regina, Sask.
Robert F. Green	Kootenay	Victoria, B.C.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
Archibald B. Gillis	Saskatchewan	Whitewood, Sask.
Sir Edward Kemp, P.C., K.C.M.G.	Toronto	Toronto, Ont.
Archibald H. Macdonell, C.M.G.	South Toronto	Toronto, Ont.
Frank B. Black	Westmoreland	Sackville, N.B.
Sanford J. Crowe	Burrard	Vancouver, B.C.
Peter Martin	Halifax	Halifax, N.S.
Arthur C. Hardy	Leeds	Brockville, Ont.
Onésiphore Turgeon	Gloucester	Bathurst, N.B.
Sir Allen Bristol Aylesworth, P.C., K.C.M.G.	North York	Toronto, Ont.
Andrew Haydon	Lanark	Ottawa, Ont.
Clifford W. Robinson	Moncton	Moncton, N.B.
James Joseph Hughes	King's	Souris, P.E.I.
Creelman MacArthur	Prince	Summerside, P.E.I.
Jacques Bureau, P.C.	La Salle	Three Rivers, Que.
Henri Sévérin Béland, P.C.	Lauzon	St. Joseph de Beauce, Que.
John Lewis	Toronto	Toronto, Ont.
Charles Murphy, P.C.	Russell	Ottawa, Ont.
William Ashbury Buchanan	Lethbridge	Lethbridge, Alta.
Prosper Edmond Lessard	St. Paul	Edmonton, Alta.
James Palmer Rankin	Perth, N.	Stratford, Ont.
Arthur Bliss Copp, P.C.	Westmoreland	Sackville, N.B.
John Patrick Molloy	Provencher	Morris, Man.
Wilfred Laurier McDougald	Wellington	Montreal, Que.
Daniel E. Riley	High River	High River, Alta.
Paul L. Hatfield	Yarmouth	Yarmouth, N.S.
Rt. Hon. George P. Graham, P.C.	Eganville	Brockville, Ont.
William H. McGuire	East York	Toronto, Ont.
Donat Raymond	De la Vallière	Montreal, Que.
Philippe J. Paradis	Shawinigan	Quebec, Que.
Napoleon K. Laflamme	Mille Isles	Montreal, Que.
James H. Spence	North Bruce	Toronto, Ont.
Edgar S. Little	London	London, Ont.
Gustave Lacasse	Essex	Tecumseh, Ont.
Henry Herbert Horsey	Prince Edward	Cressy, Ont.
Walter E. Foster, P.C.	Saint John	Saint John, N.B.
Hance J. Logan	Cumberland	Parrsboro, N.S.

SENATORS OF CANADA

ALPHABETICAL LIST

JUNE 14, 1929

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
AYLESWORTH, SIR ALLEN, P.C., K.C.M.G....	North York.....	Toronto, Ont.
BARNARD, G. H.....	Victoria.....	Victoria, B.C.
BEAUBIEN, C. P.....	Montarville.....	Montreal, Que.
BÉIQUE, F. L., P.C.....	De Salaberry.....	Montreal, Que.
BÉLAND, H. S., P.C.....	Lauzon.....	St. Joseph de Beauce, Que.
BELCOURT, N. A., P.C.....	Ottawa.....	Ottawa, Ont.
BÉNARD, A.....	St. Boniface.....	Winnipeg, Man.
BLACK, F. B.....	Westmoreland.....	Sackville, N.B.
BLONDIN, P. E., P.C.....	The Laurentides.....	Montreal, Que.
BOSTOCK, H., P.C. (Speaker).....	Kamloops.....	Monte Creek, B.C.
BOURQUE, T. J.....	Richibucto.....	Richibucto, N.B.
BUCHANAN, W. A.....	Lethbridge.....	Lethbridge, Alta.
BUREAU, J., P.C.....	La Salle.....	Three Rivers, Que.
CALDER, J. A.. P.C.....	Saltcoats.....	Regina, Sask.
CASGRAIN, J. P. B.....	De Lanaudière.....	Montreal, Que.
CHAPAIS, T.....	Grandville.....	Quebec, Que.
COPP, A. B., P.C.....	Westmoreland.....	Sackville, N.B.
CROWE, S. J.....	Burrard.....	Vancouver, B.C.
CURRY, N.....	Amherst.....	Amherst, N.S.
DANDURAND, R., P.C.....	De Lorimier.....	Montreal, Que.
DANIEL, J. W.....	St. John.....	St. John, N.B.
DESSAULLES, G. C.....	Rougemont.....	St. Hyacinthe, Que.
DONNELLY, J. J.....	South Bruce.....	Pinkerton, Ont.
FARRELL, E. M.....	Liverpool.....	Liverpool, N.S.
FISHER, J. H.....	Brant.....	Paris, Ont.
FOSTER, G. G.....	Alma.....	Montreal, Que.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
FOSTER, RT. HON. SIR GEORGE E., P.C., G.C.M.G.	Ottawa	Ottawa, Ont.
FOSTER, W. E., P.C.	Saint John	Saint John, N.B.
GILLIS, A. B.	Saskatchewan	Whitewood, Sask.
GIRROIR, E. L.	Antigonish	Antigonish, N.S.
GORDON, G.	Nipissing	North Bay, Ont.
GRAHAM, RT. HON. GEO. P., P.C.	Eganville	Brockville, Ont.
GREEN, R. F.	Kootenay	Victoria, B.C.
GRIESBACH, W. A., C.B.,C. M.G.,	Edmonton	Edmonton, Alta
HARDY, A. C.	Leeds	Brockville, Ont.
HARMER, W. J.	Edmonton	Edmonton, Alta
HATFIELD, P. L.	Yarmouth	Yarmouth, N.S.
HAYDON, A.	Lanark	Ottawa, Ont.
HORSEY, H. H.	Prince Edward	Cressy, Ont.
HUGHES, J. J.	King's	Souris, P.E.I.
KEMP, SIR EDWARD, P.C., K.C.M.G.	Toronto	Toronto, Ont.
LACASSE, G.	Essex	Tecumseh, Ont.
LAFLAMME, N. K.	Mille Isles	Montreal, Que.
LAIRD, H. W.	Regina	Regina, Sask.
LAVERGNE, L.	Kennebec	Arthabaska, Que.
LEGRIS, J. H.	Repentigny	Louiseville, Que.
L'ESPÉRANCE, D. O.	Gulf	Quebec, Que.
LESSARD, P. E.	St. Paul	Edmonton, Alta.
LEWIS, J.	Toronto	Toronto, Ont.
LITTLE, E. S.	London	London, Ont.
LOGAN, H. J.	Cumberland	Parrsboro, N.S.
LYNCH-STAUNTON, G.	Hamilton	Hamilton, Ont.
MACARTHUR, C.	Prince	Summerside, P.E.I.
MACDONELL, A. H., C.M.G.	Toronto, South	Toronto, Ont.
MARTIN, P.	Halifax	Halifax, N.S.
MCCORMICK, J.	Sydney Mines	Sydney Mines, N.S.
MCDONALD, J. A.	Shediac	Shediac, N.B.
MCDOUGALD, W. L.	Wellington	Montreal, Que.
MCGUIRE, W. H.	East York	Toronto, Ont.
MCLEAN, J.	Souris	Souris, P.E.I.
MCLENNAN, J. S.	Sydney	Sydney, N.S.
MCMEANS, L.	Winnipeg	Winnipeg, Man.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
MICHENER, E.	Red Deer	Red Deer, Alta.
MOLLOY, J. P.	Provencher	Morris, Man.
MURPHY, C., P.C.	Russell	Ottawa, Ont.
PARADIS, P. J.	Shawinigan	Quebec, Que.
PLANTA, A. E.	Nanaimo	Nanaimo, B.C.
POIRIER, P.	Acadie	Shediac, N.B.
POPE, R. H.	Bedford	Cookshire, Que.
PROWSE, B. C.	Charlottetown	Charlottetown, P.E.I.
RANKIN, J. P.	Perth, N.	Stratford, Ont.
RAYMOND, D.	De la Vallière	Montreal, Que.
REID, J. D., P.C.	Grenville	Prescott, Ont.
RILEY, D. E.	High River	High River, Alta.
ROBERTSON, G. D., P.C.	Welland	Welland, Ont.
ROBINSON, C. W.	Moncton	Moncton, N.B.
ROSS, J. H.	Moose Jaw	Moose Jaw, Sask.
SCHAFFNER, F. L.	Boissevain	Boissevain, Man.
SHARPE, W. H.	Manitou	Manitou, Man.
SMITH, E. D.	Wentworth	Winona, Ont.
SPENCE, J. H.	North Bruce	Toronto, Ont.
STANFIELD, J.	Colchester	Truro, N.S.
TANNER, C. E.	Pictou	Pictou, N.S.
TAYLOR, J. D.	New Westminster	New Westminster, B.C.
TESSIER, JULES	De la Durantaye	Quebec, Que.
TODD, I. R.	Charlotte	Milltown, N.B.
TURGEON, O.	Gloucester	Bathurst, N.B.
TURRIFF, J. G.	Assiniboia	Carlyle, Sask.
WEBSTER, L. C.	Stadacona	Montreal, Que.
WHITE, R. S.	Inkerman	Montreal, Que.
WHITE, G. V.	Pembroke	Pembroke, Ont.
WILLOUGHBY, W. B.	Moose Jaw	Moose Jaw, Sask.
WILSON, J. M.	Sorel	Montreal, Que.

SENATORS OF CANADA

BY PROVINCES

JUNE 14, 1929

ONTARIO—24

	SENATORS.	POST OFFICE ADDRESS.
	The Honourable	
1	Napoléon A. Belcourt, P.C.	Ottawa.
2	George Gordon	North Bay.
3	Ernest D. Smith	Winona.
4	James J. Donnelly	Pinkerton.
5	George Lynch-Staunton	Hamilton.
6	Gideon D. Robertson, P.C.	Welland.
7	John Henry Fisher	Paris.
8	Gerald Verner White	Pembroke.
9	John D. Reid, P.C.	Prescott.
10	Rt. Hon. Sir Geo. E. Foster, P.C., G.C.M.G.	Ottawa.
11	Sir Edward Kemp, P.C., K.C.M.G.	Toronto.
12	Archibald H. Macdonell, C.M.G.	Toronto.
13	Arthur C. Hardy	Brockville.
14	Sir Allen Bristol Aylesworth, P.C., K.C.M.G.	Toronto.
15	Andrew Haydon	Ottawa.
16	Charles Murphy, P.C.	Ottawa.
17	John Lewis	Toronto.
18	James Palmer Rankin	Stratford.
19	Rt. Hon. George P. Graham, P.C.	Brockville.
20	William H. McGuire	Toronto.
21	James H. Spence	Toronto.
22	Edgar S. Little	London.
23	Gustave Lacasse	Tecumseh.
24	Henry H. Horsey	Cressy

QUEBEC—24

	SENATORS.	ELECTORAL DIVISION.	POST OFFICE ADDRESS.
	The Honourable		
1	Raoul Dandurand, P.C.	De Lorimier	Montreal.
2	Joseph P. B. Casgrain	De Lanaudière	Montreal.
3	Frederick L. Béique, P.C.	De Salaberry	Montreal.
4	Joseph H. Legris	Repentigny	Louiseville.
5	Jules Tessier	De la Durantaye	Quebec.
6	George C. Dessaulles	Rougemont	St. Hyacinthe.
7	Louis Lavergne	Kennebec	Arthabaska.
8	Joseph M. Wilson	Sorel	Montreal.
9	Rufus H. Pope	Bedford	Cookshire.
10	Charles Philippe Beaubien	Montarville	Montreal.
11	David Ovide L'Espérance	Gulf	Quebec.
12	George Green Foster	Alma	Montreal.
13	Richard Smeaton White	Inkerman	Montreal.
14	Pierre Edouard Blondin, P.C.	The Laurentides	Montreal,
15	Thomas Chapais	Grandville	Quebec.
16	Lorne C. Webster	Stadacona	Montreal.
17	Henri Sévérin Béland, P.C.	Lauzon	St. Joseph de Beauce, Que.
18	Jacques Bureau, P.C.	La Salle	Three Rivers.
19	Wilfred Laurier McDougald	Wellington	Montreal.
20	Donat Raymond	De la Vallière	Montreal.
21	Philippe J. Paradis	Shawinigan	Quebec.
22	Napoleon K. Laflamme	Mille Isles	Montreal
23			
24			

NOVA SCOTIA—10

	SENATORS.	POST OFFICE ADDRESS.
	The Honourable	
1	Edward M. Farrell	Liverpool.
2	Nathaniel Curry	Amherst.
3	Edward L. Girroir	Antigonish.
4	John S. McLennan	Sydney.
5	Charles E. Tanner	Pictou.
6	John Stanfield	Truro.
7	John McCormick	Sydney Mines.
8	Peter Martin	Halifax.
9	Paul L. Hatfield	Yarmouth.
10	Hance J. Logan	Parrsboro.

NEW BRUNSWICK—10

	The Honourable	
1	Pascal Poirier	Shediac.
2	John W. Daniel	Saint John.
3	Thomas Jean Bourque	Richibucto.
4	Irving R. Todd	Milltown.
5	John Anthony McDonald	Shediac.
6	Frank B. Black	Sackville.
7	Onésiphore Turgeon	Bathurst.
8	Clifford W. Robinson	Moncton.
9	Arthur Bliss Copp, P.C.	Sackville.
10	Walter E. Foster	Saint John

PRINCE EDWARD ISLAND—4

	The Honourable	
1	Benjamin C. Prowse	Charlottetown.
2	John McLean	Souris.
3	James Joseph Hughes	Souris.
4	Creelman MacArthur	Summerside.

BRITISH COLUMBIA—6

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

MANITOBA—6

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

SASKATCHEWAN—6

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

ALBERTA—6

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

CANADA

The Debates of the Senate

OFFICIAL REPORT

THE SENATE

Thursday, February 7, 1929.

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

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

OPENING OF THE SESSION

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

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

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

Honourable Members of the Senate:

Members of the House of Commons:

In opening the Third Session of the Sixteenth Parliament of Canada I desire to join with you in profound thankfulness for the recovery of our beloved Sovereign, King George the Fifth. I share your fervent hope that His Majesty may be completely restored in health, and that he may be spared to continue that devoted service to the Empire which has won for him an abiding place in the hearts of the people.

The unprecedented prosperity which is apparent throughout the Dominion affords cause for the deepest satisfaction. Never in the history of Canada has there been such industrial and commercial expansion as that which has taken place during the past twelve months. The industry and enterprise of our people have been rewarded under Providence with an abundant harvest. In the production of agricultural and other basic industries all previous records have been surpassed. New records have also been established in the volume of construction and in the volume of foreign trade. Employment has been maintained at a high level and all indications point to a continuance throughout the country of the present favourable conditions.

A notable feature of industrial development has been the continued advance and prosperity of the mining industry in almost every part of the Dominion.

The production of the fishing industry during the past year has shown a substantial increase over that of 1927. In accordance with the recommendations of the Royal Commission on Fisheries, the Fisheries Branch of the Department of Marine and Fisheries has been separated from the Marine Branch, and a Deputy Minister of Fisheries has been appointed. A reorganization of the Fisheries Service along lines recommended by the Commission is being effected. Certain other matters covered in the report will, during the present session, be dealt with by legislation.

Plans are in progress of completion for the construction of the National Research Laboratories to provide scientific and technical knowledge for the various branches of production.

The past year witnessed the inauguration of the Canadian National Steamships service between Canada and Bermuda and the West Indies. The many advantages of this service are already apparent. In view of the importance of our ever increasing export trade it is intended to augment and extend the existing facilities for furnishing Canadian exporters with commercial information in respect to foreign markets. It is also proposed to establish additional Trade Commissioner offices at strategic points in different parts of the world.

Communication within the Dominion has been facilitated and improved by an extensive development of air mail services, and communication to all parts of the British Empire by the restoration of penny postage.

The expansion in trade and commerce which the country has experienced has been strikingly reflected in our transportation returns. The net earnings of the railways have exceeded those of any previous year.

Satisfactory progress continues to be made in the construction of the Hudson Bay Railway. The laying of steel is now within thirty-seven miles of the terminus of the line at Churchill, where a substantial commencement has been made in the provision of port facilities. The rapid development of Western and Northern Canada imposes on the railways the necessity of providing increased transportation facilities in the immediate future. A further branch line program by the Canadian National manage-

ment will be submitted for your consideration. You will also be asked to authorize the acquisition of certain railways in both Eastern and Western Canada, which will constitute potentially important feeders of the Canadian National System.

Amendment of the Railway Act will be sought, granting to the Board of Railway Commissioners wider powers of investigation of affairs in relation to subsidiary concerns, and with respect to the issue of capital stock.

Legislation will be introduced to give effect to a general pension scheme for the benefit of the employees of the Canadian National Railways.

Pursuant to the recommendations of the Select Standing Committee on Agriculture and Colonization, agreements have been consummated with several of the Provinces for the promotion of juvenile settlement from the United Kingdom. Negotiations have also been concluded for the application of a £10 ocean rate to all British immigrants ordinarily resident in Great Britain or Northern Ireland, except agricultural families, house workers, and juvenile immigrants who receive a more favourable rate under the Empire Settlement Passage Agreement. A flow of immigrants commensurate with Canadian requirements and selected strictly for their ability to promote the general prosperity of the country is being satisfactorily maintained.

A royal commission has been appointed to inquire and report as to what financial readjustments are necessary in order that the Province of Manitoba may be placed in a position of equality with the other Provinces of Confederation with respect to the administration and control of its natural resources, as from its entrance into Confederation in 1870.

Negotiations have also been resumed with the Provinces of Alberta and Saskatchewan with a view to the transfer to these Provinces of their natural resources, and with the Province of British Columbia with respect to the restoration to that Province of the lands of the railway belt and the Peace River Block.

A royal commission has been appointed to inquire into the existing situation respecting radio broadcasting in Canada, and to make recommendations to the Government as to its future administration, management, control, and financing.

Since the close of the last Session, there has been a marked development of the provision for direct personal contact in the discussion of inter-imperial and foreign affairs. The High Commissioner for His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland took up his duties at Ottawa in September. The Japanese Legation was established at Ottawa in July under a Chargé d'Affaires, and the French Legation at Ottawa in November on the arrival of the Minister of France. The Canadian Legation in Paris was opened at the end of September, and steps are being taken for the early establishment of the Canadian Legation at Tokyo. The more effective consultation provided by the personal contacts thus established will, it is believed, serve materially to advance the common interests concerned, and to promote understanding and goodwill in our inter-imperial and international relations.

The Multi-lateral Treaty for the Renunciation of War, which was signed on behalf of Canada on August 27, will be submitted for your approval; also a convention between the United States and Canada providing for the preservation of the scenic values of Niagara Falls.

Among other measures to which your consideration will be invited, will be certain amendments to the Dominion Elections Act, the Companies Act, the Fisheries Act, the Narcotic Drug Act, and the Act Respecting Technical Education.

Members of the House of Commons:

The public accounts for the last fiscal year, and the estimates for the coming year, will be promptly submitted.

Honourable Members of the Senate:

Members of the House of Commons:

As you enter upon the duties of another Session, I pray that Divine Providence may guide and bless your deliberations.

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

The sitting of the Senate was resumed.

Prayers.

RAILWAY BILL

FIRST READING

Bill—, an Act respecting Railways.—Hon. Mr. Dandurand.

CONSIDERATION OF HIS EXCELLENCY'S SPEECH

On motion of Hon. Mr. Dandurand, it was ordered that the Speech of His Excellency the Governor General be taken into consideration on Tuesday, February 12.

NEW SENATORS INTRODUCED

The following newly appointed Senators were severally introduced and took their seats:

Hon. Walter Edward Foster, of Saint John, New Brunswick, introduced by Hon. R. Dandurand and Hon. A. B. Copp.

Hon. Henry Herbert Horsey, of Cressy, Ontario, introduced by Hon. R. Dandurand and Hon. A. C. Hardy.

Hon. Hance James Logan, of Amherst, Nova Scotia, introduced by Hon. R. Dandurand and Hon. E. M. Farrell.

COMMITTEE ON ORDERS AND PRIVILEGES

Hon Mr. Dandurand moved:

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

The motion was agreed to.

COMMITTEE OF SELECTION

On motion of Hon. Mr. Dandurand, the following Senators were appointed a Committee of Selection to nominate Senators to serve on the several Standing Committees during the present Session: the Honourable Messieurs Belcourt, Daniel, Prowse, Robertson, Sharpe, Tanner, Buchanan, Willoughby, and the mover.

The Senate adjourned until Monday, February 11, at 8 p.m.

THE SENATE

Monday, February 11, 1929.

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

Prayers and routine proceedings.

THE NEW CONSERVATIVE LEADER

Hon. P. POIRIER: Honourable gentlemen, before the Orders of the Day are called, I think it is but proper that I should inform you that our friend the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) has been unanimously chosen by the senators on this side of the House as their leader. I need not tell you that he is fully qualified to occupy the position. I will say, as the Italians have it, "Fara de se."

Hon. RAOUL DANDURAND: Honourable gentlemen, I desire to extend my congratulations to the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) upon his selection as leader of the Conservative party in this Chamber. I am quite sure that the honourable members on this side of the House join heartily their colleagues opposite in welcoming the honourable gentleman in his new position. It is needless for me to emphasize the fact that he has all the qualifications necessary for the functions which he may have to perform. Since he has been among us he has shown a judicial mind of a high order, and we have benefited by his counsels in the various committee rooms and in this Chamber as well. His high legal training had already been observed by his fellow members of the Bar and, I am told, had more than once attracted the attention of the Minister of Justice to the desirability of securing his services for the Bench in the West.

My honourable friend has shown to a considerable degree that detachment from party passions to which I have so often alluded in this Chamber. The temperament of the leader of the Left in the Senate is necessarily different from that of the leader of the Opposition in the House of Commons. In the Commons the Opposition leader speaks not merely for his following in that House, but for that body of public opinion which they represent. He there advocates principles and policies which he intends to submit to the people at the first opportunity. On the other hand, the leader sitting to the left of His Honour the Speaker in this House criticizes proposed legislation with a view to its improvement, and he may deem it his duty even to move to defer legislation which he considers hasty. The Opposition leader in this House is not, as in the other Chamber, the leader of an organized Opposition. The makers of our Confederation pact had in mind a Senate in which the parties would not be opposed to each other as in the popular House. It was Sir John A. Macdonald who viewed the Senate of Canada as a revising body instituted to modify and improve legislation emanating from the House of Commons, to check or delay hasty legislation until the people had a chance to pronounce upon it, and to give the Commons an opportunity to re-examine legislation considered objectionable. Sir John A. Macdonald clearly stated his idea that there could be no official Opposition in the Senate of Canada, when he said that he viewed the Senate as rather inclined to be sympathetic to the measures of the Government of the day, because the Government of the day represented the will of the people. I have had occasion to say that the human equation was not in his mind at the time, and perhaps it is a better Senate that does not show too clearly its sympathy with the Government, because it is then able to express its criticism more freely. Be that as it may, I have noticed that the honourable gentleman from Moose Jaw has generally approached questions with a single eye to the obligation of the Senate to improve the legislation that came from the other Chamber. He may at times have felt it his duty to advise delay, but I am not sure that he did very often. At all events we on this side of the House have always listened attentively to his remarks, and with considerable pleasure and profit.

We on this side are most happy to see our honourable friend leading the Conservative thought in this Chamber. There is here no official Opposition, but there are two trends of opinion, called Liberal and Conservative, and my honourable friend represents the Con-

servative; and he represents it very appropriately, because, though brought up in the East, he has imbibed to a large extent the atmosphere of the West, and we have in him a fair medium of representation of public opinion in the whole of Canada.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, I did not anticipate the remarks made by my honourable friend to the right (Hon. Mr. Poirier); still less had I occasion to anticipate the remarks of the honourable leader of the Government. It is very satisfying to myself, however undeserved, that he should be so generous towards me to-night, and I hope that our relations in the future will be just as pleasant as they have been in the past.

I, too, recognize that this is not the House of Commons; yet, not only do we sit on opposite sides, but by habit, which of course we acquired before we came into this House, we do more or less incline to parties. I do not profess to be neutral in this respect, but I do profess to be somewhat progressive in thought. I have never been a reactionary—whether that fact is due to the atmosphere of the West or not I do not know—but none the less I stand for safe and stable government, not for foolish experiments in the field of visionary legislation, which perhaps have been attempted at times by more than one Government in response to popular clamour. I think both sides of this House should always resist that.

It is a pleasure to me, and a very great honour indeed, and wholly undeserved, that my friends on this side of the House should have selected me as their leader when in the field there were more distinguished competitors—if I might so describe them, although we are all friends. I shall try to merit the confidence that they have kindly reposed in me, if not by any display of marked ability, which I do not claim, at least by assiduity and attention to the duties of this House.

COMMITTEE ON DIVORCE

MOTION

Hon. Mr. WILLOUGHBY moved:

That Rule 78 of the Rules of the Senate be amended by striking out paragraph 9, and substituting the following in place thereof:

"9. The Committee on Divorce, composed of not less than nine nor more than fifteen senators."

The object of this motion is to increase the number of senators on the Committee on Divorce to fifteen. This, I hope, will somewhat lighten the burden of those who are good enough to serve on the Committee this Session, and will during periods when the House is not in session, make available the services of a number of honourable gentlemen living near Ottawa who are willing to serve on the Committee.

The motion was agreed to.

DIVORCE BILL (ONTARIO)

FIRST READING

Bill A, an Act to provide in the Province of Ontario for the dissolution and annulment of marriage.—Hon. Mr. Willoughby.

HIS MAJESTY THE KING

JOINT ADDRESS

A Message was received from the House of Commons informing the Senate that the Commons had passed an Address to His Most Excellent Majesty the King expressing the thankfulness and rejoicing of the people of Canada on the promise of complete recovery of His Majesty, and requesting Their Honours to unite with the House of Commons in the said Address.

Hon. RAOUL DANDURAND moved:

That the Senate doth agree with the House of Commons in the said Address and do fill in the blank space therein with the words "Senate and."

He said: Honourable gentlemen, the resolution was presented to the House of Commons without previous notice, and was passed by that House. I hope the sentiment that actuated the House of Commons will actuate this Chamber in permitting the Address to be considered now.

It reads:

To the King's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's dutiful and loyal subjects, the Commons of Canada, in Parliament assembled, humbly beg leave to approach Your Majesty with the expression of our thankfulness and rejoicing that, under the providence of God, there has been vouchsafed to Your Majesty the promise of complete recovery from the severe and protracted illness which Your Majesty has borne with so great patience and fortitude. We have watched the course of Your Majesty's illness with anxious solicitude and with profound sympathy for Your Majesty, Her Majesty the Queen, and for all the members of the Royal Family. It is with sentiments of the deepest sincerity and loyalty that, as representatives of the Canadian people, we join our prayers to those from all parts of the British Empire for the early restoration of Your Majesty to the fullness of health and strength.

The Speech from the Throne has rightly expressed the thoughts and innermost feelings of the Canadian people towards His

Majesty King George the Fifth. The purpose of the Resolution now submitted to Parliament is officially and solemnly to record the unanimous sentiments of our Dominion.

The anxiety of all Canadians has been daily demonstrated throughout the many weeks of His Majesty's illness. Many millions of subjects who had never seen their Sovereign and did not know him in the flesh, were apt to think of the King as they did of the Crown—as the emblem of sovereignty, the ideal link binding the members of the Commonwealth. His Majesty's illness has brought us all nearer to a realization of his humanity. Filial affection for the man himself has sprung up in every breast. A subdued chord has vibrated, and a new link has been forged in the chain of fealty.

Since the dictum that the King reigns but does not govern has impressed itself more and more deeply into the Constitution, the Sovereign has lost many of the opportunities for contact with the nation which a greater share in the administration formerly allowed him. But if his responsibility has diminished, not so his moral influence. As the supreme head of the nation, the King stands as an example, and his life is a standard which draws out the best instincts of the people. The simple and kind-hearted manner in which the manifold duties of the King in the social life of the community have been daily accomplished has drawn unto him the affection of one and all. There have been moments since his Coronation when his constitutional functions have brought him face to face with problems which he alone could solve. At no time has he been unequal to his task; his clear conscience and high sense of duty have invariably led him to the right solution.

The war opened for the nation a chapter of anguish and sorrow which was fully shared by His Majesty. His constant thought and concern were for the sailors and the soldiers, whom he visited at the peril of his life. From one visit he returned on a stretcher. If the democracy over which he presides acclaims his sovereignty, and prays the Almighty for a prompt and complete restoration of his health, His Majesty but reaps where he has sown, his people returning in fullest measure the devotion and affection which, without stint, he has bestowed upon them.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, because of the short tenure of my new position, and because of the extra work which the undertaking of new responsibilities has involved, I have not had the opportunity to consider this matter as I would have wished. I should like, however, to say a word or two as to the increased power in this democratic age of the King of England. Students of history will remember the uncertainty, not of the legal or constitutional powers of past sovereigns, but of their sway in the minds and hearts of the English people. The King was once all powerful; but we know that in the time of the Stuarts, and even in more recent times, during the Guelph and the Windsor dynasties, there was in the hearts of the people no such universal loyalty to the Crown as there is at the present time. We know that even when Her Gracious Majesty Queen Victoria ascended the Throne it was contended by the incoming ministry that the ladies of the bedchamber in the Queen's suite should be replaced by others more in sympathy with the Government in power. Anybody who is familiar with the letters of Junius, supposed to be written by Sir Philip Francis, knows how different was the position held by the King at that time in the hearts of the people of Great Britain.

It is due to the present dynasty to say that it has been able to reconcile the monarchy with true democracy, and to keep pace with the growth of democracy throughout the world. The power of the aristocracy as against the democracy is diminishing enormously in England, though it is still a stable and very important factor in British life, as I hope it may long continue to be. Before the rule of the people in England, democracy had very little voice in the election of representatives such as sit in the other Chamber, because the franchise was prodigiously restricted. The sweetness of temper of the House of Windsor was exemplified by Her Gracious Majesty Queen Victoria, afterwards by King Edward, and is now recognized in the reigning monarch, and is the spirit by which we have a true democracy in England. If we had not had such a spirit in England the war might have had a serious effect upon the monarchy. We have only to look at Europe: in some countries thrones have tumbled; and in countries where thrones have not tumbled there have been a growing number of dictatorships. But in Britain, because of the spirit which actuated the monarchy—the spirit of adjustment to the widening sphere of democracy—the Crown today stands in a pre-eminently strong position. The throne has perhaps never been filled more ably, or more acceptably to the nation, than it is at the present time, and the hearts of British people throughout the world respond to the message which we are going to transmit.

Through the kindness of this House in selecting me as one of the parliamentary delegates, I went to South Africa and there had an

opportunity, at two very great meetings at which the Governor General of South Africa was present, of seeing the native tribes. I can therefore appreciate, as all can appreciate who have travelled in the less developed portions of the British Empire, that the Crown is the great link that keeps the Empire together.

The motion was agreed to.

Hon. Mr. DANDURAND moved:

That the Hon. the Speaker do sign the said Address on behalf of the Senate.

The motion was agreed to.

Hon. Mr. DANDURAND moved:

That a Message be sent to the House of Commons to acquaint that House that the Senate hath agreed to the said Address to His Most Excellent Majesty the King, and hath filled in the blank space therein with the words "Senate and."

The motion was agreed to.

Hon. Mr. DANDURAND moved.

That a humble Address be presented to His Excellency The Right Honourable Viscount Willingdon, Knight Grand Commander of the Most Exalted Order of the Star of India, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Grand Commander of the Most Eminent Order of the Indian Empire, Knight Grand Cross of the Most Excellent Order of the British Empire, Governor General and Commander-in-Chief of the Dominion of Canada.

May it Please Your Excellency:

We, the Senate and of Canada, in Parliament assembled, have agreed to an Address to His Most Excellent Majesty, the King, expressing the thankfulness and rejoicing of the people of Canada that, under the Providence of God there has been vouchsafed to His Majesty the promise of complete recovery from the severe and protracted illness which His Majesty has borne with so great patience and fortitude, and respectfully request Your Excellency will be pleased to transmit the said Address in such a way as Your Excellency may see fit, in order that it may be laid at the foot of the Throne.

The motion was agreed to.

Hon. Mr. DANDURAND moved:

That the Address be engrossed, and the Hon. the Speaker do sign the said Address on behalf of the Senate.

The motion was agreed to.

Hon. Mr. DANDURAND moved:

That a Message be sent to the House of Commons to acquaint that House that the Senate have passed this Address, to which they desire their concurrence.

The motion was agreed to.

PRESENTATION OF ROYAL PORTRAITS

Hon. Mr. DANDURAND: Honourable gentlemen, the Prime Minister informed Parliament at the beginning of last session that His Majesty the King, in commemoration of the Diamond Jubilee of Confederation, was giving Canada portraits of His late Majesty King Edward and Queen Alexandra, and of His Majesty King George and Queen Mary, to be hung on the walls of the Parliament Buildings. As these most artistic paintings adorn the entrance hall of our Chamber, I desire to express, in your name, the thankfulness of the Senate of Canada for this highly prized gift, which will daily remind us of him in whose name all our legislation is enacted. The royal family is so near the heart of all our people that it is a real privilege to feel, so to speak, their presence in our midst.

TRIBUTES TO DECEASED SENATORS

THE LATE HON. W. B. ROSS AND HON. JOHN WEBSTER

Hon. RAOUL DANDURAND: Honourable gentlemen, it is my painful duty to refer to the deaths of two of our members—Senator Ross, of Halifax, and Senator Webster, of Brockville—which have occurred since we separated in June last.

Senator Ross entered the Senate in 1912. He had been preceded here by the reputation which he had made for himself in the capital of his own province, Halifax, where he had shone at the Bar as one of the leading barristers of Nova Scotia. He was one of the many barristers of that province who had acquired fame outside of the borders of Nova Scotia, and even of the Maritime Provinces. I need not mention the many brilliant men who have come from Halifax to the Dominion sphere. I know that Senator Ross was a colleague of the Right Hon. Sir Robert Borden, that they were practically side by side for many years, and Sir Robert had the greatest admiration for the legal mind and work of Hon. Mr. Ross. It was no surprise to this Chamber when he was selected by the Prime Minister, his friend and colleague at the Bar of Nova Scotia, Sir Robert Borden, to sit in the Senate.

We soon recognized the legal acumen which had distinguished Senator Ross at the Bar. He gave us his opinions freely on intricate legal difficulties, on the interpretation of statutes, and on projected laws before this Chamber and before committees. He was most modest, and always courteous, and showed his value by the quiet enunciation of

his opinions in the committee rooms and in this Chamber. His sound judgment was clear to all who listened to him. He was fair-minded, and, as I have said of my honourable friend who now replaces him (Hon. Mr. Willoughby), he was quite dispassionate in debate. He went directly to the root of the questions before him, examined them in the best interests of the country, and worked constantly to modify and improve the legislation which came from the other Chamber.

Senator Ross was a most valuable member. We all feel the loss to the Senate caused by his sudden departure, and I know that we shall long cherish his memory.

A few months ago we lost the honourable member from Brockville, Senator Webster. He had been in the dairy industry, and was quite active in all that pertained to it. He was an exporter. He knew all the intricate questions affecting that industry, or relating to transportation. The dairy industry throughout the world was familiar to him, and there was never a question affecting it, in whatever form it came before this Chamber, on which we did not have the benefit of his experience. He was an enthusiast, an optimist, in the development of agriculture in Canada, and it was always with pleasure that we listened to the information which he brought to the Senate.

I am sure that you will all join with me in extending to the families of Senator Ross and Senator Webster our most heartfelt sympathy.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, may I add a little to what the honourable leader of the Government has said of our two beloved and deceased members. I first came into contact with Senator Ross when he was Chairman of the Divorce Committee, and we sat on it together for a considerable time. It very soon became apparent to me that he had a fine legal mind. He was keenly interested in the legal aspects of the cases. I do not say that he was not interested in other aspects; he certainly was, to the extent of seeing that justice was done, but anything that pertained to the legal aspect was what interested him particularly. Up till practically a year ago it was his pleasure to confer with me now and again in reference to legal questions that arose before the Committee on Divorce.

The honourable leader of the Government has briefly recounted the history of Senator Ross, but I know a little chapter that is probably not known generally. I went west some time late in the last century, when the western cities were very much smaller than they are to-day. I then heard of a young lawyer who had come from the East to the city of Regina. Judgments were rendered there at that time by a man, now for many years deceased, who had been a lieutenant-colonel. He was a stipendiary magistrate. In those early days, and for a considerable period, there was no High Court judge nor any other judge, but only a stipendiary magistrate, and there were no law libraries of any kind anywhere in the prairies of the Middle West. This stipendiary magistrate, with military training, rarely had anybody appearing before him on behalf of a client; so he became a little irked at any opposition. However, this young lawyer had the temerity to ask the magistrate what authority he had for the position he held in dealing with a certain legal matter before him; and the magistrate was quite horrified that anybody should question his authority for a proposition that he was laying down as law. This aggressive young lawyer in the end not only won out at the Bar, but insisted on the right to have the judge's opinion supported by authority, and not by a mere declaration of the judge's own view. That young lawyer afterwards told me himself that he went to Winnipeg and practised there for a time; and he was no other than the honourable gentleman to whose demise we are referring. He had a great legal mind. I think he excelled in what we might call chamber counsel—not necessarily in court, but in the giving of advice—because he was a profound student. Anybody who knew his personal habits knew that when out on his walks he would hammer out his thoughts and clarify them in his own mind. He was always thinking, always of a most active turn of mind.

He was kindness itself to everybody in this House, and he was courtesy itself to everybody on the other side. He was absolutely without affectation, simple in his habits, approachable at all times. There will never be, in this or any House, a leader who will be a more lovable character than was Senator Ross.

As for Senator Webster, I came into contact with him early. I entered the Senate in 1917, when the Senate was sitting in the Museum Building, and he was my room-mate during all the time we were there, until we moved to this building.

Senator Webster was genial, kindly, and intensely human. I know he loved a good horse, and what is more, he liked to drive a good horse.

Right Hon. Mr. GRAHAM: And he could drive a good horse.

Hon. Mr. WILLOUGHBY: And he did drive a good horse, and drove him well. I do not mean that he was a David Harum, but in handling a horse he had all the joy that any lover of horses could have.

As my honourable friend opposite (Hon. Mr. Dandurand) has said to-night, Senator Webster was an absolute leader in his own particular industry. We had an illustration of this in the Senate on one occasion when some question of agriculture arose. I think everybody in the House was extremely grateful to the late senator for the fund of precise information which he at that time placed at our disposal. That was an example of one of the great advantages possessed by this House—that the members are recruited from all ranks, and are all specialists in their own departments, who contribute, as do the members of the English House of Lords, very valuable information in their own line. We knew that Senator Ross was failing for some time, but none of us thought that Senator Webster would not live for a long time to come. It was with the profoundest regret that we learned of his death.

Hon. C. E. TANNER: Honourable gentlemen, coming from Nova Scotia, which was the adopted home of Senator Ross, I should like to say a word or two. Although we regarded Senator Ross as a Nova Scotian, his birthplace was Prince Edward Island. His family, however, were all brought up in the province of Nova Scotia, and while we in that province claim him and other distinguished members of the family, we are nevertheless glad to pay tribute to the island which gave him birth.

I knew Senator Ross almost from the beginning of his career as a lawyer; also I was more or less associated with him at a time when he took a somewhat active interest in public affairs in that province. My object in speaking is merely to give expression to the deep regret which I, in common with all in Nova Scotia, felt at his death, and in knowing that the province had lost a really great man.

One of the fundamentals of the late Senator Ross—I think honourable gentlemen who knew him will agree—was his thoroughness. That was characteristic of him, as I learned from my observation of him from the very beginning of his career. When he had to deal with a matter he was never satisfied until he got to the bottom of it; if he was dealing with a legal question he wanted to get at the root of it. While we in this House might not regard him as a brilliant orator, everyone knew that he was a safe man, and that in all questions affecting the welfare of Canada his one desire was to do his best for Canada, irrespective of how it might affect the parties.

I should like also to join in the regret expressed at the death of our late colleague, Senator Webster. I knew him for a great many years. He was a man of sound common sense, and, I believe, most successful in the sphere in which he moved. I should like to join with all honourable members of this Chamber in conveying to the relatives of these two gentlemen our sincerest regret.

Right Hon. GEO. P. GRAHAM: Honourable gentlemen, although it is not necessary, may I be permitted to add just a word. I would not like this opportunity to pass without paying my tribute.

We who are not learned in the law, in endeavouring to get clearly before us something that our legal friends are trying to present, sometimes become lost in the intricacies of legal discussions, and in the end are no nearer being able to form a judgment than we were before. I always waited to hear what Mr. Ross had to say. At times he appeared to be thinking of something else, but at the proper moment, without any extravagance of words or multiplicity of ideas, he would strip the whole matter bare, and in a few sentences would make it so clear that those of us who knew nothing about law could understand it perfectly.

In addition to his clearness of thought and expression, Senator Ross had a personality all his own. No man in this House could describe him; he could not be compared to any person else, or contrasted with anybody else; his personality was so distinct that one had to know him to really appreciate him. Not only did I admire his great ability, but I formed a very affectionate regard for the man himself, and I am sure we all unite in a sincere expression of sympathy for his family, and regret at his departure.

The late Senator Webster was a neighbour of mine, and although we clashed at times—and I recall one real clash in which I came off second best—Senator Webster was always a gentleman. He was a successful business man, and an authority on agriculture and dairying. John Webster was not always in the dairying business. He started life in a very humble manner. After receiving hard knocks as a boy he went into the employ of the James Smart Manufacturing Company in a very humble position; he made good in

that position and was trusted by the late John M. Gill. A peculiar incident concerning Mr. Gill and Senator Webster was this: Mr. Gill left the dairying business to go into the manufacturing business; Senator Webster went from the manufacturing business to take Mr. Gill's place in the dairying business. I knew Senator Webster day by day as a neighbour, a friend, an all-round man.

The honourable leader of our friends to the left of the Speaker (Hon. Mr. Willoughby) has referred to Senator Webster's love of horses. Did you ever know a man who was fond of animals and was not a pretty good man? Look out for the man who does not like some kind of animal life besides his own. John Webster was devoted to horses. In my younger days I occasionally dabbled in the buying of horses myself, and there were two men I always tried to talk to after I had made a purchase: one was the late Mr. Comstock, and the other was John Webster. And I assure you that Senator Webster knew as much of many other things as he knew of horses.

I esteemed him as a neighbour and fellow citizen of the town of Brockville, and I may say that no man who has passed away has carried with him on his going a greater and deeper respect than our late colleague.

Hon. G. D. ROBERTSON: Honourable gentlemen, as desk-mate for several years of our late leader, Senator Ross, I crave the opportunity of saying a word in passing. We all know that Senator Ross was greatly beloved by Sir James Lougheed, his predecessor. Shortly after Senator Ross came into the House Sir James recognized and appreciated his particular ability as an interpreter of constitutional questions; so when Sir James laid down his work it was fitting and natural that Senator Ross should take it up.

Although Senator Ross and I did not walk in exactly the same paths of life, his associations being somewhat different from mine, and his mind working in different channels, we found many things in common; and often we discussed problems in which we were interested in the most friendly way. As a result of that association I feel that I learned many things, and was enabled to understand many things that otherwise I should not have understood. I have also hoped and believed that Senator Ross gained conceptions of many things connected with the activities of our national life that he had not realized before. I therefore agree with a previous speaker that it is a splendid thing that the members of this House are drawn from various walks in life, for by being thrown together we have the opportunity of giving an ear to the views of those who have a knowledge of problems with which we are not familiar.

On the 24th of July last I returned from Newfoundland to Halifax, and one morning I called to see Senator Ross and found him recovering from an illness. He had not been able to leave the house for some weeks, but for a few days previous had been up and walking about the house, and was looking very well, and confidently anticipated that he was on the road to permanent recovery. It was a very great shock to me, therefore, to see shortly afterwards a notice of his death. I was not aware that he had left Halifax until that notice appeared. We are all grieved at the loss of a leader who has been of great service to his country both in and out of this House.

I heartily concur in all that has been said with reference to Senator Webster, and need not dilate upon what the right honourable gentleman from Eganville (Right Hon. Mr. Graham) has so fittingly said.

Hon. F. L. SCHAFFNER: Honourable gentlemen, I esteem it a privilege and an honour to be permitted to say a few words on this occasion, especially in regard to my friend the late Senator Webster. I thoroughly agree with all that has been said of the late Senator Ross, but it was not my privilege to know him as well as I knew Senator Webster.

The right honourable gentleman from Eganville (Right Hon. Mr. Graham) has said that he and Senator Webster were neighbours. I think we will all agree that neighbours, those who are familiar with the growth and development of men, can speak of those men with the greatest assurance. It was my privilege for some years to be intimately acquainted not only with Senator Webster, but with his family, and I must say—and I think every member will agree with me—that if there ever was a loyal, honest, sincere friend or man of business, John Webster was that man. He was very familiar with the intricacies of his business. He carried his honesty and sincerity into his business life as he carried it into the work he was called upon to do here. I should not feel that I had done my duty if I failed to express my appreciation, my love, of the late Senator Webster, and I shall always deem it an honour to have been his friend.

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

THE SENATE

Tuesday, February 12, 1929.

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

Prayers and routine proceedings.

POSSESSION OF WEAPONS BILL

FIRST READING

Bill B, an Act to amend certain provisions of the Criminal Code respecting the possession of weapons.—Hon. Mr. Belcourt.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

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

Hon. HANCE JAMES LOGAN moved:

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

To His Excellency The Right Honourable Viscount Willingdon, Knight Grand Commander of the Most Exalted Order of the Star of India, Knight Grand Cross of the Most Distinguished Order of St. Michael and Saint George, Knight Grand Commander of the Most Eminent Order of the Indian Empire, Knight Grand Cross of the Most Excellent Order of the British Empire, Governor General and Commander-in-Chief of the Dominion of Canada.

May it please Your Excellency:

We, His Majesty's most dutiful and loyal subjects, the Senate of Canada, in Parliament assembled, beg leave to offer our humble thanks to your Excellency for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

He said: Honourable gentlemen, I desire to express my heartfelt appreciation of being chosen to move the Address in reply to the Speech from the Throne.

We are to-day meeting with a spirit of thankfulness in our hearts occasioned by the recovery, so far, of His Majesty King George the Fifth. Our sovereign has been a true king. At the most trying time in the British Empire in the last one hundred years he showed his strength, worth, and good judgment. In Europe, during the war, thrones tottered and fell; kings were banished and republican forms of government established, but King George not only remained as the King of the British Empire, but also became more firmly enthroned in the hearts of his subjects in all parts of the world. Perhaps we did not realize so much what this meant to us until he was stricken by dread disease. It was then that the Empire realized what he meant as a monarch. Not only at the gates of Buckingham Palace did thousands of his subjects patiently wait for each succeeding bulletin, but throughout the Empire the greatest anxiety was felt, and the love of his people was expressed in humble prayers for the saving of his life. And to-day, as he is, we hope, recuperating down by the seashore in southern England, British subjects throughout the whole world say, "Thank God," and the subjects of other nations have learned as never before to respect our form of monarchical government. No sovereign in all history has been more affectionately regarded by his people than King George. The cheers from the thousands who lined the streets along which His Majesty passed on his way to Bognor on Saturday last were re-echoed in millions of hearts throughout the great Empire. That the sea air will bring to him health and strength is the prayer of us all.

Complaint has been made that the Speech from the Throne does not contain very much. Well, when prosperity reigns it is sometimes wise to let well enough alone.

Never before in Canada has there been such commercial and industrial development as that which has taken place during the past year. From a national standpoint this is indicated by the reduction of the public debt by over sixty millions of dollars. The prosperity of Canada is largely indicated by the condition of its railways. Since the reorganization of the Canadian National Railway system operating surpluses have replaced operating deficits. At December 31 last the operating surpluses for the six-year period subsequent to the change of management aggregated $162,844,008, and for the year ending December 31, 1928, the operating surplus amounted to $53,000,000, as compared with an operating deficit of $34,532,703 in 1920. Thus there has been a betterment of nearly ninety millions of dollars in the operation of our great national railway system.

I am particularly interested in the paragraph of the Speech from the Throne which reads as follows:

The past year witnessed the inauguration of the Canadian National Steamships service between Canada and Bermuda and the West Indies. The many advantages of this service are already apparent. In view of the importance of our ever increasing export trade it is intended to augment and extend the existing facilities for furnishing Canadian exporters with commercial information in respect to foreign markets. It is also proposed to establish additional Trade Commissioner offices at strategic points in different parts of the world.

The new Canadian-British West Indies Trade Agreement was proclaimed in Canada on April 30, 1927, bringing into force, with the exception of bananas, the tariff preferences to be exchanged between Canada and the British West Indies, Bermuda, British Guiana, and British Honduras under the 1925 Trade Agreement. The preference which Canada is to grant on bananas was deferred pending the establishment of certain steamship service as provided for in Article XIII of the agreement.

The Leeward and Windward Islands, which were bound only to endeavour to grant some larger preferences, have done so to an appeciable degree. The Windward Islands formally proclaimed the agreement in effect as from April 30, 1927, the aforementioned common date. No advice of an actual proclamation in the Leewards has been received, but official notice has been received that ordinances effective from July 1, 1927, would implement the agreement in Antigua, Dominica, St. Kitts-Nevis and Montserrat. So the agreement has been in force only for a period of a little over twenty-one months. Honourable gentlemen will remember that before the making of the agreement it was stated, by certain people who were presumed to know something about West Indian trade, that we had then all the trade which could be procured. Suffice it to say that the imports into Canada during the past year, without proper ships and without the assistance of the Royal Mail Line, which withdrew from the service, and without the part of the treaty referring to bananas being put into force, amounted to $22,165,689 as compared with $17,825,086 for the year ending March 31, 1927; and the exports of Canadian produce from Canada to the British West Indies for last year amounted to $20,068,153, as compared with $17,702,013 for the year ending March 31, 1927.

The provision of the agreement relating to bananas will be brought into force as soon as suitable ships are provided. They have been launched and will be soon in service. Canada consumes about four millions of bunches of bananas per year. This banana trade has been almost entirely from the United States, although many of the bananas imported were undoubtedly grown in the British West Indies. They were conveyed to United States ports in United States vessels, paying port and brokerage charges, and were then shipped on American railways to the point nearest consumption. For instance, bananas going to Winnipeg would be shipped over the American roads to Emerson, which is only sixty or seventy miles south of Winnipeg. Under the terms of the agreement, bananas thus shipped in future will pay fifty cents a bunch, while those coming in through Canadian ports will be free of duty. This will mean a diversion of this trade. Owing to the season in which bananas mature, a very large percentage of these bananas, I think about eighty per cent, will come up the St. Lawrence, during open navigation, to Montreal, and will then be nearer to the great consuming public of Canada than if they came in through the port of New York or Boston. They will be transported on our own ships from Jamaica, and will be shipped over our own railways to consuming points throughout Canada. To give some idea of the increase in railway tonnage which will result from the banana trade, it has been estimated that to transport bananas consumed in Canada in one year, we shall require not less than six thousand ordinary freight cars.

I cannot see why there should be an increase of the price in Canada. When I was in Jamaica last the price of a bunch or stem of bananas was 1s. 3d., or about thirty cents in our money. Upon the stems there would be about 120 well matured bananas. This would make the price paid to the producer in Jamaica one cent for four bananas. When you consider the price that is being paid in Canada to-day, of five, six or seven cents for one banana, you can readily see that there is a great spread between the price paid to the producer and the price paid by the consumer. This difference has helped to build up one of the most gigantic fruit companies in the world. I can only hope that in the future consumers in Canada will benefit by the banana provision of the agreement.

We are now putting on new ships; three of them, namely, the Lady Nelson, Lady Hawkins and Lady Drake, to the Eastern Islands, are already in service, and the other two, Lady Rodney and Lady Somers, which are banana boats, are nearing completion. These ships are not only palatial, but fitted for this tropical trade. They are a credit to Canada.

I had the honour and pleasure of going from Halifax to British Guiana in the summer, on the Lady Nelson when she was making her initial trip. We called at Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbadoes, St. Vincent, Grenada, Trinidad and British Guiana. In all those countries the new ship was hailed with delight, and it was realized that a new era had dawned in the history of these islands of everlasting fertility and eternal sunshine.

We have the agreement and the ships, but there is much yet to be done. In all the islands there must be better facilities for handling the goods between the ship and the shore. The

present system is much as it was a hundred years ago. In only three of the colonies visited does the ship lie at the wharf; in other places she is sometimes anchored out two or three miles from the shore, and goods are very often transported to and from the ship in open boats propelled by oars. There is great lack of cold storage facilities, and of co-operation among the producers. I would urge upon the Government that without delay they have a survey made at each of the ports of call, so that in conjunction with the different Colonies facilities may be provided for the better, safer and quicker handling of the products, and for the more convenient placing of ships.

This brings me, honourable gentlemen, to the last part of this paragraph, which refers to the employment of trade commissioners. From my experience and knowledge I am firmly convinced that trade commissioners are absolutely essential in the building up of the trade to be carried on by these ships. We should have in these different colonies trade agents who will spend, not a day in a fortnight, but every day, in working up and developing trade. In all the thirteen colonies which I visited there is only one lone trade commissioner—who is doing, I am bound to say, the best he can—at Trinidad, but there should be trade commissioners in the Leeward and Windward Islands, a trade commissioner in Barbadoes and one in British Guiana, to be continually on the job and hustling for Canadian trade. We have too much at stake—the ten millions of dollars' worth of new and up-to-date ships—to take any chances on cargoes. In my humble opinion there is no part of the world where trade commissioners are needed more.

Before closing, may I be permitted to congratulate the Government upon establishing Ministers in Paris and Tokio. Hon. Philippe Roy, as Commissioner to France for many years, has proved his worth, and in the choice of Hon. Herbert Marler I think the Government is making a wise selection. Mr. Marler is one of the leading public men of Canada, and by education and temperament will, I have no doubt, make a great success as Minister to Japan. At the same time we welcome to this country representatives of these two great and friendly nations.

Hon. JULES TESSIER (translation): Honourable gentlemen, for my few remarks in support of the motion of the honourable senator from Nova Scotia, I will make use of my mother tongue, that beautiful French language, first spoken in Canada, which we have succeeded in preserving as an official language. We are in a bilingual country inhabited by citizens who have sprung from the two finest races in the world, the French race, which settled Canada, and the English race, which brought us the gift of its practical mind and commercial genius.

While in Paris some months ago I had the pleasure of attending some of the lectures on Canada's political evolution delivered by one of our compatriots. He faced a large audience eager to obtain information about our country. The gathering was made aware of the fact that the beautiful French tongue, gracefully used by one of our own fellow-citizens, still shines here in all its purity. These lectures given by the Hon. Rodolphe Lemieux, real patriotic speeches, have largely contributed to foster a deeper appreciation and a stronger love of Canada. The leading newspapers in France echoed that eloquence by publishing laudatory articles on Canada, her government, her past and her future.

The Speech from the Throne refers to Canada's prosperity, her abundant harvest, the industrial and commercial progress of the country. There is no need to delve into statistics in order to prove the accuracy of these statements. Everybody admits that Canada is prosperous, and we have good reason to congratulate ourselves upon the wisdom and prudence of our administrators.

The Maritime Provinces are emerging again as a result of the more favourable rates granted following the findings of the Duncan Commission. The mines are shipping a greater quantity of coal than ever by the St. Lawrence route. Our steel plants are receiving large orders. An ever-increasing quantity of wheat is being exported through the port of Saint John, N.B.

Quebec, thanks to Parliament's sense of justice, has enabled our Harbour Commission, directed by Messrs. Power and Tremblay, to construct in a short space of time a new elevator with a storage capacity of two million bushels of wheat. The elevator is already filled. To ensure that this grain movement may continue as far as Halifax, rates similar to those obtaining on shipments from Montreal to Saint John would have to be granted to that city. Our harbours require still more elevators if the diversion of our grain to American ports is to be prevented. Marine insurance companies must also be prepared to concede that grain can be shipped by way of the St. Lawrence with absolute safety during the months of December and April. With respect to the provinces of Quebec and Ontario, the development of their water-

powers and the operations carried on in the mines and the forests have increased their wealth in a phenomenal manner.

The mines of British Columbia are most promising.

The development of our fisheries, which constitute a great part of our national wealth, is an important matter. Announcement is made of the establishment of a new department, whose duty it will be to promote the interests of this valuable industry.

It is well recognized that no prosperity quite equals that created by man-power capital. The importance of preserving the lives of our people is increasingly appreciated. The establishment of health units in each county would be a great forward step in the cause of public health in Canada. The Evenement newspaper, of Quebec, recently demonstrated this necessity when it published the surprising results achieved under the operation of this system. Briefly stated, the system consists in the organization in each county of a medical board composed of a medical health officer, a sanitary inspector, two nurses and a secretary. This board is entrusted with the task of enforcing health laws, controlling outbreaks of contagious diseases, and carrying on an intensive educational campaign on all health matters.

Already, in Beauce county, where the system has been in operation now almost a year, thanks to the temporary assistance of the Rockefeller Institute, some wonderful results have been recorded. The infantile mortality rate has been considerably reduced. The death rate attributable to infectious diseases has shown a decrease of more than sixty-six per cent, compared with the death toll from the same causes the previous year, and the situation that still prevails in the neighbouring counties, where there are no health units. The Dominion Board of Health, composed of the chief medical health officers of each province, with Dr. Amyot, Deputy Minister of the Federal Health Department, an active and capable official, as chairman, strongly favours the organization of these health units as the most economical, expeditious and effective means to spread the knowledge that will result in stopping the waste of precious lives, so essential to our country. Financial co-operation of the Federal Government with the provinces and the municipalities can ensure the application of this highly important and much to be desired progressive measure.

Sane immigration is necessary, and one notes with pleasure that the new inspection system being carried out in certain parts of Europe by our Canadian doctors, with the object of making a more careful selection of prospective immigrants and eliminating individuals who are undesirable from a physical and moral standpoint, is working efficiently.

One cannot repeat too often or urge too strongly that the type of citizens our country needs most are farmers who have made up their minds to seek their well-being in the tilling of the soil. We do not need day labourers, who come here to swell the ranks of the unemployed or displace our own people in industry. Every effort should be made to induce our rural citizenry to remain on the land, where they can lead a healthier and more profitable existence than they will find in the cities. Italy offers us an example of what may be achieved in this respect. Mussolini has decreed that farmers must continue to till their farms, and that no agriculturist may take up residence in a city unless he can prove that a position awaits him.

Here we have a demonstration of what can be accomplished by an energetic policy, and the wisdom of this great Italian statesman who has set himself the task of regenerating his country. He has added greatly to his renown by settling that long standing major problem known as the Roman question. He has restored to the Holy Father that complete independence which he requires in order to exercise freely his high and exalted function as chief of the Universal Church.

We note with pleasure that the Government intends developing still further means of communication within and without the country by helping our railway companies to construct branch lines and granting subsidies to certain shipping companies. We shall take the necessary steps to increase our trade development through the appointment of trade commissioners in various parts of the world where our country has been hitherto unrepresented. These posts offer splendid careers to the students of our high schools of commerce.

The appointment of ministers plenipotentiary marks an important era in our history. We shall henceforth be able to discuss questions directly with the representatives of other nations and conclude treaties. I may state that no appointment could have been greeted with more warm-hearted approval in France than that of our former colleague, the Hon. Philippe Roy, who has filled with honour during a long term of years the post of High Commissioner. He has by his tact and talents won the consideration and esteem of the most eminent men in the country in which he is serving as our accredited representative. The

Paris press was unanimous in congratulating our Government upon this judicious appointment.

France has sent us, in the person of M. Jean Knight, a diplomat of the highest distinction. I have not the least doubt that, with such able men acting as intermediaries, the relations existing between the two countries will always be most satisfactory.

The Speech from the Throne informs us that the treaty to renounce war, signed on behalf of Canada on August 27, will be submitted for our examination. I may state in advance that the pact will be approved as heartily as we shall give approval to any other movement aiming to secure universal peace, so essential to the welfare and happiness of mankind.

In conclusion, may I be allowed to express my sincere wishes for the complete recovery of His Majesty the King, and the hope that he may long be spared to continue his reign, which has been marked by so much wisdom and devotion.

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

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

THE SENATE

Wednesday, February 13, 1929.

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

Prayers and routine proceedings.

COMPANIES BILL

FIRST READING

Bill C, an Act to amend the Companies Act.—Hon. Mr. Dandurand.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

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

Hon. W. B. WILLOUGHBY: Honourable gentlemen, in resuming the debate I promise you that I shall not be very long. It has been my humble opinion, for a considerable time, in any event, that any measure to be submitted to the House can be more adequately and properly discussed when it is actually laid before us. I have no desire to attempt to shine as an orator in making a general statement as to any of these matters, but I will deal with a few of them now, and as particular measures are brought before us for actual legislation, or the reverse, I shall crave the indulgence of the House while I discuss them, if not adequately, at least at some length.

However, it is a courtesy perhaps due to the House to refer to some of the questions mentioned in the Speech from the Throne and in the speech of the mover of the Address in reply; and I hope that some of the honourable gentlemen who sit behind me will, if they see fit, deal with matters on which I shall not touch.

The first question mentioned in the Speech from the Throne to which I shall make reference is the construction of the National Research Laboratories. I am now, and I was when the matter came before us some years ago, in favour of a generous expenditure of money for the development and encouragement of scientific research. We in Canada are becoming more and more industrialized, and the indications are that in the proximate future that development will be accentuated from year to year. When we were not so much engaged in manufacturing, the need for scientific research on the part of the Government was not so pressing. In the meantime many of the large institutions have provided facilities for scientific research in their own laboratories. The Department of Agriculture has already done much in the matter of purely scientific research. Perhaps it has gone as far as any institution in this respect.

I think that this Government, and in fact all Governments in Canada, should recognize agriculture as the most important industry in the whole country. It is a basic industry. The necessity of scientific research in connection with agriculture has been growing stronger every year. In two or three fields at the present time the Governments of the Provinces, or the Government of the Dominion, are rendering valuable assistance. The Government at Ottawa has done splendid work, from a scientific point of view. It is now a commonplace to say that Western Canada and the whole country were enriched by the magnificent discovery of Marquis wheat by Dr. Saunders. In the universities of Manitoba, Saskatchewan and Alberta, by a co-ordination of effort, an attempt is now being made to solve some very grave difficulties met with in the growing of grain in the West. One of the outstanding problems is that of rust; and another is the developing of earlier

ripening kinds of wheat. Progress has been made. Since the discovery of Marquis wheat the Department of Agriculture has developed a variety which ripens a little earlier than the Marquis. The best brains in the Department are now engaged in attempting to discover other varieties of wheat that are not only earlier in maturing, but more likely to make a good return. Any scientific problem to be solved must be attacked from many sides. One might discover a method of avoiding rust, but that method might have the effect of weakening the plant. The vigour of the plant life must be preserved, yield must not be lessened, and the grain must be able to stand up under adverse weather conditions. These are a few of the things that have to be considered in agricultural experiments.

I hope that through the efforts of our various colleges and the opportunities that the Government can make available a field will be opened in our own country for Canadian experts, so that they may not find it necessary to emigrate to the United States for employment.

I want to deal also with the question of the West Indian Treaty, because it was referred to at some length in the Speech from the Throne, and also by the mover of the Address in reply. I have no special knowledge on that matter, but, if it is not considered too personal, I may say that I know a little from having travelled through the West Indies some ten years ago. I tried to go via Halifax, but as the war was in progress, the ship on which I had obtained passage was commandeered. I went by one of the Quebec Steamship Company's vessels from New York, and travelled over nearly all the territory which would be affected by the West Indian Treaty save Jamaica only; and I returned via Halifax, on one of the boats of the Royal Mail Steamship Company.

I found during my little holiday in the West Indies a very keen desire on the part of the people to increase commercial relations with Canada. The people, on the whole, were intensely British; they did not want to be Americanized, as far as I could gather from my talks with them. Their products, as everybody knows, are entirely different from ours, and they are large consumers of many of our products of which we have a surplus for export.

Although the two lines of service have not yet been established, I am glad to see that the partial carrying out of the Treaty has already developed the trade both in exports from Canada and imports from the West Indies. I, as a Westerner, living out, as some of you may think, on the bleak prairies, know that in the aggregate there are very large numbers who go from Western Canada to California in the winter. Some go every winter, or periodically, every two or three years, and thus go many times. They leave our country and spend their money abroad. I have not compared the distances, but it is a very long way from the middle of Saskatchewan to Los Angeles, which seems to be the haven that many seek, and I think it would not take much longer to go to the West Indies. I imagine that if the people from Western Canada and those from the older portions of the Dominion who desired a change of atmosphere and surroundings were to visit the West Indies, a very considerable passenger traffic would be developed and trade might be cultivated. I have holidayed in Los Angeles, but I have had no enjoyment there to compare with that which I had in the West Indies. I hope that when we get the other ships going, on the western coast, there will always be "bananas to-day." I have no doubt that if we can bring them in commercially, in the way that has been suggested by the mover of the Address, with satisfactory arrangements as to the freight rates, and as to the cost at which they can be purchased and the price at which they can be sold, that trade should develop in Canada.

It is an absurdity to think that that trade should go through New York, when the distances to our great markets are no shorter by the New York route, and there is perhaps an even greater desire in northern latitudes for the fruit. New York and other ports in the United States have access to many other markets, such as their own islands, and all Central America. It is due, I think, to the wonderful energy and the magnificent resources of the Union Fruit Company in New York that they have been able to exploit the West Indies market to our disadvantage.

I have, therefore, no criticism individually to offer on the Treaty with the West Indies. It is, in any event, on the right lines. I am not in a position to say whether we did or did not pay too much for a fleet of five vessels—I think the number is five—for the purposes of the West Indian trade. Those honourable members who are familiar with navigation and shipping are in a better position than I to pass judgment on that. I assume, in any event, that the Government is going to have those ships constructed as quickly as possible and to see that they are of adequate dimensions for the purposes of the trade.

I do know, from my own personal experience, to which I took the liberty of re-

ferring, that the passenger accommodation both on the Quebec Steamship Company lines and on the Royal lines, was none too luxurious. I contrast that experience with a trip I made last year to Bermuda in one of the magnificent boats running from New York, capable of furnishing a luxurious passage such as you enjoy as you travel across the North Atlantic to Europe. We cannot attempt to emulate such accommodation in our traffic with the West Indies; but I do believe that passenger as well as freight traffic can be much improved.

Another matter to which I want to refer is the Hudson Bay Railway—a subject that is not always congenial in this House. It is not a project to-day; it is a reality. The construction is nearing the Bay. One of the gentlemen who sit opposite, the right honourable member from Eganville (Right Hon. George P. Graham) selected the port on Hudson Bay. I am not personally prepared to criticize the change of the port from Nelson to Churchill, but it was my lot to sit with others on the Senate Committee that investigated the matter, and I can remember that the honourable member for St. John on my side of the House (Hon. Mr. Daniel) and an honourable member opposite criticized with great severity the selection of the port of Nelson, on the ground that it was wholly impracticable to make it a safe place for shipping, because it was too expensive to develop it and even more expensive to maintain it. There were many members of that Committee who, as laymen and landsmen, were not too highly impressed with the port itself, and rather favoured bringing in a rider.

I think I know something as to how the port was selected in the first instance, but I am not going to deal with that aspect of the matter at present. Speaking purely from memory, I may say we had a rider which, while favouring the building of the Hudson Bay line, stated that in the opinion of the Committee the facilities of Fort Churchill had not been adequately inquired into. In any event they were not sufficiently inquired into by that Committee for the purpose of founding a judgment, because, with the exception of one or two, we had practically no one appearing before us who was competent to form an opinion on that subject. Honourable gentlemen all know, from the number of Railway Bills that are to come before us, of the great activity in northern Manitoba, and more particularly in northern Saskatchewan and in Alberta; and portions of northern Manitoba and northern Saskatchewan will find easier and shorter access to the European markets by the Hudson Bay line, when the season permits it to function, than by any other route.

I know that some people think that railway will rob the East of a certain amount of traffic. Certainly it will, but the building of railways in that country, and the development of its mineral resources, quite apart from its agriculture, will bring to that part of the West a measure of diversification and prosperity that will more than compensate the East for any loss it may sustain in the transit of grain to Montreal. In any event, it is the experience of every country that somebody is hurt in the development of new parts and new industries. No one in this House to-day would criticize the spending of money in Vancouver or the sending of grain there. I can say, not boastfully, that I think I was the first member of this House to draw attention to the possibilities of the development of Vancouver and the Panama Canal as a route for grain. One objection raised was that the grain would spoil in transit through the Panama Canal on account of the heat, but speaking from information gathered from grain people, I argued that under ordinary conditions grain would not suffer, and I could see an immense development for that route. In the early days a small quantity of grain did spoil because the proper facilities had not been provided.

Hon. Mr. CASGRAIN: Ventilation.

Hon. Mr. WILLOUGHBY: Now there is ventilation and grain can be stored in transit in such a way that unless it was extremely damp when shipped, and was not put through the dryer, as is often necessary at Winnipeg, there is no undue risk of its spoiling during transit. In any event, the Dominion Government has provided drying facilities at the head of the lakes for grain that is out of condition, and also internal storage facilities at Moose Jaw, Saskatoon, Calgary and Edmonton. I believe there are facilities at the port of Vancouver, and there may be also at Prince Rupert, as to which I do not know.

Speaking for myself again, I am not going to criticize the Government for selecting a port which is undoubtedly better than was Nelson, with perhaps some handicaps—a little shorter season, a little longer transit, and of course increased cost of railway construction to reach the new port because of greater mileage, plus the extra cost of transit of the train with its cargo from the grain fields to the port. But from what I can learn in the West I do not think that grain will be the only commodity that will be transported over that line in the next two or three years.

Then I notice that there is a change or addition proposed in the duties of the Railway Commission; but until I know what the concrete measure is I am going to refrain from any comment at all upon it.

Another subject that is referred to in the Speech from the Throne is the return to the Prairie Provinces of their natural resources. A Commission is at present sitting for the purpose of investigating the terms as between Manitoba and the Dominion Government. In view of the fact that, technically speaking, the matter is now in the hands of the law, I think it would be perhaps improper for me, as a member of this House, to enter upon a subject that is being inquired into before the Commission. Any of the members on my side of the House, for whom only I speak, may discuss the matter if he is so minded, and I have nothing to object to in that respect; and anybody inside this Chamber who has any views to present may introduce them, and his doing so will not by any means hurt me.

It is indicated, also, that the Province of Saskatchewan is renewing negotiations. I lived in that province for a considerable number of years before autonomy was granted. When I went west I did run unsuccessfully in an election for the other House, and in my own mind I disclaimed any intention of ever being interested in politics again. I kept that resolution until 1912, which was not perhaps doing too badly. The question of autonomy became very acute in my comparatively early days in the West. When the Autonomy Bill was brought in I was of opinion—and I am still—that the Dominion of Canada should not have passed that Bill in the form in which it was passed. I have always thought that the Dominion should deal with the natural resources of all the Prairie Provinces merely as a trustee, with the right of administering those resources during the early development stages, and that when the Provinces were ready to set up housekeeping on their own account they should be given all the resources absolutely. It may or may not have been necessary to make some kind of monetary arrangement to enable them to carry on in the early days, but I do not think that the British North America Act ever contemplated two kinds of provinces in Canada—the landless province and the province of the reverse kind. All the old provinces got their natural resources.

I do not think that the Dominion Government, in the ordinary sense, bought the lands from the Hudson Bay Company. When the rebellion broke out in the Northwest it became necessary to make some settlement so as to bring peace and order into that country, and obtain the surrender of the charter of the Hudson Bay Company; but it was surrendered to the Crown in England, and all that the Government at Ottawa did was to pay $1,500,000. Some people said that Canada had bought all the lands in that territory and had the right to do with them what it liked. On legal and constitutional grounds I differ absolutely from that view. The matter will be up for discussion again, but I do not think it will be brought into this House until some arrangement is made. These are my individual views, and I am not going to enlarge on them, but anyone who was interested in knowing them could have had them at any time. They are also the views of a very large number of people in the West, including the most distinguished public man ever on the Prairies, the present Chief Justice of Saskatchewan, Sir Frederick Haultain.

As we all know, the Province of Alberta had been negotiating for the transfer to it of territories and other lands on conditions to be mutually arranged. Constitutionally and legally I would say that its position is exactly the same as that of Saskatchewan. There is now a resumption of the negotiations begun some time ago, and therefore I am not going to comment on them, for the same reason that I do not comment in the case of Manitoba.

The honourable gentleman who moved the Address (Hon. H. J. Logan) enjoys a reputation as a distinguished speaker and statesman that was well known to me, although I never had the pleasure of meeting him before he spoke in this House. He has sustained the reputation that he won as a leading member of the other House, and I am sure he will be an adornment to this Chamber. He was well known in the West as one of the fighting brigade, shall I say, and a leading public man on the Liberal side in Nova Scotia.

Then an old friend of mine in this House (Hon. Mr. Tessier) followed him, and seconded the Address. As to this, may I say a few words in French? (Translation) I desire to felicitate in his own language the seconder of the motion for the Address. The honourable Senator from De la Durantaye (Hon. Mr. Tessier) is an old parliamentarian, a distinguished jurist, a journalist accustomed to enter the lists. His words are always listened to in this Chamber will all the respect due to sincere conviction, especially when expressed by a veteran in political combat. I cannot subscribe to all that he has said, and I shall have occasion to deal, in my own language, with some of the questions to which

he has alluded. I desire, however, before continuing in English, to congratulate him again and to testify to his great ability. He has upheld his reputation as an excellent advocate, in being able to present a rather lame case in so favourable a light.

The nonourable seconder of the Address referred to the elevator in Quebec. We all know that the city of Quebec has no more valiant champions than the honourable senators from that province who sit on this side When we had a Committee once, and I was a member of it, we dealt with the routing of grain through Quebec, and we made one of those very pleasant journeys to that city when the honourable member for Inkerman (Hon. Smeaton White) extended his hospitality to members on this side of the House. I am always interested in grain, and on visiting the elevator at the port of Quebec I saw on the floor a pile of wheat which I suppose did not contain more than 200 or 300 bushels. There was hardly any grain there at all. Therefore I commend as wholly desirable the pertinacity of the honourable gentlemen from Quebec in pressing the claims of that harbour for a share in the transcontinental trade. I am glad to see that by their continued advocacy, and, as I believe, by the logicalness of the claims which they advance, they are now getting a very considerable share of the grain trade.

It became necessary to readjust the railway rate from Armstrong to Quebec to make it correspond somewhat with the rate from Fort William to Quebec. That adjustment having been accorded, an increase of tonnage on the Transcontinental has of course been made possible and the line has therefore become much more profitable than it would otherwise have been. I do hope that the cities of Saint John and Halifax will also benefit by that rate, as I understand they will. The people of the West have nothing but the kindliest feelings towards the people of the Maritimes. I think all of us in the West have stood with them for the maintenance of their rights, and have supported the recommendations of the Duncan Commission which would accord them at least some of the rights. I hope one result will be that we shall not route so much of our grain as we had been doing by Buffalo, and that it will find its way not only to Montreal, but also to Quebec, Saint John and Halifax.

There are other matters outlined in the Speech from the Throne, but I have the assurance and expectation that several honourable gentlemen on my side of the House will say something on them. I merely indicated in the beginning, and now repeat in closing, that when those various matters come up for consideration in detail, with concrete measures, we can all give them a more detailed and more adequate discussion.

Hon. RAOUL DANDURAND: Honourable gentlemen, I am sure that no member of this Chamber desires to take exception to any of the remarks of the honourable gentleman who has preceded me (Hon. Mr. Willoughby). I join with my honourable friend in welcoming to this Chamber the honourable gentleman who moved the Address (Hon. Mr. Logan)—a gentleman whose reputation was already well known to us—and in thanking him and the honourable gentleman from Quebec (Hon. Mr. Tessier), who seconded the motion, for their very interesting and informing speeches.

I shall not speak at length on the Address, because many of the subjects mentioned in it will come before us in concrete form at a later stage of the Session, when we shall have an opportunity to deal with them separately.

The mover and the seconder of the Address have spoken of the prosperity of the country and the expansion of our trade and commerce as shown by the transportation returns. I was struck with the need of our two great transportation companies, the Canadian National Railway system and the Canadian Pacific Railway, as expressed in the Speech from the Throne, extending their lines in the West to facilitate the transportation of the products of that part of the country. The policy outlined in the Speech from the Throne reminds me of the situation which confronted us five or six years ago, and I recall the commotion created in this Chamber by the request of the Canadian National Railways to be allowed to build twenty-eight branch lines. At that time we were under the impression that we were suffering from an excess of railways and yet our railway system, which was hardly meeting its operating expenses, was asking to be allowed to build 1,000 miles of new lines in the West. The Senate rejected the request. The following year it was renewed, with the result that we approved of nearly every one of those twenty-eight lines after a minute study of the situation. The new building program indicates the tremendous development that has taken place, and the prosperity that has since come to Canada.

Another incident which will remind us of the extraordinary transformation that has taken place in this country during the past three or four years is this. Honourable

gentlemen will remember that we were so fearful of the difficulties confronting the Canadian National Railways that a Committee of the Senate was appointed to examine into the problem. The Canadian National had a very large deficit and we were wondering how the situation could be remedied. That Committee sat for a few weeks and heard the heads of our banking system and of our railways, and other prominent citizens, in an effort to reach a solution of the problem. We were strongly impressed by the statement that there was not enough traffic in the West, if it were equally divided between the two railway systems, to permit either of them to meet its obligations. The suggestion was made that we should try to bring them both under a single administration, without merging the two systems, each maintaining its separate entity, and this was the unanimous resolution of this Chamber, based on the conviction that competition between them would be ruinous, as there was not sufficient freight to maintain the two systems in a healthy condition. That was in April, 1925. What do we now find to be the case? We find that the pessimism which prevailed four years ago was not justified.

The remedy which was then proposed would perhaps have given very satisfactory results. I do not mean to criticize the opinions which we sought and which we shared at the time. Three or four years have passed and we see that there is enough trade not only to maintain those two railways, but to bring large returns to their treasuries. What has happened during the last three years is an indication that the most optimistic dreams for the future of Canada are quite within the bounds of realization.

Many times of late the statement has been made that all that Canada needs to increase her prosperity is immigration. This situation has presented itself to many minds from many angles. Complaints have been heard from some quarters that the British immigrant is not coming in sufficient numbers, that the foreign element is coming in too great numbers; and question has arisen as to the needs of the rural parts of the country on the one side, and the cities on the other. The problem thus presented is not an easy one to solve. The Government at the helm in Ottawa has to turn towards the provinces to ascertain their needs, and to a large extent has to follow the advice of their governments. The Government has to see that immigrants are not brought in in such numbers that they flow back from the rural sections into the towns; a constant watch must be kept that the needs of the country may be met as they appear. I am quite sure that this will always be a matter of controversy, because the needs of the rural sections are not the needs of the urban centres.

I have been struck repeatedly by the statement that we are not making all the efforts necessary to get British immigrants. On the other hand the statement has been made that we are spending sixteen dollars for every British immigrant to Canada, as compared with eleven cents for every foreigner who reaches our shore. During 1928 there was a total immigration into Canada of 166,782 people. Of that number 55,848 came from the United Kingdom, and 29,933 from the United States. I have examined into the racial origin of the immigrants who came to us from the United States during 1927 and 1928, and I have found that a little over 50 per cent of them were of British origin. So, in order to obtain a true estimate of the British stock that is coming to us, one must include in the British quota that 50 per cent who crossed the line from the south. Some of those people had been one or two generations on the other side, but they were all of the British family and of British stock.

The statement has frequently been made that we have exerted ourselves to bring immigrants to this country simply to replace Canadian stock which has gone to the United States. I find that this statement is not exactly in accord with the records of the Immigration Department. A statement from the Minister of Immigration shows that from 1911 to 1921 the total immigration to Canada was 1,780,868, while the census of 1921 shows a total foreign-born population in Canada of only 368,775. Apparently over 1,000,000 had left the country between 1911 and 1921.

Hon. Mr. McMEANS: Did those millions of immigrants that left the country cost us $16 a head?

Hon. Mr. DANDURAND: My hope is that further inquiry would show that those who cost 11 cents per head were the ones who had been attracted to the other side, and that those who remained were mostly Britishers who felt more at home amongst their brethren on this side of the line.

It is interesting to find that it is far from the reality that the immigrants who came here had simply taken the place of good Canadians who had crossed over to the other side. It appears from the statement which I have just made that only a very small proportion of those who joined the procession southward were Canadians.

Another statement which has impressed me is this. Last year we had 15,116 immigrants from Scotland, a country with a population of 4,000,000; and we had 9,078 immigrants from Northern Ireland, with a population of 1,250,000. If we had received immigrants from England in the same proportion to population, instead of receiving only 2,835, we should have received 110,465. This naturally provokes the question: How is it that Scotland and Northern Ireland should respond so much more readily than England to an appeal which was made to them all? I mention that fact simply to show that there must be some cause for this difference which cannot be laid at the door of Canada.

My honourable friend (Hon. Mr. Willoughby) has not spoken of the fact that we have opened legations abroad. I simply mention it so that I may have the opportunity of answering the right honourable the junior member from Ottawa (Right Hon. Sir George E. Foster), who, in a very brilliant speech on the Address last Session, recalled the fact that at the Conference of 1917 some principles had been laid down affirming the autonomy of Canada and its right to share in the administration of foreign affairs and to be heard in the solution of international problems. The right honourable gentleman suggested that the Government had perhaps been hasty in seizing the right to develop its own system abroad, but had been somewhat slow in following the decision of that Conference, which suggested that some method should be found for closer co-operation among the various members of the Empire. I desire to draw the attention of this Chamber to the fact that concurrently an effort was made to establish closer relations between Great Britain and Canada by the suggestion that Great Britain have direct representation in Ottawa.

I have been struck with the fact that, for the first time since Confederation, Great Britain is officially represented in Canada. We had His Excellency the Governor General before, but he was here as a representative of the Crown. It is true that his office was used as a channel of communication, but there was no initiative on his part. No action was expected of him relating to matters which interest London and Ottawa. For the first time we have among us, in the person of the British High Commissioner, a representative of Great Britain who is following all our activities and acting as a liaison officer between the British Government and the Dominion of Canada. I desire, in making this statement, to show that while we have developed our system of representation abroad, we have formed a link which draws us much closer to Great Britain that we ever were before. I have very great confidence that it will be to the advantage of both countries.

My right honourable friend remembers that when Sir Austen Chamberlain passed through Canada he expressed satisfaction at the entry of our country into the international field, and said he hoped our co-operation would be of some help to Great Britain and to the British Empire.

Hon. G. D. ROBERTSON: Honourable gentlemen, may I associate myself with the remarks of the honourable leader of the Government, and my honourable leader on this side of the House, in extending felicitations to the mover and the seconder of the Address.

I was much interested in the very instructive remarks of the mover on the subject of trade with the West Indies, and I am sure that all honourable gentlemen who heard him are very grateful for the information which they received. I noticed, however, that my honourable friend omitted to deal with more than two subjects. That may have been because he thought there was no necessity to deal with more, or because it was difficult to find a defence for some other parts of the Speech.

I intend to deal, not with every item in the Speech, but with some of its contents that I think are of very vital, indeed fundamental, interest to the large majority of the people resident in this country.

My honourable friend the leader of the Government has stated here, and it was stated in another place, in the opening of a number of speeches, that Canada has enjoyed unprecedented prosperity. We all rejoice in the fact that Canada is prospering, perhaps, to an even greater degree than many other countries, and because many of our resources are undeveloped, there are ahead of us numerous opportunities which, if properly attended to, will result in continued prosperity. But I do think, honourable gentlemen, that nations, like individuals and families, are apt to measure their spending capacity by what they conceive to be their earning powers. We should endeavour to maintain a true perspective of our national situation, so that we may not be disillusioned at some future date. In considering Canada's prosperity and the advances that the country has been making, I do not think it is fair to judge a Government by its performance for one year only. This Government has been administering the affairs of Canada now for seven years, and

I think an observation, in passing, as to the net results accruing thus far might be of some interest.

I point to the fact that Canada's net debt at March 31, 1928, was $2,296,000,000, a decrease of $50,984,000 as compared with the year before. But, while we reduced the national mortgage to that extent, we gave a second mortgage of $65,000,000 by way of guaranteed bond issues for the National Railways account. So the net performance of the nation was actually a loss or deficit of $15,000,000 for the year.

Let us apply the same yardstick over a wider field and over a longer period, in order, as I say, to have a fairer conception of the accomplishment of the administration. It is to be remembered that the national net debt of Canada at March 31, 1922, was $2,340,000,000 and that at March 31, 1928, six years later, it was $2,296,000,000; a decrease of $44,000,000 in those six years. The figures for 1922 may be verified by reference to page 2107 of Hansard of that year. During the latter part of that period there were annual decreases, and during the first part, annual increases, in the national debt. But the net result is that over the period from 1922 to 1928, inclusive, the decrease in the national debt, according to the Government's own statements, has been $44,000,000.

Hon. Mr. BELCOURT: Do you include the guaranteed bonds in that amount?

Hon. Mr. ROBERTSON: Those bonds were guaranteed on railways account to the amount of $253,279,000, as shown in the Railways Report which was put into the hands of members a couple of days ago. So during that entire period there has been wiped off $44,000,000 net from the first mortgage on the State, and there has been added to its obligations, as a second mortgage, by way of guaranteed bonds, the sum of $253,279,000. Thus, the deficit for that entire period on account of all our national undertakings, for which the country is responsible, is $209,000,000. This has occurred during the time of so-called national prosperity.

Hon. Mr. BELCOURT: Does my honourable friend include the guaranteed bonds in arriving at this result? Are not the bonds included in the calculations he has made? My honourable friend has included the guaranteed bonds as actual obligations, notwithstanding his statement to the contrary.

Hon. Mr. ROBERTSON: I most assuredly do regard this as an obligation undertaken by the Government of Canada. It is an obligation to meet that guarantee, if necessary.

Hon. Mr. BELCOURT: That is not a debt.

Hon. Mr. ROBERTSON: Oh, I see. A note is not a debt, you say.

Right Hon. Mr. GRAHAM: If it replaced another note, it would not increase the debt.

Hon. Mr. ROBERTSON: Turning to another subject, Canada's trade, we all recognize the fact that there has been an expansion in our trade, and we all rejoice in that. But I wonder if the so-called unprecedented prosperity of 1927 and 1928, which is under discussion, is clearly understood. I wonder if honourable gentlemen all appreciate the fact that our exports for the fiscal year 1927 were $1,267,573,000, and for 1928, $1,250,456,000, a decrease of $17,117,000. During the fiscal year 1927 we imported from foreign countries $1,030,892,000, worth of goods, while the total for 1928 was, $1,108,956,000, an increase of $78,064,000.

When we realize that for the year 1922 our total imports were $740,000,000, that they had increased in 1928 by almost $400,000,000, and that our exports did not increase in the same proportion, we are not likely to be carried away with the hallucination of unprecedented prosperity.

The favourable trade balance of Canada in 1927 was $236,681,000, and in 1928, $141,500,000, a decrease of $95,181,000. That decrease occurred notwithstanding the fact that during the same year our wheat exports increased by $46,000,000 over those for the preceding year.

Now, I think that we can comprehend the real situation by summing up a few of the main facts regarding exports and imports. We are told in the report of the president of one of our largest banks, one of the most reliable institutions in Canada, that during the fiscal year 1928 our exports of cattle, particularly milch cows, practically doubled, but owing to the sale of those cows our exports of butter and cheese were largely decreased. At the same time, our butter imports, particularly from New Zealand, were greatly increased. He states that ham and bacon exports continued to decline, to the extent of a decrease of 5½ millions of dollars as compared with 1927; and the exports of farm implements decreased in 1928, as compared with 1927, by 3½ millions of dollars, while the imports increased by 15½ millions of dollars.

I mention these things, honourable gentlemen, to bring home the fact that if our imports of manufactured goods continue to increase while our exports of them are decreasing, we cannot absorb the labour of Canada, let alone that of the immigrants who are arriving in thousands and hundreds of thousands from other lands.

Honourable gentlemen know that in the fiscal year 1928 our export of automobiles dropped by $5,000,000 while our imports increased by $20,000,000. But do honourable gentlemen appreciate the fact that in that same year our exports of lumber, the product of the forest and the labour of the Canadian people, decreased by $13,000,000 as compared with the preceding year?

I call particular attention to these items with a view of making clear the fact that with curtailed exports and increased imports of dairy and manufactured products, the absorption of immigrants becomes a problem that is not so easy of solution as may appear at first glance.

Now may we turn for a moment to our manufacturing industries? It was truly said in another place a couple of days ago that neither that element of society that lives on the land and is commonly known as farmers, nor that large portion of our people classified as industrial workers, has been particularly prosperous during the past year. They have had employment, perhaps, to as great an extent as during some years past, but they have not advanced in wealth; on the contrary, they have been barely able to live. The statistics of the Department of Labour show that while employment opportunities have been equal to, or a little better than, those for some years preceding, the earnings of our workmen have not increased, although there has been a slight movement upward in the cost of living.

In 1911 Canada had a population of about 6½ millions, and in 1921 we numbered 8 millions, or a little more, an increase of approximately 1½ millions for the ten years. Yet the Government's own records show that approximately 7,000 fewer people were employed in manufacturing plants in Canada in 1925 than in 1910. That appeared to me as a very startling fact, when I discovered it. I found that in 1917 we had 552,968 wage earners employed in Canada's forty leading industries, and in 1925 these same industries employed 466,602 workers—a decrease of roughly 86,000. These workers earned an average of $760 each in 1917 and $971 each in 1925, an increase of 27 per cent, which increase was approximately in keeping with the advance in the cost of living during the same period. I leave it to the judgment of honourable gentlemen whether in 1928, on an average annual income of the size I have mentioned, there was any great opportunity to prosper available to those 466,000 industrial workers, probably the majority of them being the heads of families and maintaining homes.

Hon. Mr. ROBERTSON.

Again, of the nearly half a million employees in manufacturing industries in Canada, 23 per cent are women and girls. We find that the heads of families are being gradually crowded out of employment, while their places are being taken by those who have not the same responsibilities.

I think it is therefore clear that the manufacturing industry is not absorbing, and consequently is not requiring, very many immigrants. The fact that its requirements are becoming less and less each year is not due to a decrease in the volume of production, for the figures show there has been a substantial increase. I think it is clear to anyone who considers the situation why immigration is more difficult to obtain and absorb now than it was in 1913 and prior thereto. The advance of science, the improvement of mechanical equipment, and the tremendous advance in efficiency of operation and management of Canadian industries have so increased production and lessened labour requirements that increased immigration cannot be absorbed into our industrial life under present conditions.

Hon. Mr. BELCOURT: That is the old story that has been repeated for centuries.

Hon. Mr. ROBERTSON: Now, my honourable friend the leader of the Government, and I think the mover of this motion, as well as the Prime Minister in another place, referred to transportation. Some of them made the statement that transportation could be fairly considered a promoter of the industries. To a very large extent that is true, but when my honourable friend refers to the transportation activities of Canada as being also prosperous I do not know whether he has clearly in his own mind the whole story as to how that actually came to be.

He referred to this House not having approved of certain branch line extensions that were asked for a few years ago. There were over twenty branch lines included in a blanket Bill, and the House felt that Canada had an over-supply of railroads. I beg to remind my honourable friend that there was another reason: this House declined to approve of such a blanket program without some knowledge in detail of the purposes for which the money was to be spent, and where the lines were to run.

Right Hon. Mr. GRAHAM: They changed their minds a couple of years later and did approve of it.

Hon. Mr. ROBERTSON: The 28 that my honourable friend refers to were disapproved of.

Right Hon. Mr. GRAHAM: No; they disapproved of them all before that.

Hon. Mr. ROBERTSON: The Government brought down all the details, with the individual requirements, with a description of each branch, and when that was done there was no difficulty. They were all approved of when the Senate understood what they were approving.

Now, with reference to transportation, the transportation companies have made progress against difficulties, and I want to refer to the Canadian lines of the Canadian National Railways. In 1922 the gross earnings of these Canadian lines were $203,062,000; in 1926 they were $225,547,000, which is the last official record that we have from the Canada Year Book; showing a gross increase in earnings in those four years of $22,485,000. Their operating expenses on their Canadian lines—I am not referring to the United States lines at all—in 1922 were $205,572,000, or two millions more than their gross receipts, while in 1926 the operating expenses of the Canadian lines were $190,173,000, or a decrease of $15,399,000. That is to say, while the gross revenues advanced $22,000,000, the operating expenses were reduced by $15,000,000, the net improvement thus being $38,000,000, on the Canadian lines of the Canadian National Railways.

That reflects credit upon the management, but I submit it also reflects credit on the 100,000 employees who served this country and its people through the immediate operation of the Canadian National lines. I advance those figures and facts just for the consideration of honourable gentlemen, lest they hurriedly conclude that the result of efficient management and operation through the joint effort of management and men resulted only from Government action, which I humbly submit was not the case.

May I further point out, in connection with transportation, that in 1920 there were 185,177 permanent employees on the Canadian National railways, with a total pay-roll of $290,510,518, and in 1926 there were 174,266 employees, with a total pay-roll of $253,412,424; so there was a decrease in the number of employees in steam railway transportation, over that period of six years, of 10,911 men, with a decrease in the pay-roll exceeding $37,000,000. Transportation, like manufacturing, requires less human labour than it did six years ago, and this only adds another proof to the point that I make in connection with manufacturing—that immigration is a different problem from what it was prior to the war.

Now may I pass to the question of immigration? Up to 1926 there had come into Canada since 1897, when official figures of immigration were put on the basis which has continued ever since, 4,218,355 immigrants, an average of 140,612 per year, and the cost to Canada for the total number averaged roughly $8.45 per head. But during the period from 1897 to 1921 the cost per head was only $6.30, and from 1921 to the end of 1926, the last year for which we have a published official record, the cost was $22.30 per head. Why was that? It is true that the Government from 1922 onward increased its efforts and expenditure to get immigrants to come to this country, and while the average immigration over a period of 30 years has been roughly 140,000 per year, yet with this redoubled effort, with more than double the expenditure, it did not get as many immigrants.

Hon. Mr. CASGRAIN: The cost must be much more than $22 a head, because families come in without paying any fares. Families come in with children below a certain age, and somebody must pay the steamship companies; so the cost must be much more than $22.

Hon. Mr. ROBERTSON: This is the cost to Canada. Most of the immigrants paid their own fares. But within the last couple of years we have heard a good deal of comment on the unequal proportion of non-English-speaking immigrants coming to Canada. If I were to offer any comment with reference to the recent action and policy of the Minister of Immigration it would be to commend it.

In 1919 there came into Canada 57,700 immigrants and in the next year 117,336. In 1919 there came from seven central European countries 108 immigrants, and in 1920 from those same seven countries we received 208; the total being one-fifth of one per cent of the total immigration in those respective years.

In 1926 we had a total immigration of 96,064, and from those same seven countries 28,497. In other words, 31 per cent of the total immigration we received came from countries where not one word of English is spoken or understood by the people. In 1927, so vividly was the situation brought before the country that the Minister of Immigration took action. In 1927, out of a total immigration of 143,991, the number of 51,283, or 35 per cent, came from those seven central European continental countries, several of which were formerly enemies of the Allies during the Great War. When that situation existed, and was becoming worse from year to year, was it any wonder that the people of

Canada, particularly in those parts to which most of those immigrants were destined, should use their influence in protesting until the Government itself heard and acted? Therefore I think that if any comment on the action of the Government in that connection is necessary, it should be in the form of commendation rather than otherwise.

With respect to immigration generally, I desire to call the attention of honourable gentlemen to the fact that the net result of Canada's immigration policy over the period of five years, 1922 to 1926, inclusive—1926 being the last official record that I have before me—was that 518,000 odd came into Canada from all countries of the world, at a cost of roughly $32 per head, and during those same five years 556,000 Canadian-born citizens emigrated to the United States of America.

My honourable friend (Hon. Mr. Dandurand) a little while ago intimated that those who went to the United States were probably people of foreign extraction who had originally come into Canada. I desire to point out that since 1921 the quota law has absolutely prohibited that class of immigrants from leaving Canada and going to the United States; so that during the period that I have just mentioned it is obviously true that the whole tide of emigration from Canada to the United States, which numbered over 556,000, according to United States official records, consisted of Canadian-born citizens.

Hon. Mr. DANDURAND: My remark covered 1911 to 1921, and the census showed that there were but 368,000 foreign-born in Canada during those 10 years.

Hon. Mr. ROBERTSON: My honourable friend made his cut-off in 1921, the year when the quota law went into force. In five years 556,000 Canadian citizens emigrated to the United States, and there came to Canada 518,000 persons, 46 per cent of whom spoke the English language. Canada spent $11,610,000 during those five years for the privilege of making that exchange. What is the net result of this improved immigration policy that we have heard so much about during the last few years? I devoutly hope that honourable gentlemen of all shades of political affiliation and feeling will give a non-political consideration to this all-important question of immigration. Let us remember that so long as we continue to import goods manufactured in other countries by foreign labour to the extent of $2,500,000 per day we can never build up the population that we should have, either in industry or agriculture. We must adopt more reasonable and sensible policies in our own land.

Hon. Mr. BELCOURT: Has my honourable friend got that number of 140,000 odd classified according to provinces?

Hon. Mr. ROBERTSON: No. So far as I know there is no record of how many immigrants went into each province, and where they located; at least I have not had access to any such record.

I would like now to refer to another subject. A rather unusual incident occurred a couple of days ago in another place, where a rebuke was given by a right honourable gentleman to another prominent member of the House who had had the audacity to express the view that he deprecated the creation of a sentiment that was at direct variance with the very thought of peace.

Hon. Mr. DANDURAND: My honourable friend is running too close to the regulations of this House.

Right Hon. Mr. GRAHAM: He cannot bring up a speech from the other House.

Hon. Mr. ROBERTSON: I want to call the attention of this House to one fact, that prior to November 11 last there was, so far as I know, only one prominent person in the United States who was expressing sentiments that could not be regarded as wholly friendly to Britain and to Canada, and we all know that he was His Worship the Mayor of Chicago.

An Hon. MEMBER: Big Bill Thompson.

Hon. Mr. ROBERTSON: But from November 11 forward the things that have been referred to elsewhere did occur, and I am wondering if we quite appreciate what may have started all that fuss. Do honourable gentlemen recall that on the 27th of October last, the first statesman of the Dominion of Canada returned from overseas to Canada, and that on his arrival in the city of Quebec he made an extended speech containing several statements of interest? Among other things he said:

> I would like to say how much Canada's voice is listened to in Europe. It would surprise many Canadians to realize that the peoples of Europe are prepared to receive the point of view from the New World, as expressed by our Dominion.

A few days later, when a royal welcome was accorded the same gentleman on his arrival at the Capital, referring to the Peace Pact that had just been signed in Paris, he said that the Peace Pact was in complete harmony with the work of the League of Nations, and he added that it could not hold the place it did to-day, and would continue to hold, but for the League of Nations. He added

that if the Peace Pact pronouncement had been uttered in Paris or London, it could not travel far beyond the confines of France and Britain, but when it was uttered in Geneva, in the presence of the assembled representatives of fifty different nations, it reverberated around the entire globe and became for all time a part of world literature. He then proceeded to say that Canada's voice at the League of Nations, without which this Peace Pact would not have the same influence, was therefore very much the voice not alone of this continent, but, to express it in another way, of the New World.

I want honourable gentlemen to remember that within a very few days following that utterance the President of the United States was moved to make a public pronouncement, the real meaning of which, in my humble opinion, was that the United States was speaking for itself, and that the Premier of the Dominion of Canada was not making a pronouncement of policy with reference to armaments and peace for any other country than that which he represented. In considering all that has passed I think it is but right that we should have the complete picture before us.

After all that was said in 1920 by the leader of the present Government with reference to the importance and tremendous necessity of substantial decreases in the cost of living, and so forth, I regret that no mention is made of that subject in the Speech from the Throne, and that apparently nothing has been done during the past seven years to afford the relief in that direction which, at that time, was said to be so sorely needed. May I quote the right honourable gentleman?

> If there is any question which is paramount in Canada to-day, and which transcends all other considerations, it is the important question of the high cost of living. . . Instead of alleviating the high cost of living as it affects the great mass of consumers they have added to it. . . Instead of caring for and protecting the consumers the Government have left them to their fate. . . Again, the more you export out of the country, the less there is for the consumer. . . To increase production you must take some of the duties off necessaries and thus lower the cost of living.

Those are utterances made on June 1, 1920. The cost of living at that time, according to the Government's own tabulated statements, stood at 231, the highest peak reached during the war or after, 100 being the standard index number as of 1913. There was no change of government for a year and a half. In March of 1922, a month or two after the new Government came into power, the cost of living had receded to 144. Then an opportunity occurred by which those promises might be given effect to; but in December 1928 the index was 154, or 10 points higher than it had been in 1922. Therefore I think the absence of any mention of that subject, which is so important to millions of people in our country, deserves some comment or explanation on the part of the administration of this day.

At that time also legislation was brought forward and passed that gave great promise of curbing mergers and combines. It appeared that the millennium had arrived, that in future the common people would be protected from the spoiler. But what do we find? Never in the history of this country have there been so many or such large mergers and combines as have taken place during the past four years.

I bring these matters to the attention of the House and commend them to the consideration of our friends who administer the affairs of Canada at this time. I respectfully say to them that I know the people of Canada, especially those hundreds of thousands who are supporting families on earnings of $970 a year, are hoping for—indeed expecting—some pronouncement by the Government, and some activity on its part, in the important matter of the cost of living.

Hon. C. P. BEAUBIEN: Honourable gentlemen, as I have very little to say, it is perhaps well that I should take time now to offer my few remarks. When I contemplated the Speech from the Throne, as implemented by the remarks of the honourable leader of this House (Hon. Mr. Dandurand), and of the mover (Hon. Mr. Logan) and the seconder of the Address (Hon. Mr. Tessier), I could not help thinking that to all the brilliant colours that had been laid on the picture of the prosperity of this country it might be wise to add a few somber and sober touches, so that it might more nearly resemble the original. If this is not done, I am rather afraid that many of our people who are not benefiting by the much vaunted prosperity will fail to recognize the picture.

There is no doubt that Canada is marvellously rich. It has been blessed with greater wealth than probably any other country in the world. It is true that times have not been bad; but it is equally true that the present condition has been brought about through the exploitation and at the expense of our natural resources. Consider the enormous quantity of wheat grown and shipped, the increase of mineral production by the opening of new mines, the tremendous output of paper. All these products are drawn from the natural wealth of this country and offered with a lavishness that has probably never been known in the past in any country in the

world. This being so, honourable gentlemen, what account have the Government to give of their stewardship? Are they satisfied with their administration of the affairs of this country?

Here, honourable gentlemen, may I dip my brush into the darker colours and put into the picture a few necessary shadows? When the members of the Government go about the country constantly boasting of its prosperity, do they ever reflect that during their seven-year reign more Canadians have emigrated to the United States than ever did so before in any equal period since Confederation? Do they realize that within the last seven years Canadians to the number of some 750,000 have gone to the States? The country is prosperous, yet they allow 750,000 of the young people of Canada to leave it. These children of Canada have a right to share in our great heritage, but they cannot wait for it—they are driven across the line. And why? The answer is very simple. While our children have been emigrating at such a tremendous rate what have the Government done to provide the diversity of occupation and the opportunity that Canadians are vainly seeking in this country? Why, honourable gentlemen, the Government have systematically reduced the tariff of this country until they have practically wiped out the general tariff as far as Europe is concerned.

Observe the dexterous manner in which they have accomplished this villanous work—if I may use that term from the point of view of the man who earns his living in this country—the dexterous manner in which, brick by brick and stone by stone, they have taken down the protection for the workman of this country. Since 1922 what have the Government done? They have handed over to all the countries of Europe, and to many South American countries, the benefit of the famous most-favoured-nation clause. At first glance that may seem to be nothing at all, but it means that in one fell swoop they have knocked 12½ per cent off our tariff, thus inviting the people of those other countries to come into our market and help themselves. The Government have extended this treatment even to free trade countries—something which I never could understand.

You will find in the Government some very brilliant men—I think I may say that, for we on this side of the House must be absolutely fair; and one of them is the honourable leader of this House, a gentleman admired not only by us, His Majesty's loyal Opposition, but by the best and greatest statesmen of the world at Geneva. Therefore the gentlemen who are responsible for administering the affairs of this country have certainly the necessary mental and moral stature to enable them to exercise their mandate or at least accept the responsibility.

Now I ask you to listen, honourable gentlemen, while I read a list of the countries to which they have extended most-favoured-nation treatment:

The Argentine Republic, Colombia, Denmark, France, Japan, Norway, Russia, Spain, Switzerland—a free trade country,—Sweden, Venezuela, Italy, Belgium, Australia, Finland, the Netherlands, the West Indies, Czecho-Slovakia, Esthonia, Hungary, Latvia, Lithuania, Portugal, Roumania, and the Kingdom of the Serbs, Croats and Slovenes.

Hon. Mr. ROBERTSON: Are there any left?

Hon. Mr. BEAUBIEN: What has been the result? If you look through the latest report published by the Department of Trade and Commerce what do you find? You find that the importation of two-thirds, or 64 out of 100, of the commodities imported into Canada from foreign countries has increased materially. Then on the next page what do you see? You see that in 42 out of 70 commodities which we export to other countries there has been a decrease. That is perfectly natural. We cannot reduce the tariff and invite outsiders to share in the work of our own countrymen without driving our own people out of the country. And do you think these gentlemen admit responsibility for that? Not at all!

Hon. Mr. DANDURAND: We do not admit the premise.

Hon. Mr. BEAUBIEN: I do not quite catch what my honourable friend means.

Hon. Mr. DANDURAND: I say we do not admit that the bringing in of goods from abroad diminishes the opportunity for gain by our own citizens.

Hon. Mr. ROBERTSON: The opportunity for employment, not gain.

Hon. Mr. BEAUBIEN: Very well, let us agree to disagree on this subject. Then without any explanation at all you must accept responsibility for the emigration of three-quarters of a million of your own countrymen, and you admit that you do not know why they have gone. That is even worse than I fancied. Frankly, I thought the Government were bound hand and foot by the necessity of keeping the western members of the other House in good humour, so that the Government might remain in power.

Hon. Mr. HAYDON: A few years ago the United States established a Commission to inquire into the immigration situation. That Commission produced a report stating that 40 per cent of those who came to the shores of the United States did not stay in that country, but went elsewhere. If that was true there, how does my honourable friend say that the theory he supports is applicable to a comparable situation in Canada?

Hon. Mr. BEAUBIEN: What that means, I suppose, is that owing to a peculiar situation in the United States 40 per cent of the immigrants to that country do not remain. The honourable gentleman asks, "Why should not a similar condition prevail in Canada?" My answer is that all our emigrants take the same road. Does the honourable gentleman understand?

Hon. Mr. HAYDON: No.

Hon. Mr. BEAUBIEN: Just a moment. If immigrants that come into the United States go out again, they leave by many different roads; certainly they do not all go to Mexico, and I am sure they do not all come to Canada. A poor man who comes from Europe—an Italian, for instance—lives in the United States for a time and when he has made some money he goes back home to spend the rest of his life there without having to work. The situation in Canada is not comparable. Every man who leaves this country takes the same road; he is attracted in the same direction, and is urged by the same reason. What is the use of denying it?

Hon. Mr. HAYDON: Why do they not stay in the country that has made them rich with its protective tariff?

Hon. Mr. BEAUBIEN: The point I am trying to make is this. While we have always suffered by reason of the tremendous attraction exerted by the United States, never has that attraction been such a scourge to this country as it has been under the present administration. The people are going out of this country in the same ratio as the tariff protecting industry is reduced. And will any man of business, any man who knows the industrial or financial life of the States and Canada, deny that it is true that our Canadians go to look for work in the United States? Does any sensible man think that a Canadian would leave this country and seek work elsewhere if he could find it at home? Why should he abandon his own home, his own family, his own friends, and finally his own country, and set out for a country in which he is a stranger, without family and friends, and must perforce strike out anew in life?

I shall come in a moment to the honourable gentleman from Lanark (Hon. Mr. Haydon). I intend to discuss a little a subject which I think is his specialty.

There is no doubt a great wave of prosperity in this country, but we are still bleeding to the extent of losing 75,000 Canadians annually—75,000 who were born in this country, not Englishmen, or Scotchmen, or people from any other country who have migrated here. When people who have come to our country leave for other parts later, they are listed as emigrants from their country of origin. But 75,000 native-born Canadians went to the United States last year.

Hon. Mr. DANDURAND: How many have returned during the year?

Hon. Mr. BEAUBIEN: I was coming to that. Whenever we say that our country is losing much of its best blood to the United States my honourable friends across the House invariably point to the number of Canadians who are returning from the United States. In 1924 we in this House had to compare statistics from the United States Bureau of Statistics with those of our own country, and we found, unfortunately, that very many Canadians who passed through the turnstile into the United States left no mark as they went by. They had gone south, but there was no trace of them in the statistics prepared at Washington. To-day Canadians have a reason for refraining from announcing their departure for the United States, in the fact that they may thus be able to avoid the head tax that is required of them when they cross the frontier. Why should statistics from the United States be truer to-day than they were in 1924? They are not. At the bottom of the page of the Washington statistics with regard to immigration from Canada there is a note which says that the figures therein stated must be increased by at least 25 per cent, to take care of the number who crossed the border without being detected.

Is it not possible for the Government to recognize that if we are to deal like business men and patriotic citizens with the entire question of population, not only with emigration and immigration, there is one thing we must do: we must make this a land in which our own children will stay. How can you reasonably expect that strangers, who are not attached to the land, will stay here when our own children are obliged to go? Is it reasonable?

Hon. Mr. HAYDON: May I ask the honourable gentleman a question? Did England make her country a place where her children stayed?

Hon. Mr. BEAUBIEN: Well, I suppose I am not obliged to discuss all the ills of poor England in order to show how it is that in that country it is now found necessary to adopt a national policy—

Hon. Mr. HAYDON: I do not want to interrupt the honourable gentleman—

Hon. Mr. BEAUBIEN: I am always pleased when the honourable gentleman puts a question.

Hon. Mr. HAYDON: May I ask one more question for my own information, and in order to understand the honourable gentleman's point of view. Would he say that Great Britain would not have lost any of her population had it not been for the fact that she adopted the policy of Free Trade?

Hon. Mr. BEAUBIEN: I am quite prepared to say this, that she would probably stop a very large loss of her children at the present time if she did have the courage to change her policy. And do not forget that I am not saying that on my own responsibility. A great man—one of the greatest men, I think, that England has ever produced—the Prime Minister of England, Mr. Baldwin, has said so. But for generation after generation Englishmen have been brought up to look for free bread and free tea, and they will not stand for a tax on their food.

Hon. Mr. HAYDON: Will any people stand for it?

Hon. Mr. BEAUBIEN: I do not know that I should go any further than that into the subject. I think the situation in England is self-evident. So many intelligent statesmen on both sides of politics have lamented it that we have a fairly good idea of what is going on. At all events, we know that, for the purposes of sound argument, no comparison can be made of the situation across the sea in the old Mother Country and that in Canada.

When I heard the Speech from the Throne I asked myself: "Is it true that this Government has given us material prosperity?" I am going to touch on another subject, which to my mind is perhaps more serious. Has this Government worked to maintain the moral welfare of this country? That is what I want to know.

In 1927, as honourable gentlemen will well remember, when the Old Age Pension Bill was brought before this House, the preponderance of opinion on this side, I think, was that ultimately the Government must take the full responsibility for this measure. Its members had gone through the whole length and breadth of this country declaring that they were in favour of old age pensions, but, forsooth, the Senate stood between the honest and generous gesture of the Government and the people. Well, the Senate's arm got tired keeping the Government in the straight and narrow path, and that arm which was a protection to the Government, as well as to the country, has withdrawn its support. What has happened? Just a few days ago, officially, in the Legislature of Quebec, the Prime Minister of that province stated that the legislation passed by the Federal Government concerning old age pensions was unjust and impracticable; and immediately afterwards, the Provincial Secretary, the Hon. Mr. David, stated that it was anti-social legislation. They both stated very clearly that old men in Quebec are regarded with affection and reverence by their children, who recognize that they are but following a natural law, which has been implemented by civil law in our province, in providing for them when in need. But the old men are going to be made paupers; they will have to stand before this country, turn out their pockets, and beg for alms. And the children will no longer have the sobering responsibility of keeping their parents. We have in French a principle which is very true: "Père et mère tu honoreras, afin de vivre longuement." That principle has permeated the soul of Quebec. No man in that province would be looked up to or respected in society if, having the means of looking after his parents, he allowed them to live in poverty.

Well, honourable gentlemen, this nefarious law is now going to eat into the moral fibre of the Province of Quebec. The child need not look after his father. The child has received life, education, everything he possesses, from his father, but the Government say: "We will look after him; you are freed from that responsibility." But it is such salutary responsibilities that preserve the family, and the family develops the very tissue of which the manhood of our country is made.

Furthermore, the Prime Minister of Quebec said that that province could not, if it so desired, make use of the law creating old age pensions, as it would entail an expenditure of at least $3,000,000. And now the Government are applying legislation by which only certain provinces will receive the benefit of old age pensions, but all provinces will have to pay.

You are now face to face with the energetic and legitimate protest of the Province of Quebec. You have waived aside the honest protection that the Senate gave you at the risk of its own reputation. Now fight it out with the people of the Province of Quebec. I have the honour to present to you the arguments of Hon. Mr. Taschereau and Hon. Mr. David, two great political leaders of my province, and, I believe, two very respectable friends of the honourable leader of the Government in this House. You will have to fight it out with the Province of Quebec, and you will have to bear the responsibility of a law which is unjust, impracticable, and, besides, anti-social.

We ventured in this House last year, I think, and the year before, to draw the attention of the Government to the very dangerous propaganda carried on by Communists in this country. We ventured to submit to the Government a petition signed by no less respectable a body than the Catholic Women's League of the Dominion of Canada. What did they ask? Simply that we should expel from Canada those men who are paid by a foreign country for the dastardly purpose of improperly influencing the minds of immigrants. But what has been done? Nothing. Worse than nothing, I might say. I do not see the honourable gentleman from Lanark (Hon. Mr. Haydon). But he rose in his place in the Senate last year and made a very pretty speech; he almost convinced me that I was wrong. Why, he said, there was no Communism in this country. He had written to two of his friends—one of whom was an inspector of schools in Ontario, and the other held a position which I cannot remember at the moment—and both stated they knew nothing about Communist propaganda in the schools of Canada.

But, honourable gentlemen, what is the situation? The Chairman of the Board of Education at Toronto declares there is a most insidious campaign being waged now by Communists, not only in the primary schools but in the high schools of that city. And in Montreal Communists have attempted to distribute Communistic literature for propaganda amongst the school children. Ontario was forced to take measures to cope with the situation. Very energetic steps were taken not only in the city of Toronto, but, I understand, in Sudbury, where the editor of a Red paper was arrested.

The question that comes to my mind is, why have not the Government, who have all the power at their beck and call, removed the abscess, the centre of pollution and of corruption, in our political body, which breaks out here and there in nasty eruptions? We have asked the Government to take action, but nothing has been done. We have told the Government that there is in this country a man by the name of Popovitch, who, as everybody knows, is paid by Moscow to go about and pervert the minds of people who know no English and no French, and to make them Communists according to the tenets of the Bolsheviki of Russia. He is a source of great unrest in this country, because, forsooth, where there is any trouble brewing, the Communist is always to be found.

We have told the Government they can have all the information they want from the Mounted Police. They have the information, and I think I can say that they have carefully examined it. But why do the Government not expel these black sheep from this country, where everything is so beautiful, where everybody is so prosperous, where law and order are respected—in short, from this land which is becoming, according to some honourable gentlemen, the Promised Land? Why is it that we must wait until the poison has gone through the social body and been absorbed and breaks out in festers, before any action is taken? Why? Honourable gentlemen, Canada produces many goods of different kinds, some of which are probably not equalled anywhere in the world for quality, but what Canada produces best is her manhood. Let us in this House forget any political advantages we may have, and agree on adopting measures to preserve the admirable quality of our race in Canada. One of the best steps we can take is to protect this country from pollution from outside elements.

The second point is that we should safeguard by our legislation whatever there is in our customs or laws to fortify and preserve these good qualities which have come down to us from our forefathers, and which we revere and cherish. As the Government have failed in this matter, let them now repair the damage done.

May I in closing remind the honourable leader of this House that with his extraordinary ability he introduced into this House in 1927 a malodorous subject and prefaced it with a promise by saying: "We expect shortly to have legislation which will mitigate and improve the Bill now laid before you. We shall look for a system whereby old age pensions, instead of being fed from the Treasury, will be made dependent upon contributions from those who benefit therefrom." May I therefore express the hope that the Government, having sinned and desiring duly to repent, will fulfil the promise given to this House.

Hon. Mr. DANDURAND: I would remind my honourable friend that when I introduced the Old Age Pension Act I stated that the British Parliament had passed similar legislation, which later on had been followed by a contributory scheme. I suggested that Canada would perhaps follow in the same path. I gave it as my own opinion that the time would come when the scheme, broadening out, would have to rest on a special levy either from the taxpayers generally or from the beneficiaries. There are two alternatives; it may come from the Treasury, or in part by contribution of the employees, the employers and the various Governments of the country.

Hon. Mr. BEAUBIEN: May I remind the honourable gentleman that the question was elaborated by the honourable member from De Salaberry (Hon. Mr. Béique) in reference to a scheme wherein insurance companies being brought in would help to form and administer organizations bearing a certain share of the old age pension.

On motion of Hon. Mr. Lynch-Staunton the debate was adjourned.

ROOT VEGETABLES BILL

FIRST READING

Bill 5, an Act to amend the Root Vegetables Act.—Hon. Mr. Dandurand.

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

THE SENATE

Thursday, February 14, 1929.

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

Prayers and routine proceedings.

NIAGARA FALLS CONVENTION AND PROTOCOL

RESOLUTION OF APPROVAL

Hon. Mr. DANDURAND moved:

Resolved: that it is expedient that Parliament do approve of the Convention and Protocol for the preservation of Niagara Falls by the construction of remedial works and for the experimental withdrawal of additional water from the Niagara River, which was signed at Ottawa on the Second day of January, Nineteen Hundred and Twenty-nine, on behalf of His Majesty for the Dominion of Canada by the Plenipotentiary named therein, and that this House do approve of the same.

Hon. Mr. BEAUBIEN.

He said: Honourable gentlemen, I would like to mention the major features embodied in the Niagara Convention and Protocol which has just been completed between Canada and the United States looking to the preservation of the scenic beauty of Niagara Falls and Rapids.

At the outset I may say that the successful outcome of the negotiations was in a large measure due to the complete co-operation which had been maintained throughout with the authorities of the Province of Ontario and with the Hydro-Electric Power Commission. In all steps taken there has been complete harmony of viewpoint and action between the Dominion and the Provincial authorities.

This Convention represents the culmination to date of the investigatory work which the Governments of Canada and the United States have had under way in the Niagara River for the past two years for the purpose of determining how the scenic beauty of Niagara Falls and Rapids can best be maintained, and by what means and to what extent the impairment thereof, by erosion or otherwise, can be overcome, and, consistently with the preservation of the scenic beauty of the Falls and Rapids, of determining what quantity of water might be permitted to be diverted from the river for power purposes. Effect is being given by this Convention to the recommendations of the Special International Niagara Board, appointed in 1926 by the two Governments to investigate and report on this matter.

It has been a matter of common knowledge that the Horseshoe Falls at Niagara has been progressively receding upstream from year to year. Periodic surveys of this crestline have been made from the year 1764 to date and show that the recession of the escarpment has been at the average rate of some 3.7 feet per year, the maximum rate taking place in the notch of the Horseshoe Falls. This recession of the falls, in conjunction with the extremely low flows which were prevalent in recent years on the Great Lakes, culminating in 1926 in the lowest flow recorded in sixty-seven years, and in conjunction also with the withdrawal of water for power purposes, had left bare the flanks of the Canadian Falls and had materially thinned out the flow over the American Falls, to the very serious detriment of the scenic beauty of the spectacle as a whole.

The Convention provides in Article 1 that remedial works shall be constructed in the Niagara River above the Niagara Falls, designed to distribute the water of the river

so as to ensure at all seasons unbroken crestlines on both the Canadian and the American Falls and an enhancement of their present scenic beauty.

The most outstanding effect of this provision will be the reclothing with a substantial flow of water of the two flanks of the Horseshoe Falls which have been so long denuded. Exposed shoals will be removed and a better distribution of water secured throughout the rapids and over both falls. The brilliant green colour of the Horseshoe Falls, which forms such an outstanding scenic feature, will be completely preserved and the entire scenic values of the spectacle as a whole greatly enhanced.

Article 2 provides that concurrently with the construction and tests of the remedial works and as a temporary and experimental measure, there will be permitted diversions of waters of the Niagara River additional to the amount specified in Article 5 of the Boundary Waters Treaty of 1909, to the extent of 10,000 cubic feet of water per second on each side of the river. These additional diversions shall only be allowed during the winter or non-tourist season, beginning on the first day of October and ending on the thirty-first day of March of the following year. This provision for diversion shall terminate seven years from the date of the initial additional diversion authorized.

The Protocol accompanying the Convention provides the machinery for giving effect to its provisions. In this Protocol the practical co-operation of the Hydro-Electric Power Commission is manifested.

The Protocol provides that the construction of the remedial works authorized in Article 1 of the Convention, the provision for the cost and for the control thereof, as well as the control of the diversions of water authorized in Article 2 of the Convention, shall be carried out in accordance with the recommendations of the Special International Niagara Board as set forth in its report dated the 3rd May, 1928.

This report recommends for acceptance by the two Governments, under stringent conditions, the joint proposal made by the Hydro-Electric Power Commission of Ontario and the Niagara Falls Power Company of Niagara Falls, New York, offering to construct the remedial works at their own cost, conditioned upon their being permitted to utilize in their existing power stations the 10,000 cubic feet per second additional water which it is intended should be withdrawn from each side of the river during the winter season for the purposes of testing the effectiveness of the remedial structures to redistribute the water and so enhance the scenic values, and also of determining their value to offset the effect of additional withdrawals. It might be added that the existing water passages of the power plants on both sides of the river afford the only means by which actual experimental withdrawals from the river can be effected.

The Special International Niagara Board recommended the acceptance of the joint proposal, subject to the two Governments retaining complete supervision through the International Niagara Board of Control (appointed by the two Governments in 1923) over the design, the construction and the sequence of construction of the remedial works, and exercising, further, complete supervision and control over the additional water permitted to be diverted, and subject furthermore to the Special Niagara Board passing upon all scenic effects resultant from the construction of the remedial works.

The joint proposal of the Commission and the Company, together with the Special Niagara Board's report embodying recommendations with respect thereto, are embodied in and made a part of the Protocol.

On the Special International Niagara Board Canada was ably represented by Mr. J. T. Johnston, Director of the Dominion Water Power and Reclamation Service of the Department of the Interior, and by Mr. Charles Camsell, Deputy Minister of Mines.

Hon. J. A. CALDER: Honourable gentlemen, late this morning our honourable leader on this side of the House (Hon. Mr. Willoughby) asked me if I would be good enough to say a word or two in reference to this motion. I am sure we can all understand that since his very recent selection as leader of this side of the House he has been exceedingly busy. Apart from handing me his brief, which consisted of two official documents, he left me to say what I pleased.

This afternoon I have had an opportunity of reading the document which has just been read by the honourable leader of the Government in this Chamber. That was prepared by the Minister of the Interior, and was released from the Department on the 2nd of January last. In addition to that I have examined the Convention and Protocol as carefully as I could in the time at my disposal.

The honourable leader of the Government in reading that document has placed before us, I think very fairly and very clearly, the main purposes of the Convention—which, if ratified, I presume, becomes a Treaty—to improve the scenic beauty of Niagara Falls. I do not intend to traverse the whole document, because I think that all that is neces-

sary is to attempt briefly to place before the Chamber some of the main facts leading up to the preparation of this Convention.

As stated in the document released by the Department, the tremendous rush of waters over the falls has been gradually eroding and wearing away the underlying rock ever since the Niagara river began to run, with the result that the channel of the river has been continually changing, some parts being left without any water at all at certain times of the year. This matter was taken up by the two Governments, both realizing that this great work of nature, one of the world's wonders, is a very great attraction to a large number of people. In Mr. Stewart's statement it is estimated that no less than 2,000,000 people a year visit Niagara Falls to see that wonder. I think it is desirable that steps should be taken to preserve the scenic beauty. Indeed, it is strange that such measures have not been taken long ago.

There may be some who hold the view that there is something behind all this; that the power interests are involved and that this is merely a scheme to withdraw certain waters from the river to develop power for industrial purposes and so on. While the Treaty provides for the withdrawal of certain waters under certain conditions, after reading all that is contained in the Treaty itself and in this very carefully prepared statement, I have come to the conclusion that that is not one of the real objects, but is merely incidental.

There are only one or two features of the Treaty that I wish to bring to the attention of this House. The first is this. During all the negotiations the Dominion Government have kept in constant touch with the Government of the Province of Ontario and the Hydro-Electric Power Commission of that province. Not only that, but after the negotiations were concluded the Government of Ontario agreed to this Treaty in all its details. I am sure we all realize that the Province of Ontario is primarily interested: if any power is developed it belongs to that province, and if it has seen fit to ratify the Treaty, I think we should have little hesitation in doing so.

Not only have the Ontario Government and the Hydro-Electric Power Commission approved this Treaty in its entirety, but the Government of Canada and the Government of the United States appointed a Board called the Special International Niagara Board, to deal with the matter. This Board consisted of four prominent gentlemen, all, I dare say, eminently qualified for the work in hand. Our two members of the Board were Mr. Johnston, an engineer of the Interior Department, and Mr. Charles Camsell, Deputy Minister of Mines. The members of the Board worked together for two years and finally drew up a unanimous report of their conclusions, which was submitted to both Governments and approved by them, and, I presume, by the Province of Ontario and the Hydro-Electric Commission as well.

There is but one other feature, and that relates to the diversion of water. There are the Province of Ontario and the Hydro-Electric Power Commission of Ontario, and the Niagara Power Company of Niagara Falls, New York, with their plants on both sides of the river. Under the proposed arrangement the initial works are estimated to cost $1,750,000. It was proposed that these two power interests should pay that cost, and that in return they should have the right to use the power developed on each side of the river by withdrawing 10,000 cubic feet per second for a period of years. That is not to be continued in perpetuity. The Convention provides, not for the immediate diversion of 10,000 cubic feet, but for diversion as the Board thinks necessary. The amount of water to be withdrawn may be increased up to a maximum of 10,000 cubic feet, or decreased to any extent. That arrangement is to be continued for a period of years until all parties see what the effect will be on the scenic beauties of the falls by the construction of the works proposed.

In view of all this I do not think there is any reason why we should hesitate at all to approve of this measure. There are those who hold the view that in any international arrangement with reference to the creation of power on our side of these international waters we should always retain such control that there will never be any question of the diversion to the other side of the line of the power so created. It is held that once the power goes to the other side we shall never get it back. I am not sufficiently acquainted with the problem to be able to speak in that connection. It is a problem that we shall have to consider very fully when we come to deal with the larger scheme along the St. Lawrence river. While Canada at the moment may not need this power, if we continue to grow and develop the time may come when we shall need it, and if it has been exported we may not be able to get it back. However, I do not think that possibility should stand in the way of the ratification of this Treaty, for after all, in this particular case, any power diverted under the Treaty belongs to the Province of Ontario, and if the Government of Ontario has thought it

wise in the interests of the people of that province to agree to all the details of this Treaty, I do not think that there is any reason why we should hesitate to approve. I am therefore very pleased to say that so far as I am concerned, I concur in the ratification of the Treaty.

Hon. J. D. REID: Honourable gentlemen, I should like to say a word or two on this question. Of course I do not raise any objection at all to the development of additional power at Niagara Falls. I saw the Treaty for the first time only a few moments ago and have not had time to study it. But what I am afraid of is that the Treaty as it now stands contains a clause which would give this Board power to say how much water shall go to the United States, for the present, and that we may never be able to get it back. The clause to which I refer is clause 6:

> The Board shall have complete supervision and control over the additional waters permitted to be diverted, with power to diminish or suspend such additional diversions.

Though I have had no opportunity of conferring with lawyers who understand such matters, or with others who know more about this question than I do, I am afraid that this clause might be interpreted by the United States Government to mean that if the export of any power is allowed, Parliament by this Treaty transfers to that Board its right over export. My judgment is that the Treaty cannot be construed in that way at all.

We have had treaties pass this House which have been interpreted in a way that we did not intend. The Ashburton Treaty specially mentioned that no obstruction should be placed in either the north or the south channel at the Long Sault Rapids without the consent of both Governments. The time came when a certain power company wanted to dam the South Sault in order to obtain more power. The Dominion Government took issue, claiming that the company had no right whatever to do that without the Government's consent, and I remember a very strong protest was made. The International Joint Waterways Commission, composed of three members from the United States and three from Canada, considered the matter, and one of our Commissioners voted with the three from the United States and thus that work was allowed to proceed.

The United States Government took the position that in 1909, many years after the Ashburton Treaty, a Treaty was made which gave that International Joint Waterways Commission power to examine into matters of that kind. We contended that they could not act without the consent of the Government or Parliament of Canada. When that Treaty of 1909 was cited, Sir Wilfrid Laurier was asked whether there could possibly be put upon it any interpretation that would give the International Commission power to act; whether Parliament had transferred to that Commission absolute power to decide a question of that kind. I well remember that the position was taken by Sir Wilfrid Laurier himself, and by his Minister of Railways and Canals, who I think was the right honourable member for Eganville (Right Hon. George P. Graham), and others, that there could be no such interpretation of that clause. It seemed that that view was probably right, but the moment this matter came up the United States Government interpreted the Treaty to suit themselves, with the result that the obstruction was placed in the South Sault rapids. The understanding was that it might remain for five years, and should then be removed; but it was not removed at the end of five years, and it never will be. There was the result of a clause of the Treaty not being sufficiently plain, and thus Canada lost a right that it had under the Ashburton Treaty.

The Dominion Government alone has the right to permit the export of power, but private corporations who were developing power in the Province of Ontario—I believe, at this very point on the Niagara River—applied to the Government of the day for permission to export power temporarily, until it could be used in that province. Permits were granted for the exportation of power, but for only one year at a time. After a short period the Province of Ontario was using all the power available, right up to the limit of what was being developed, with the exception of what was being exported. Efforts were made by the Dominion Government then, and have been renewed from that time until this, to exercise control; but notwithstanding the fact that power companies had been allowed to export power only from year to year, a contract for some fifty years was given to a power corporation on the United States side, and they got from our Canadian side between 50,000 and 70,000 horse-power to which we were entitled as the producers of it.

We were entitled, in addition, to a certain proportion of the power on the Niagara River, under a Treaty that had been made, but when we pressed our claim very hard upon the United States Government, one of the Washington officials replied that if we cut off power under that contract, it would be considered

an unfriendly act, and the result is that we have not been able to get that power back.

I am not objecting to the further development of power or to the Province of Ontario and the State of New York getting their respective shares, but if the power is ready to be delivered to industries that will use it, I wish to see that there will be no possible danger of the Treaty being interpreted so as to give this Board the power to say, without the consent of Parliament or the Government, whether or not any more electric power may be exported. I think we should be very careful on that point.

I do not know whether the question of the power to be developed at Niagara Falls came up in the reference to the Supreme Court, but whether the power belongs to the Dominion or the Province, I understand the Dominion has the right to say whether or not it may be exported. I believe that the Government and this Parliament want to do everything they can to meet the wishes of the Province of Ontario as to giving them this extra power, and also as to protecting the scenic beauties of Niagara Falls. As I have hurriedly read the Treaty, it says that at the end of seven years, if the works are not satisfactory, they are to be taken away. Well, we had one agreement with the United States which was vitiated by the International Waterways Commission allowing an obstruction to be built which Parliament said could not be made, and it strikes me that once these works are constructed, they will never be taken down, if it is to the advantage of the United States to continue them.

But that is not the main issue. It is this: that the Dominion Government and the Parliament of Canada, and they alone, have the right to say what power shall or shall not be exported. We in the Province of Ontario are very jealous of our power interests. I do not believe there is any difference of opinion among the Ontario people. We want whatever power is being developed at Niagara Falls to be used in the Province of Ontario. We have now a Treaty that gives 60 per cent of the water-power to us and 40 per cent to the United States, but there is so much of our Canadian power required that we should act very carefully now. We are taking power now into the Province of Ontario from the Gatineau at probably $15 a horse-power, because we cannot get our rights in regard to 65,000 or 70,000 horse-power now exported to the United States at $10 a horse-power. Thus the people of Ontario are paying $5 more per horse-power to get the power from the Gatineau, plus the cost of transmission from Ottawa to Toronto, all because the agreement with the United States limiting the export of power from year to year has not been observed. I fear that this particular clause of the Treaty could be interpreted by the United States like the one in reference to the Long Sault.

I am not a lawyer, but I think some legal gentleman should have had time to look this over, in order to make sure that any action taken by the Senate on the point which I have raised should be legally sound. So far as the development of power is concerned I have no objection whatever to the Treaty, but I have cited two or three cases, and I think others might be mentioned, which would justify our going slowly in such a matter as this, because once this Treaty passes both Houses it cannot be changed. It may be very long before another treaty is made, and there should be no question about the intention and meaning of this one. I claim that if the United States Government can interpret this Treaty to the effect that the Board will have power to dictate to us in regard to power—and they will carry out what their power interests over there wish—Canada will never see that power again.

Hon. Mr. CALDER: May I add a word to what I have said? I do not agree with the view taken by the honourable member for Prescott (Hon. Mr. Reid). He is referring to the diversion of power, whereas this Treaty deals with the diversion of water for the purpose of creating scenic beauty. They are two entirely different things. There is not one word within the four corners of the Treaty with reference to the diversion of power from Canada to the United States; but there is a point that comes to my attention now, and this is why I rise. Section 6 of the report of the Special International Niagara Board, which is made a part of the Convention, says:

> The Board shall have complete supervision and control over the additional waters permitted to be diverted, with power to diminish or suspend such additional diversion.

It struck me when my honourable friend was making his argument that this Board is given complete power over the quantity of diversion, and I presume over the location of the diversion as well. Now, is it possible for this situation to arise? Under the Convention as it stands power is taken to divert 10,000 cubic feet per second on each side of the channel, that water to go through the works of the existing Electric Commission and the Company, and all the power resulting therefrom to be owned respectively

by those companies. But is it not possible under this section that the Board may decide that 10,000 cubic feet may be taken on one side and not on the other?

Hon. Mr. CASGRAIN: Oh, no.

Hon. Mr. CALDER: I ask, is it not possible? Is it not possible for the United States to put in there weirs, or dams or other works, in order to divert water into certain channels to secure the scenic beauty that is required, and that the water may be taken in such a way and in such places that it will be on one side or another of the river?

Hon. Mr. CASGRAIN: Oh, no.

Hon. Mr. CALDER: My honourable friend says no; but what reason has he for saying no?

Hon. Mr. CASGRAIN: What is the good of making a Treaty if they are going against it?

Hon. Mr. CALDER: The Treaty does not say explicitly that the same quantity of water shall be taken on each side of the river.

Hon. Mr. CASGRAIN: Ten thousand and ten thousand.

Hon. Mr. CALDER: No; it simply says a maximum of 10,000 cubic feet per second may be taken on each side of the river. It does not say it must be. It does not say that if 5,000 cubic feet are taken on one side, 5,000 must be taken on the other. What it does say is:

> The Board shall have complete supervision and control over the additional waters permitted to be diverted, with power to diminish or suspend such additional diversions.

May I ask again, is it possible that such a condition might arise?

Hon. Mr. REID: By way of an answer to the honourable gentleman, I shall read clause 6, stopping first at the place where I think he should have stopped:

> The Board shall have complete supervision and control over the additional waters permitted to be diverted. . . . .

Now, if you stop right there—and there is a comma there—you will see that the Board has complete supervision and control over the additional waters permitted to be diverted. Then it goes on:

> —with power to diminish or suspend such additional diversions.

I submit that the first part of the clause gives the Board complete supervision and control over the additional waters permitted to be diverted.

Hon. Mr. CALDER: That is over the diversion.

Hon. Mr. REID: The clause gives them the power to lease it, or export it, or do as they like with it.

Hon. Mr. DANDURAND: I would draw the attention of this House to the fact that these proposed works are to be an experiment, from which the engineers expect certain results. In order to test the extent to which water may be diverted it is provided that during certain months of the year a further diversion may be made to the right or to the left. Honourable gentlemen must not forget that continuously since 1909 there has been a great diversion on both sides, under the supervision of the Niagara Board of Control, which has records of the total hourly diversion of water each way.

All the water comes from the same stream. The works may be modified so as to throw a little more water on one side than the other with a view to the beauty of the Falls, which is the main object, as the honourable gentleman from Saltcoats (Hon. Mr. Calder) has said. The purpose of the additional water is that an experiment may be made. But that additional water comes from a common source; it does not run on each side separately. The end in view is a mutually satisfactory distribution of the water over each side.

It may be decided after an experiment of a year or two that some further weirs should be put in. But they would not prevent each country from withdrawing 10,000 feet under the control of the Niagara Board of Control, which keeps minute records in order to see that the Treaty is lived up to by the two countries. The Treaty has been observed honourably and to the satisfaction of both countries, and I do not see that by granting the Board further control of 10,000 cubic feet per second on each side we are altering in the least the obligations of its members to their respective countries or to the two countries. The Board is composed of two Canadians and two Americans; so we are sufficiently protected in equality of representation. Under these conditions I do not see that there is any reason to fear that power will be transported from one side to the other. We all know that under the Treaty of 1909 Canada is allowed 36,000 cubic feet per second, and the United States 20,000 cubic feet. The proposal is to add 10,000 cubic feet temporarily for seven years, and during the winter months only.

We have felt completely protected since 1909 in the administration of the diversion. Why should we feel differently regarding a provision that simply would increase the ratio?

Hon. Mr. REID: I want to say just a few words in answer to the honourable gentleman. Our action is important not only because of the Treaty itself, but because of other treaties that may be entered into. Will the honourable leader of the Government say that if we make a treaty with the United States in connection with the water-powers on the St. Lawrence, as we are likely to do, he would be satisfied with that particular clause so far as it specifies those who are to decide what quantity of power is to be allotted to this country? Would he be satisfied to put in the Joint Waterways Commission?

We have had an experience that should cause us to act carefully in this matter. There was a dispute in regard to a Treaty we had with the United States, and that country's interpretation of it was absolutely opposed to the interpretation of the Prime Minister and the Parliament of Canada. The honourable gentleman states that the Treaty under discussion is to be in effect for only seven years. Well, the arrangement in connection with the South Sault Dam was to have expired at the end of five years. Does the honourable gentleman think that in that respect we were treated fairly? Should not the United States Government have removed the obstruction which turned water the other way, right down the Massena Canal, and diverted a great deal more power? That arrangement, which was to have been effective for only five years, is still in operation, although it was made probably twelve or fifteen years ago.

Will the honourable leader of the Government in this House say that we have been treated fairly with regard to the Niagara River? A Treaty was made between Canada and the United States by which we were to have 36,000 cubic feet of water per second, and they 20,000 cubic feet. Will the honourable gentleman tell this Chamber to-day that we are getting the power from 36,000 cubic feet? Of course we are not. Why? Because we allowed some of it to go over temporarily until our full quantity could be developed, and the United States Government has made it clear that if we insist on cutting off that power and using it in the Province of Ontario it will be regarded as an unfriendly act. The Treaty that was made in connection with the water power on the Niagara River at this particular point has been violated in an outrageous way, in that the United States Government would not agree to our cutting off the power that we merely leased from year to year. And when we were considering the placing of a tax on export power it was stated that that too would be regarded as an unfriendly act. Though the Treaty provides that Canada should get 36,000 cubic feet per second and the United States 20,000 cubic feet, in actual practice the quantities have been reversed and we are getting now the 20,000 cubic feet. Furthermore, Ontario is losing $5 per horse-power on 60,000 or 70,000 horse-power.

For the reasons I have mentioned I say we should be very careful in dealing with a clause of this kind, if there is any possibility of the water being diverted and our being unable to get the 10,000 feet. If the United States desire to have the Treaty interpreted in their favour, they will simply get a majority of the members of the Board on their side. The honourable leader of the Government says that this country is protected, because we have two members on the Board and the United States have only two. We had three Canadians on the International Joint Waterways Commission and there were three Americans; but the United States members were able to convince one of the Canadians that he should vote with them. The Commission's interpretation of that Treaty stands, and we should have to go to war if we desired to maintain any other interpretation. Within the last few days I read in an American newspaper a statement to the effect that they could go ahead and dam the St. Lawrence river if a majority of the Joint Commission would give them permission to do so. If permission were given, how could we prevent their taking that action? We could only prevent it by going to war.

Right Hon. Mr. GRAHAM: I think I can give a brief explanation of the reason why Canada is not directly getting the benefit of all the power it was entitled to under the Treaty. The Hydro-Electric Power Commission of Ontario bought out several companies, one of which had a contract to export power for a term of years.

Hon. Mr. REID: One year. It had a license for only one year at a time.

Hon. Mr. GRAHAM: Excuse me, but the company had a contract which was to be good for several years and still has a number of years to run. The Dominion license is necessary for each year, of course, but that license has been renewed and will be renewed, no doubt, as long as the contract exists, at the request of the Ontario Hydro-Electric Commission. When the Hydro-Electric Power Commission took over this company, it was also bound to take over its assets and its liabilities. If you subtract the quantity of

power that is being exported from Canada under contracts made some time ago, from the quantity we are entitled to under the Treaty, I think you will find that Canada has been given all the power allotted to her by the Treaty. If we are exporting some of this power, that is not the fault of the United States.

Hon. Mr. REID: I wish to say that the Ontario Power Company, a private corporation, and two other companies were given the right to export power from year to year only, right from the start. But they made a contract for fifty years, depending on a yearly renewal of their permit. Now, the Hydro-Electric Power Commission or the Government of Ontario are making an application for the privilege of exporting that power. Of course they are. How can they do otherwise, when they are tied down to a contract for fifty years? The Ontario Commission is bound to carry out this contract unless the Dominion Government refuses to renew a permit in any year. The Commission wanted to stop the export of that power. Sir Adam Beck tried to have it cut off. But any move in that direction has always been met by the objection that the United States would regard it as an unfriendly act.

Right Hon. Mr. GRAHAM: Honourable gentlemen will remember that a few years ago a large deputation came to this House from Toronto, to oppose the development by the Federal Government of certain water powers, one of which was the Carillon. It was pointed out to them that the Hydro-Electric Commission was perhaps the largest exporter of power in the Dominion of Canada. Mr. Maguire, one of the Ontario Hydro-Electric Power Commissioners, explained that the Commission could not do otherwise than continue to export the power during the lifetime of the contracts assumed by the Commission in the taking over of a private company.

I wish to point out again that we have been getting the power to which we are entitled under the Treaty, but we have been exporting it back to the United States.

The motion was agreed to.

Hon. Mr. DANDURAND: I move that a Message be sent to the House of Commons to acquaint that House that the Senate has adopted this resolution and request that House to unite with the Senate in the approval of the said Convention and Protocol.

The motion was agreed to.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

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

Hon. Mr. LYNCH-STAUNTON: Honourable gentlemen, I waive my right to continue this discussion, in favour of any honourable gentleman who desires to speak.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, following the time-honoured practice in this House, I desire to congratulate the proposer and the seconder of the Address. The proposer of the Address, the new Senator from Cumberland (Hon. Mr. Logan), is well known to Parliament. He has been in and out of Parliament for the last thirty-three years. We all know that when he was in his twenties he successfully contested an election against the then Minister of Justice, the Hon. Mr. Dickie, in 1896. That was a great victory for so young a man.

In 1917 I do not believe any other candidate, on either side, was so badly treated as he was. He had an absolute majority, a large majority, in his county, but a train from Seattle stopped in the county at a convenient station, and a whole trainload of votes was polled against him. Notwithstanding that, he still had a majority. Then the free votes of the Government—if you could call it a government—came in, box after box of ballots, and the honourable gentleman was counted out by the returning officer.

I welcome him to this House. He will be a valuable addition to our membership. He is a public spirited man, and if to-day we are doing a trade with the West Indies it is largely due to him. I had the pleasure of being in Bermuda not long ago, and was the first to tell him that he would be a Senator. It is something to win a senatorship—the blue ribbon of Canadian politics. I have been a Senator for thirty years, and I know from experience. It is all very well to be a lieutenant-governor; but even a lieutenant-governor is apt to find himself out of a job within five or ten years.

As for the seconder of the Address, the honourable gentleman from De la Durantaye (Hon. Mr. Tessier), I do not believe there is a better loved man in this House. Many of us have known him for more than half a century. For 43 consecutive years he has been a member of the Legislature of Quebec or of the Senate. It was in 1886, if my memory serves me rightly, that he was first elected

for the old county of Portneuf, where his electors remained faithful to him until he was called to the Senate by Sir Wilfrid Laurier. He occupied no mean position in the Quebec Legislature, having been for a long time Speaker of the House.

Now I come to the leader of the Opposition. As the leader of the Government has very often said, we occupy a quasi-judicial position and there should be no leader of the Opposition in the Senate. Of course, when he said that, there were not very many members on the Government side of the House. Many good men might have been chosen as leader of the other side. I think it might have been a good thing for the Conservative party to apply the principle adopted by the Liberal party, of having a French leader in this House when there is an English leader in the other House, but if I had been invited to the caucus, I do not know but that I would have voted for the honourable gentleman opposite. There are two great races in this country, and honourable gentlemen opposite, in their wisdom, might have had a very brilliant man for their leader.

Hon. Mr. LAIRD: We have.

Hon. Mr. CASGRAIN: You now have one for whom I have great admiration. Although he had not the good fortune to be born in the Province of Quebec, he showed the wisdom of the selection made by saying a few words in French, and that will make him popular.

The first thing which comes to my attention in the Speech from the Throne, which does not say very much, is the statement that we are going to have more railways in the West. The West is certainly being well treated, as it always has been well treated, no matter who has been in power. Ontario and Quebec always foot the bill, and they do not get very many railways.

Hon. Mr. LAIRD: Do you not want the West opened up?

Hon. Mr. CASGRAIN: The great metropolis of Canada, the city of Montreal, has no connection with the Transcontinental Railway. If you want to get to Amos you travel 90 miles east to Hervey Junction, and 90 miles west again to be only opposite to the city of Montreal. I believe if I were in another place I would insist upon Quebec getting more railways. Honourable gentlemen, are you aware that in the West there are four times as many miles of railway per capita as there are in the Province of Quebec, and two and a half times as many per capita as there are in the Province of Ontario? And what are they for? They are to carry wheat, the cheapest form of freight a railroad can carry.

The other day Mr. E. W. Beatty, the worthy president of a great company, the Canadian Pacific Railway, in making a speech somewhere said that in October and November the C.P.R. dispatched a full trainload of 75 cars of grain in every hour of those two months, or one full carload of grain every 48 seconds. While I have no special brief for the Canadian Pacific Railway, I say that railway has done wonderful things for the North-west and the whole of Canada. It has developed the North-west; it has brought people there. Of course it may be said that it pays to do it, but we all know that interest is the prime motive of human action. However, that does not alter the situation. That railway has done wonderfully well for the Dominion, and it may come before us to ask for further charters for new lines, and if it does, I say we should treat it very gently and very cordially. That company is up against a difficult problem, the problem of meeting Government competition. I would remind you, honourable gentlemen, that if the Government railway should happen to make some mistakes and have a deficit, the Canadian Pacific Railway, the greatest taxpayer in this country, would have to put its hand into its pocket and pay for those mistakes.

While speaking about railways I should like to dispel an erroneous idea which is in the minds of many not only in this House but throughout the country. We have all heard it said that Sir Wilfrid Laurier built too many miles of railroads. I want to prove to this House that that is not true, and in doing so I shall speak by the book of honourable gentlemen opposite. Last year the Canadian Pacific Railway built over a mile of road a day for every day in the year; during the same period the Canadian National Railways built 442 miles of new railroad, not including the replacement of rails or improvements of existing roads. In Canada to-day we have twice as many miles of railway per capita as they have in the United States. In the United States at the present time they have 240,000 miles of railroads. You may remark also, honourable gentlemen, that the mileage in the United States has not been increased during the past twelve years; in fact some of the railroads there have been scrapped. In the United States, with a population of 120,000,000, there are 400 souls per mile of railroad. When we turn to Canada with its 10,000,000 of people—our population may not be quite so much—we find that there are

40,000 miles of road, or a mile of road for every 250 souls. Surely that is proof that we have enough railways. But, if the Canadian Pacific Railway and the Canadian National Railways in their wisdom should seek to build more lines, we should recognize that they ought to know their business better than anyone else. However, I should like to call attention to the fact that to-day there are millions of acres of unoccupied land almost adjacent to railroads. Nevertheless, the West wants railroads; therefore the West must have them.

Just here I should like to quote a few lines from the Drayton-Acworth Report of 1917. Sir Henry Drayton at that time was Chairman of the Board of Railway Commissioners, and surely should have known how many miles of railroad there were in this country. This is what he says in that report:

> We may put the same thing in another way. The growth of the mileage has far outstripped the growth of the population. In 1901, with a population of 5,371,315, Canada had 18,140 miles of railway in operation; roughly, a mile of railway for every 300 inhabitants. In 1911 the population had increased 34 per cent, to 7,206,643—

That was under the benign reign of Sir Wilfrid Laurier.

> —while the mileage had increased by 40 per cent to 25,400 miles; a mile of railway to every 284 inhabitants. Since 1911 the population has, it is understood, not much increased—

That was under the Government of the Right Hon. Mr. Borden.

> —but the railway mileage open and under construction has grown to 40,584 miles. In other words, Canada has to-day, taking the present population as 7,500,000—

That was in 1917.

> —only 185 inhabitants to support each mile of railway. Taking the four western provinces by themselves, there are only two-thirds of that number for each mile of railroad.

That is 125 persons to support a mile of railway. If you reduce that population to families of five persons, you will see that 25 families have to keep up one mile of railroad. Yet on the western plains they have not enough railways.

> The United States have 400 inhabitants per mile of line; the United Kingdom, 2,000; Russia, 4,000. Even Australia has 274 inhabitants for each mile of railway; Argentina, 238.

After such a statement as this, there should be no thought in the mind of anybody that Sir Wilfrid Laurier built too many miles of railway. This shows quite clearly that he did not do any such thing. If anybody did, it was the Right Hon. Mr. Borden, because he increased the mileage from 25,000 to 40,000 in seven years, whereas during 15 years under Sir Wilfrid Laurier the increase amounted to only 7,000 miles, 3,500 of which were built by the C.P.R., the balance being accounted for by the Transcontinental and the Grand Trunk Pacific Railways. Nevertheless, the statement that Sir Wilfrid Laurier built too many railroads has been repeated so often that it is believed not only by Conservatives, but by some Liberals. I hope the statement of Sir Henry Drayton which I have just read, and which the right honourable gentleman from Eganville (Right Hon. Mr. Graham) knows to be correct, will settle the matter for all time. To give you an idea of the situation in Canada, I may tell you that during 1928 there was one freight car loaded for every three persons.

Now may I refer to government ownership? We know that they have government ownership in Germany, Italy and France. We know what a dismal failure government ownership has been in the United States. We know the disappointing experience of the United States with government ownership of railroads. In that country they lost money at the rate of $2,000,000 a day, and when government ownership terminated there the railroads were very much run down and dilapidated because of lack of maintenance. I invite honourable gentlemen to go to the library and read any books they can find on government ownership, and if they do so they will learn how it resulted in deficits and failure. In this country we are fortunate indeed; we have a miracle man, Sir Henry Thornton, who has worked wonders with the Canadian National Railways. Take for example the old Intercolonial Railway and think of what it is to-day. I venture to say there is not a railroad anywhere in the world that is better equipped and operated than that road. When you compare its present condition with its condition in the old days, no matter what government was in power, you will realize the tremendous difference. Sir Henry Thornton is the best advertising agent any railroad ever had. Hardly a week passes that he does not address meetings here and there and everywhere, telling them about his railroad. He has built up a spirit of fellowship among the employees of the road, all of whom are on their toes, the result being that the system is doing remarkably well. Nobody can travel more comfortably anywhere than on the Canadian National. The Canadian Pacific Railway also maintains a very high standard in that regard. I am told by commercial travellers that when they are out

west they prefer the Canadian National, especially their dining cars. Of course, when one dines at the public trough, one may well expect to get a steak that is large enough for two persons.

Now, speaking seriously, I should like to refer to a large concern in which more than $100,000,000 has been invested. In 1893 the Dominion Coal Company were organized, and six years later the Dominion Iron & Steel Company, perhaps the biggest concern in Canada outside of the two railways. When the Dominion Coal Company were organized, they merged some small companies; but they found that they had to provide work for the miners in the winter time, as their families had to be fed for 365 days in the year. From altruistic motives, in order to supply those men with work, they created what was called the Dominion Iron & Steel Company, so that coal could be extracted from the ground during the winter and used in making iron and steel.

Some people might ask whether coal could not be extracted from the ground and brought up to where it might be shipped; but the railway rates between Cape Breton and Montreal, where the coal was to be used, were prohibitive. The question might then be raised whether coal could not be piled up and kept at the mines to be shipped during the summer; but those who are acquainted with coal mines know that if a large pile of coal is made, the wind, rain, snow and sleet, and especially the melting of snow and exposure to the weather, will ruin it. If coal is allowed to stand too long it will become absolutely unsaleable.

Winter work had to be provided at the mines in order to keep the families the year round. This was done by making iron and steel. Three tons of coal are required to make a ton of iron, and four tons of coal to make a ton of steel; thus 80 per cent of the labour in making iron and steel is coal handling. Coal is thus the paramount element. In the United States ore is brought from the Mesaba Range, on Lake Superior, down to Pittsburgh, a distance of over 1,200 miles, so that it may be utilized by being turned into iron and steel where the coal fields are. In Canada the ore comes from Newfoundland, and the Wabana ore is taken to Sydney. No fewer than 90 steam freighters, with about 8,000 tons burthen, come from Germany every summer to carry the Wabana ore to the German coal fields. I must say that the business is not very profitable for the company owning those ore lands, which are three or four miles under the sea, and a person at Wabana has to travel three or four miles under the ocean before he can get at the face where the mining is done.

The ore at Wabana is good ore, carrying about 52 to 54 per cent of iron, and ever since the war some 700,000 tons annually are carried over to Germany in those 90 steamers, which are loaded so quickly that if a person stood on the wharf he could actually see the rivets on the side of the ship sink below the water-line, because such immense masses of ore are poured into those steamers. We all realize that work for the miners is required, and the only way to give them work is to extract coal during the winter; and the only way that slack coal can be used is in making iron.

Honourable gentlemen have often heard of the Duncan Report, but there were really two Duncan reports, the first one being by a Royal Commission instituted by the Government of Nova Scotia, in which Hon. Mr. Rhodes was then Prime Minister. As honourable gentlemen know, royal commissions are usually appointed because of the idea that affairs are not being conducted in the public interest. Sir Andrew Rae Duncan was appointed Chairman of that Commission. He may not be very well known to members of this House, but the other two Commissioners are well known in Canada: Major Hume Cronyn, K.C., who was a distinguished member in another place, and certainly left his mark on the Parliament of which he was a member, was the second Commissioner, and the third was Rev. H. P. McPherson, rector of St. Francis Xavier College at Antigonish. They are both high-class men, and I have no reason to believe that Sir Andrew Duncan is not a very distinguished man. In the opinion of the present Government he certainly was, because they appointed him afterwards to make a report on the whole question of the Maritime Provinces. Unfortunately, not much has come from that report except a reduction in freight rates.

Now, what was the finding of that first Duncan Report. Honourable gentlemen must remember that that Commission was created by an unfriendly Government; but what do we see? Here is the report of those three gentlemen:

> We formed the opinion that the policy pursued by the operators in planning and developing their coal operations generally is sound, and reflects much credit on their mining engineering department.

The people throughout this country have been told that the whole business was badly managed; but here is the Royal Commission, appointed by a hostile Government, and this is their finding.

We have heard also about the watered stock, the capitalization, the general financial organization, the cost of management; but we find this:

We have set out figures which show the capitalization of the Corporation, and we point out that no dividends have since incorporation been paid on either the second preference or common shares; so that so far as the wage fund is concerned it has not been adversely affected by this aspect of the financial arrangements of the operators.

Therefore that loud cry about the watering of stock is silenced. It might have been a billion, and it would not have affected the matter in any way whatever, because there have never been any dividends paid on it. Here is another part of the report:

We believe that the steel works operations have been of very considerable help in the past to the proper development of the coal properties, by affording them a market for slack coal. We believe, further, that there is still considerable advantage to the coal properties—particularly in view of the character of the coal—in having a market for the disposal of their slack, in the immediate neighbourhood. Even if industrial developments have been such, and the coking possibilities of the future may be such, that there is a prospect of a wider field for the disposal of slack coal than there was in the past, it will obviously take a considerable time before those markets can be developed in such a way as to enable all or even the greater portion of the slack coal to be placed.

Now about accidents. They are less, much less, than in the United States, but more than in Great Britain. The report says:

However firmly the law is administered in regard to safety, and it should be rigidly administered, there can be no doubt that very many accidents arise from individual disregard and overlooking of the ordinary canons of safety to himself and others.

I like that word "canon"; it is a new word to me in that connection. I may say that this Dominion Iron & Steel Company is now in the hands of a receiver, following the unanimous report by this Royal Commission.

Peak Output—No Profits!

The above heading does not refer to the newsprint industry. It refers to the iron and steel industry in Nova Scotia. It would appear, from news appearing in the Nova Scotia papers, that while in 1928 the Sydney steel plant registered the largest year's production in its history, no profits resulted. The output, we are informed, was maintained within 2½ per cent of capacity for a continuous period of 12 months, yet the Dominion Iron and Steel Company could not, under present conditions, earn a dollar on its capital stock.

This is surely a question worth inquiring into. Says the Sydney Post: "It will be agreed that the trouble is not with the operating management or the business administration or the affairs of the plant. Since 1926, the reduction in operating costs has been most notable in every department, reflecting in some instances economies in production amounting to 20, 30, and even 35 per cent—simply a marvellous showing for two years. And yet, despite these reduced costs in production, and despite the fact that last year's operations were at 97·6 per cent of capacity, the gross earnings were barely sufficient to care for replacements and repairs, and to pay interest on the money the Company has borrowed from the public on its bonds. As for the 'owners' of the Steel Company,—the shareholders whose millions have been invested in its stock issues—they will not receive a dollar in the form of dividends out of last year's earnings."

The answer to the question as to why this profitless output, it appears, is that the market prices received by the Dominion Iron and Steel Company for its products have been entirely too low to leave a reasonable margin of profits. As the Dominion Company has been reducing its production costs, American competition, freely permitted in the Canadian market under the existing steel tariff, has forced prices down to ruinously low levels, and has thus nullified the results of all the production economies effected at the Sydney plant in the last two or three years.

Under these circumstances it is little wonder that Ottawa is being looked to for relief. Would it not be worth while to consider the re-establishment of the iron and steel bounties which the Hon. W. S. Fielding defended so vigorously when he was Minister of Finance?

Here is what was said by a large deputation that was headed by the Prime Minister at the time:

Unfair Discrimination

The following is an extract from the case presented to the Prime Minister of Canada on behalf of a widely representative delegation from Nova Scotia by Hon. E. H. Armstrong, Premier of that province:

"As coal entering Canada for steel making purposes is free of duty there is no protection for the Nova Scotia miner producing coal for steel-making. We think this is unfair, as our miners must use articles imported from other Provinces of Canada, the Customs duty on which greatly exceeds those applying to the coal he produces or the steel made by means of that coal."

The Premier also referred to the fact that the ore used by the Steel Works in Nova Scotia is produced by Canadians and other men of British stock in Newfoundland by the use of Canadian money and Canadian materials and supplies. The requirements of the mines in the way of machinery and equipment, tools, explosives, horses, fodder, coal and other supplies, and the food-stuffs and many other necessities of life required by the ore miners and their dependents are sent over from Canada, which in this way derives almost as much benefit as if the mines were actually within her own borders.

No other iron and steel works in Canada occupies a corresponding position. All the others use United States ore and coal and in some cases United States limestone. The ore and stone are free from duty and ninety-nine per cent of the duty paid on the coal used is refunded. Not a dollar of the cost of producing either the ore, the coal or the stone imported from the United States is spent directly or indirectly in Canada. The whole benefit of the expenditure contingent upon their production accrues to a foreign country.

The existing conditions certainly constitute an unfair discrimination against Nova Scotia coal and coke.

The payment of such a bounty would undoubtedly stimulate the coal and iron and steel business and this would have such a beneficial effect upon trade generally that the revenues of the Government would be increased by an amount much larger than would be required to pay the bounty.

This would only be a repetition of past experience, which is generally a very good guide.

Now, what did Hon. W. S. Fielding say in another place? He said:

Revenue Growth Resulting from Bounties

In this connection, I would like to invite the attention of the House to the question of what these bounties have accomplished. I know that with some excellent citizens of Canada the idea of bounties is not popular. More than once I have met people of the very best class who shake their heads over the idea. I think, however, that it can be clearly shown that the treasury of Canada has not lost one dollar from the payment of bounties. The iron and steel industries which have been established in the country have undoubtedly had a great effect in the development of the trade in Canada. Just how far the influence of a steel industry is felt may be a matter of debate. I have no doubt that honourable gentlemen have found many cases where business has been influenced favourably a long distance from the location of an iron and steel plant; I have found such cases myself; and it must be remembered that in all the principal trade centres of Canada vast quantities of goods have been purchased and sold to these steel ports, as I may describe them.

The cities of Toronto, Montreal, Quebec, Halifax and Saint John will all testify that their merchants have sold great quantities of goods to these steel making ports. The duties on these goods have been paid at Toronto, Montreal, Quebec, Halifax and Saint John, as the case may be. It is not possible to measure just what these duties have amounted to, but they would not have been paid if there had not been the consumers of these goods at the steel ports. I do not think it is too much to say that millions of dollars have been paid into the Dominion treasury in that way at ports far removed from the steel ports themselves; and in considering what the Government have received in return for the bounties, it would be well to bear that in mind.

Honourable gentlemen will remember that I am not saying this. Mr. Fielding continued:

Bounties Developed Industrial Expansion

But suppose we put that aside. Let us look at the condition of the revenue at the steel ports themselves. These I take to be Sault Ste. Marie, in Ontario, Sydney, North Sydney and Sydney Mines, in Nova Scotia, Glace Bay Mines which supply the coal to the Sydney plant, New Glasgow, Nova Scotia, and Hamilton, Ontario. . . All honourable members will agree that, as respects every other point which I have named, the increase in business is due directly to the development of the iron and steel industry. Every one of these communities was a small community before the steel business began; every one has grown to be a large and important community under the influence and development of the iron and steel business.

Here follows a table giving the details. With the permission of the House I will put it on Hansard.

Some Hon. SENATORS: Yes.

(Following is the statement referred to by Hon. Mr. Casgrain).

I have here a statement showing the collections of customs revenue for two periods of ten years. The first period is that from 1890 to 1899, a period during which some steel bounties were paid, but during which the industry was in its infancy, and not very much progress had been made, except at New Glasgow, and even at that period New Glasgow had contributed very largely to the revenue by reason of her steel operations. We compare that period of ten years with the next ten years ending June 30, 1909:

Comparative Statement of Customs Revenue received at the following ports during the ten years 1890 to 1899, both inclusive, and for the ten years from 1900 to 1909, both inclusive.

Ports	Years 1890 to 1899 June 30th	Years 1900 to 1909 June 30th
Sault Ste. Marie, Ont.	$ 219,763 06	$ 2,012,066 13
Sydney, N.S.	153,115 50	1,645,759 22
North Sydney and Sydney Mines, N.S.	192,548 97	455,320 32
Glace Bay, N.S.	31,976 66	469,663 49
New Glasgow, N.S.	398,578 24	479,020 76
Hamilton, Ont.	6,712,584 26	11,648,381 80
	$ 7,708,566 69	$16,710,211 72
Increase during years 1900 to 1909	9,001,645 03	
	$16,710,211 72	

Hon. Mr. CASGRAIN: Let us compare the amount paid in bounties with this increase in duties. The amount of bounties paid on pig iron, puddle bars, steel and wire rods during the ten years 1900 to 1909, both inclusive, was $13,377,268. The amount of increase of customs revenue at the ports where there were steel plants, during the same period, was $9,011,645. Thus we see that nearly all that has been paid in bounties came back in

revenue through the various ports I have named. It may be added that under the bounties system $500,000,000 worth of iron and steel products were manufactured in Canada, half the cost of which was paid in wages, Canada getting $30 for every dollar paid in bounties. If that were an investment it would be hard to find a better one.

As to the importance of this company, I would like to read a short extract from the record of the public sitting of the Advisory Board on Tariff and Taxation, November 27, 28, and 29, 1928:

> The combined industries as represented by the British Empire Steel Corporation employed during 1927 an average of 20,124 workers, drawing $24,400,000 in wages and salaries. Workers numbering 18,000 were employed in Nova Scotia and received wages and salaries to the amount of $22,200,000. It has been estimated on this basis that about a sixth of the population of Nova Scotia was directly dependent on steel and coal industries of that Province in addition to the large number who directly derive their livelihood from these industries.

At a time when the Progressives were all-powerful in another place, their leader, Hon. Mr. Forke, said, "I am not in favour of protection, but I understand that the coal is very hard to get and when you do get it it is not of the very best quality." When nearly one-quarter of the population of Nova Scotia depend on those industries for a living, what are we to do? Let them starve?

The importance of the industry may also be judged by the fact that when it is working in full force it employs 23,000 workers, whose wages mean $24,000,000 a year.

I see the honourable gentleman from Nipissing (Hon. Mr. Gordon). He may be surprised to hear that 40,000,000 feet of lumber were used for pit props alone. How many mills east of the Rockies cut more than 40 millions?

Then, they have 500 miles of railway. Their railway is the third largest in the country, next after the Canadian National Railways and the Canadian Pacific Railway. A large number of men are employed in operating and maintaining this railway. And this company pays in royalties to the Nova Scotia Government the sum of $628,000 annually—a large proportion of the provincial revenue of Nova Scotia.

Nothing has been done on the first Duncan report, and following the second report there has been a reduction of rates on railways. I now ask honourable gentlemen to consider what would happen to a quarter of the wage earners of Nova Scotia if, perchance, this great concern were forced to suspend business. Those wage earners could not possibly exist in Nova Scotia and they would have to leave the province. What would be the effect on that province if one-quarter of its population left there? If such an exodus should happen through any lack of willingness or attention on the part of the Government, then the Government would have to take the responsibility.

I desire now to mention another subject, the recent judgment of the Supreme Court concerning rights in the water. The honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) possesses a good share of that Hibernian intellect which 1,100 years ago was shining so brightly in Ireland, when all the universities of Europe were supplied with professors from the Emerald Isle. He is an able counsel, and for six months was retained by the Ontario Government to diagnose and study the question, who owned the water in Canada. Honourable gentlemen will remember that he alone diagnosed the case in regard to the St. Lawrence River Ship Canal, when he located the whole case between Prescott and Montreal, a distance of 120 miles. The whole question was the difference in freight in these 120 miles. In the case submitted to the Supreme Court only one question was necessary: "Who owns the water?" That is the only question that any tribunal should be called upon to decide.

A very important personage was surprised when he read the judgment of the Supreme Court. Someone said to him, "Surely, in your exalted position, you had some inkling of what the judgment would be?" This gentleman of very high position replied, "No, I had no inkling before, and I have no inkling after having read the judgment."

The judges of the Supreme Court, the six or seven of them, are losing their time in Canada. They should go to the League of Nations at Geneva. After hearing the case argued for three weeks by the very best legal talent that Canada possesses, and then deliberating for three or four months, they finally came to the conclusion that they were unable to come to any conclusion.

I was told by an eminent lawyer, a K.C., in Quebec on Tuesday evening, that the notes of the Court go very much farther than the judgment, in favour of the provinces. Why should not the Federal and Provincial Governments come to a conclusion on this matter and stop further useless litigation?

I should like to put on Hansard a few remarks concerning the new status of Canada. The matter to which I am about to make reference is a statement that was made by Sir Robert Horne in the presence of at least two honourable members of the Senate, the

honourable gentleman from Ottawa (Hon. Mr. Belcourt) and the honourable gentleman from Montarville (Hon. Mr. Beaubien). I think the honourable leader of the Opposition (Hon. Mr. Willoughby) was present also. Sir Robert Horne gave an example of his good sense at the meeting of the Inter-Parliamentary Union at Washington in 1925. Mr. Thomas Johnson, of the Irish Free State, had proposed that in case of Great Britain becoming involved in war the other nations would agree to consider the British Dominions as neutral territory and not attack them. Sir Robert said that would be a very convenient arrangement for Great Britain, as it would leave them that much less territory to protect, but he could not imagine any belligerent state which happened to be in hostilities with Britain at the time agreeing to a plan by which their course of action and their power of injury to the countries against which they were fighting would be more limited.

"I wish to tell the Conference quite definitely," he continued, "that Great Britain does not ask for this concession; nor do I know of any other part of His Majesty's Dominions that would ask for this eleemosynary aid in the event of conflict breaking out." He added that any Dominion of the Empire was free to assist Great Britain or not, as it might choose, in case of a war, but that that would not free it from liability to attack on the part of any enemy who would choose that method. Thus quietly but effectively he punctured any idea that a Dominion could stay out of an Empire war by mere choice.

We all rejoice in the recovery of His Majesty the King. Prayers were offered in all our churches for the restoration of his health. The Pope of Rome prayed, and he said that the King would not die. The Pope knows that under no other flag do Roman Catholics enjoy privileges and respect as under the old British flag.

Those Senators who were present at the Coronation of His Gracious Majesty must feel even more deeply than others on this occasion. The British Empire offered on Coronation day the most admirable spectacle. At the very heart of this vast empire, in London, in the ancient Abbey of Westminster, in a magnificent setting of oriflammes and rich draperies, in the presence of the highest dignitaries of his Court, of the representatives of all his people, and delegates from all nations, at the foot of the same altar where knelt his ancestors of the mighty house of Hanover, his Most High and Most Gracious Majesty George V received on his brow the double crown of King and Emperor.

Great Britain gave a noble example to all the world in uniting in a ritual almost coeval with Christianity the worship of the Sovereign Ruler of the Universe with the traditional worship of monarchy. Now, under the beneficent reign of the ancient house of Hanover, as in the remote ages when the dynasties of the Saxons, the Normans, the Plantagenets and the Stuarts succeeded one another on the throne, the King is sure of the respect and fidelity of his people. George V is twice sacred in the eyes of his subjects, because his crown, already precious by many centuries of glory, shines with a divine halo borrowed from the splendor of Westminster, whilst its purest refulgent rays come from Heaven.

As Christians we were proud to see our Sovereign, with his crown and the insignia of his majesty, kneeling before God and asking of the King of Kings the confirmation of his power and the inspiration of his life. The solemn grandeur of the Abbey is a severe and potent rebuke of modern materialistic ideas. The spectacle of many thousands of his fellow men arrayed in all the evidences of worldly wealth and dignity, yet reverently bent in contemplation of things unseen and eternal, is one that must convince the most frivolous of the verities that underlie our creeds.

It was in such an atmosphere that the King and Emperor took the vows of fidelity to God, to duty and to the nation, a magnificent testimony of faith and example to other nations. In that great consecration the King had all the world for witness.

What enormous change—what portentous growth there has been since the coronation of Queen Victoria, 91 years ago! The great overseas Dominions joined not only in the symbolical pageant of the Coronation, but in the processional march of the ages. Gradually but surely and naturally they fell into step, without compulsion and almost without conscious volition, because most are of the same blood, and the same ancient traditions impel them to consentaneous motion. In that lie the greatness and permanence of the imperial idea and the secret of its hold on men living in the most various conditions. We should do well to consider closely what this attractive and cohesive force depends upon, in its ultimate analysis; whether it appears to belong to consanguinity or rather to its unquestionable power over men of other races by virtue of the fundamental principles of our policy guaranteeing them liberty and equality before the law.

Not the exploits of soldiers, not the intrepidity of seamen, not the loud wrangling of

party, not the fumbling of statesmen has built the British Empire. Not any of these things alone can maintain the vitality of the Empire. It is the product of millions upon millions of undistinguished people, for generation after generation, who have been content to do inconspicuously the duty that lay nearest to them.

The King at his coronation took upon himself very solemn obligations towards his church and his people, as their chief magistrate. Each of us has his share in these obligations and, whether he will or not, must play his part in strengthening or undermining the foundations of Empire.

Hon. A. B. GILLIS: I desire to add my expression of gratitude at the recovery of His Majesty the King.

There is one paragraph in the Speech from the Throne, namely the prosperity of the country, to which I would like to make brief reference. It is very gratifying to know that some of our industries are so prosperous. The Speech also states that agriculture is in a very flourishing condition in Canada. Now, I agree that it is very encouraging that our banks and other institutions are successful, and that our railways show larger earnings; yet I think we should give serious consideration to the question whether the basic industry of this country, agriculture, is on a sound foundation.

According to newspaper reports Mr. Kemp, a member of the Ontario Legislature, stated that 75 per cent of the farms in the Province of Ontario were for sale, because the farmers are discouraged with existing conditions. I am told on fairly good authority that similar conditions exist in other provinces in Eastern Canada. I believe that in the great province of Quebec and in the Maritime Provinces agriculture is not in a flourishing condition; but I am not familiar enough with conditions in those provinces to make any definite statement about them.

I desire to call the attention of the House for a few moments to conditions in the West. The Speech from the Throne refers to the large returns from our railways, and previous speakers have commented upon them. It is largely owing to the fact that we in the Prairie Provinces are able to produce such vast quantities of grain to be shipped that the railways have an opportunity to earn these large returns.

But there is another side to the picture. During the past three years we in the Prairie Provinces have been somewhat unfortunate. The fall of 1926 was exceedingly wet, and a great deal of the grain had to be threshed under very unfavourable conditions, with a consequent loss to the farmers. A large quantity had to be dried out, and the drying, of course, reduced the amount which the producers received for the grain. The same condition existed in 1927. But even in the face of those conditions prices were fairly good, and in many instances the farmers received a fair return for their crop.

Now I come to 1928. In the autumn of 1928 the crop prospect was probably the brightest in the history of the western provinces. Everywhere the crop promised to be an abundant one. Unfortunately, just a few days before the grain was ready for harvesting we were visited by three or four very severe frosts, in consequence of which the grades were very much reduced.

Hon. Mr. CASGRAIN: Was the frost general?

Hon. Mr. GILLIS: The eastern part of Manitoba and other spots here and there escaped, but I think I am safe in saying that 80 per cent of the crop was touched by the frost. Honourable gentlemen will of course understand that, as the grain was nearly ripe, the frost would discolour it without deteriorating it to any extent for milling purposes. It is an old saying in the West that if we get a frost there will be a harvest for the grain dealers, the elevator men, the grain exchange, and so on, who take advantage of the lower grading which results. Last year, as a consequence of the frost, the grades were reduced, and probably 75 per cent of the grain grown in places where frost appeared was sold as No. 5, No. 6, and feed, notwithstanding the fact that most of the wheat weighed anywhere from 60 to 65 pounds to the bushel. Tests were made of the value of this wheat for milling purposes, and in many instances it was found that it was almost equal in value to what is known as the standard grades, 1, 2 or 3, as fixed by statute. But while grades 1, 2 and 3 were bringing a fair price, the other grades, No. 5, No. 6, and feed, were sold for probably less than half of their actual value for milling purposes. I have seen grain that many considered first-class for milling purposes sold for as little as 58 or 60 cents a bushel while the price for No. 2 or No. 3 was bringing $1 to $1.25 per bushel. From this you will see at a glance what a loss the people of the western provinces sustained by reason of the frost and wrong grading.

It costs, I think, roughly speaking, at least 70 cents per bushel to produce wheat.

Hon. Mr. CASGRAIN: More than that.

Hon. Mr. GILLIS: That is the lowest possible figure. But putting it at that figure, you will readily understand that the prairie farmers are not in a very flourishing condition, because they actually received less than the cost of production of the wheat. This is true also of the coarser grains including barley and rye, all of which were more or less touched by frost.

Hon. Mr. CASGRAIN: What was the date of that frost?

Hon. Mr. GILLIS: About the 14th, 15th and 16th of August. I think we really had six frosts. Of course that is an unusual thing in the western country of recent years.

Now just a word in regard to what I consider should have been the policy of the Government to alleviate that condition. They could have stepped in and done something in the matter of grading. What was known as the Turgeon Commission was appointed a few years ago, and brought in a very elaborate report, with some very sane recommendations, but as far as I have been able to gather, many of those recommendations were not put into effect. To-day we have another Commission, appointed by the local Government, the powers of which, I understand, have been increased by federal Order in Council, to enable it to inquire into the grain industry in Saskatchewan and Alberta, and probably in Manitoba. To my mind the appointment of this Commission is more or less of a farce, as practically all the crop has been disposed of, and we all hope, and it is quite probable, that such conditions as prevailed last fall will not occur again for many years. Nevertheless, at every sitting of the Commission hundreds attend to air their grievances, many driving 50 to 60 miles. This shows that the country is up in arms against the grading system.

When the condition that I have described arose, the Government should have forced the Grain Commission to make some arrangement by which the farmers of the West would receive a fair return for their product. Under section 49 of the Grain Act the Government may, if necessary or desirable, establish what is known as a sample market. We know that the railway companies are opposed to such a market. We also know that it will probably delay the transportation of wheat. But, after all, it is hardly wise to rush the grain to market too rapidly, and the situation would not have been one iota the worse if the Government had taken the matter in hand and had appointed someone at Winnipeg, at Port Arthur, and Fort William, for the purpose of taking tests of the grain in order to establish some system whereby grain weighing, say, 60 pounds or over to the bushel would have been given a reasonable valuation. I blame the Government for not taking action. The situation was well known from the 1st of October last. The Government should have forced the Grain Commission to take action in the matter, for by doing so they would have saved the farmers of Western Canada millions of dollars that have been lost to them.

The condition of the farming community, particularly those farmers who are entirely dependent upon grain growing, is anything but prosperous. It is not only the farmer who is suffering, but the storekeeper, the implement dealer, and everyone else who comes in contact with the farmer. I do not want to be too pessimistic, or to throw a wet blanket over the prosperity about which we have heard so much; but when in some instances men are not able to meet their accounts because they could not get a reasonable price for the wheat which they produced, prosperity is not much in evidence. In the present Government we have three ministers from the Province of Saskatchewan—the Prime Minister, the Minister of Agriculture, and the Minister of Railways—yet as far as I have been able to discover no movement has been made to remedy conditions in that province during the past season. I trust that if this unfortunate condition should occur again the Government and the Grain Commission will try to meet a situation which has caused a serious loss to people of the western provinces.

Hon. J. D. TAYLOR: Honourable gentlemen, I have no desire to disturb the peace, perfect peace, brooding over this Address, but I wish to refer briefly to a few matters of especial interest to British Columbia. The honourable gentleman who so gracefully moved this Address (Hon. Mr. Logan) referred to the splendid steamship service established between his province and the West Indies to promote the importation of bananas into Canada and to induce pleasure travel between Canada and that holiday resort. He encouraged us to hope that when in a few days a delegation arrives from British Columbia to ask for a steamship service, for purposes even more important than those to which I have referred, the Government may think well of its proposal and give it some real satisfaction.

In the past we have had good service at times from the steamships of the Canadian National system, but unfortunately, a couple of years ago or less, after they had been instrumental in working up a trade in lumber between British Columbia and the Old World, which theretofore had not been successful,

and also a trade in lumber with Australia, two lines of those ships were withdrawn for the reason that in the opinion of the company they did not pay. We venture to ask for the restoration of that service, even though it does not pay, on the ground that there is a very substantial deficit in the general operation of the Canadian National railways and steamships, and that the Province of British Columbia contributes very largely towards its payment in the way of taxes. We do think that when unprofitable services are being given in other directions, and when our trade can be benefited by continuing services that are to a small degree unprofitable, we are entitled to some consideration. At all events, I read in the press that there is a delegation on its way to interview the Government to press our claims in this connection.

I refer with pleasure, for my own part, to the promise in the Speech from the Throne of the further development of the lines of the Canadian National Railways. It is true we are not told in detail, beyond a statement made in another place, in which direction these developments are to be undertaken. It has been hinted that they may be projecting lines both east and west, and we have a faint hope, in connection with the development of a few months ago and the promises on the occasion of an election in British Columbia, that when the choice comes to be made of the lines to be taken over by the Government, the members of the Ministry may think well of that great enterprise of their political colleagues in British Columbia, the Pacific & Great Eastern Railway. I can assure the honourable gentleman who leads the Government in this House (Hon. Mr. Dandurand) that so far as the people of British Columbia are concerned, great as is the pride which we take in that railway and the development of the country which it was intended to serve, we would place no obstacles in the way of its being incorporated with so grand an enterprise as the Canadian National system.

Right Hon. Mr. GRAHAM: I thoroughly believe that.

Hon. Mr. TAYLOR: However, to come down from a prospect to a certainty, I may say that I was very pleased to see in the program of the Canadian National an expression of the intention to proceed with the lines on Lulu island, down the Fraser river from New Westminster, to give a connection with the great industrial centre of the lower mainland of British Columbia.

The Canadian National Railway, as some may not know, is in the peculiar position of ending 15 miles short of its terminus, the last 15 miles of the journey being accomplished over the rails of the Great Northern Railway, a foreign company operating in Canada. Under the terms of the contract with that railway the Canadian National is not permitted to handle any way traffic or to pick up any industrial traffic between New Westminster and Vancouver. Because of this condition the Canadian National has had no connection in the past with the great industrial area of the lower mainland. We are assured now that the plan of the original promoters of the road is to be carried out, and that the railway is to be extended down the Fraser river to that industrial area.

In this connection I may say that the directors of the railway have looked very kindly indeed upon the ambitions and prospects and possibilities of New Westminster, my home city. In co-operation with the Canadian Pacific Railway, the British Columbia Electric Railways, and the Consolidated Smelter enterprise of the C. P. R., and in conjunction with the Department of Agriculture, they are now engaged in a great scheme of port development, with terminal facilities for the loading and unloading of vessels, and for cold storage. Although it is not our habit in that particular part of British Columbia to support the party represented by the present Government, we have sense enough to be grateful when they do not remember our political delinquencies, but join us heartily, as they have done on this occasion, in a development of such great importance to the port of New Westminster.

Hon. Mr. CASGRAIN: They want to convert you.

Hon. Mr. TAYLOR: I think we are particularly indebted to the good services of our Minister from British Columbia, Dr. King, who has the great task of representing in his own person the interests of that immense province, and who seems to be making a very fine fist of it. I am pleased to be able to speak in this way of a Minister who has been so kindly to everyone from the province who has had business with him.

I should like to compliment him upon the new era which he seems to have established in the department over which he presides, in treating claims for pensions and increased pensions with a little more humanity than has been customary in the past. I should like to see more humanity displayed in regard to pensions than has previously been shown. I very well know that the Minister is bound by the law, and that he cannot go outside the law, but he can, and I think he does, counteract the tendency of some of his sub-

ordinates to administer the law so severely as to cause very great distress to persons who are well worth consideration by the Pensions Department.

I desire to call the attention of the Government to another matter referred to in the Speech from the Throne; that is the matter of reorganization of the Fisheries Department, mentioned with a simple reference to the appointment of a Deputy Minister. As has been pointed out, that is not, as it purports to be, following the recommendation of the Fisheries Commission. Their recommendation was for the appointment of a separate Minister, and the entire separation of the Fisheries Department from the Department of Marine. I have noticed a reference made in another place by the right honourable gentleman who leads the Government, in which he said that it is really the intention of the Government to appoint such a Minister, but that the moment that seems most opportune must be left to be determined by the Government itself. I would suggest, in this connection, that there could hardly be a time more opportune than the present, in view of the fact that the fisheries of British Columbia represent, in their value, 50 per cent of the whole yield of the Dominion—

Hon. Mr. CASGRAIN: How much money would that be?

Hon. Mr. TAYLOR: The fishery product of British Columbia last year was about $27,000,000; and I would call attention to a note in the annual report of the Fisheries Department, just presented, that while there had been a general increase in the fisheries yield in Canada, there had been a substantial decrease of $6,000,000 or $7,000,000 in the yield from British Columbia, mainly due to the falling off in the take of salmon and halibut.

Halibut is the most serious subject. As to salmon, it has been a subject of consideration for many years, and the salmon are not doing at all badly, with the exception of the one variety of sockeye salmon, always the favourite. We have more than made up in other varieties for what we have lost in the sockeye. But as to the halibut we are facing the absolute extinction of that industry. I quote from the report of the International Commission on the protection of halibut, appointed about four years ago, which has been making a serious study of the situation ever since, and which one year ago made to this Government a representation from which I will read only a few sentences:

> The rapidity of the decline is regarded as especially serious because of the very slow rate of the growth of the halibut, an adult being from twelve to twenty-five years, or over, in age. Hence the present decline has taken place within the life span of one halibut of ordinarily large size. As nearly all the fish which are being caught now were spawned eight or ten years ago, the abundance of the younger fish, which will annually be available for capture in the next ten years, has already been established. If these are greatly reduced in numbers, and the intensity of the fishery is maintained, the outlook for a future stock of spawning fish sufficient to maintain the supply, presents a hopeless picture. In fact the commission's investigations indicate that relatively few mature halibut are now found on the older banks.
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> These illustrations demonstrate beyond a doubt that the fishery is in a very serious condition, and that the banks cannot stand the intensity of fishing to which they are subjected. The commission is fully convinced that the conditions are so serious that no delay should be permitted in the adoption of additional conservation measures. In the light of the investigations made, such action is essential to the maintenance of the fishery.

Hon. Mr. CASGRAIN: Do we understand from the honourable gentleman that they are being fished out?

Hon. Mr. TAYLOR: Yes, they are being fished out. The halibut industry was started about forty years ago, when they fished off Cape Flattery, only a few miles outside the port of Victoria. Then they operated extensively off the banks of Queen Charlotte Islands. But now, instead of going only 200 or 300 miles for the halibut, the fishermen have to go 600, 800 and even 1,200 miles. They had been accustomed to find the large adult fish, which used to be the whole thing, but which are now the exception, and are segregated in cold storage places as a curiosity. The great bulk of the catch now are fish that a few years ago would not have been taken at all.

Hon. Mr. CASGRAIN: Are there any hatcheries for halibut out there, or can you have hatcheries for halibut the same as for salmon?

Hon. Mr. TAYLOR: There is no suggestion of hatcheries for halibut.

Hon. Mr. CASGRAIN: Is it the Provincial Governments that have the hatcheries?

Hon. Mr. TAYLOR: I do not think anything like that can be done for the halibut. My point is that we have been conscious for twenty or twenty-five years of the decline of the halibut industry, and of what will be its eventual fate unless action be taken; but this consciousness has been of no use, because there has been no one in authority at Ottawa to take up the matter and direct it. The knowledge has been common enough. The representations of the local officials of British

Columbia have been common enough, but when we have got down to Ottawa we have had no one but the Minister of Marine and Fisheries, and he, under whatever Government, has been wholly absorbed in the Marine Branch of his Department, and has had no inclination, and possibly no time, to give any attention to the fisheries.

Under similar circumstances we lost the seal fishery. Now, if we can have a Minister of Fisheries appointed soon—if this can be recognized as the opportune moment—he may, in conjunction with this Commission which is still in operation, and which has made recommendations for vigorous action, be able to put those recommendations into effect, and restore the fisheries. On behalf of British Columbia I make a claim that when the appointment of a Minister of Fisheries is made, in deference to the importance of the problems presented on the Pacific coast, and in deference to the fact that we contribute one-half of the yield of all Canada in fisheries, that Minister should be a man from British Columbia, so that he might come closely in touch with the very great interests at stake there.

Just a word about the seal industry, which was allowed to go from bad to worse in the days when the seals were hunted on the open sea. That is not done now, except by Indians, who take a few hundreds each year. White men are not permitted to go out. This is by a Treaty made with the United States in 1910, which contemplated the cessation of hunting at sea for a sufficient period to rehabilitate the rookeries or breeding places. Those breeding places are in American territory. The Treaty was made with the United States, and forbids British subjects from having any part in the hunting of seal. In return we were to get a percentage of the net profits of the seal industry, but the percentage has been very small indeed. The expenditures have been made by the United States authorities, who have done the bookkeeping, and after having deducted everything that could be deducted they give us our percentage. The result of their handling of the skins has been a switching of the sealskin trade from London to St. Louis, I think it is, and a very serious deflation in the price paid for skins to the Government. The increase in the herds on the rookeries has been very large, and this increase represents a profit of many millions of dollars, in which we do not share. The Treaty was originally to have been in operation for ten years, but was finally made for fifteen years, and that period expired in 1925, since which time, so far as I know, no attention whatever has been paid to the subject.

I can take the United States reports from the several departments and read there an intelligent story of what they are doing with their seal fisheries, in which we have this interest. When I take up our own book I find just one line in it, under the head of "Casual Revenue," not even credited to the Province of British Columbia, and read that the Government received $95,000 last year as our proportion from the seal banks. I submit that in justice to British Columbia interests, and particularly those of the seafaring men who wish to pursue their old calling on the sea, which they had to give up when we signed that Treaty, no more time should be lost in taking up this matter, which can be done only when the Minister of Fisheries is appointed; and in view of the great urgency I suggest that this should be regarded as the opportune moment.

On motion of Hon. Mr. Lewis the debate was adjourned.

DIVORCE BILL (ONTARIO)

SECOND READING

Hon. Mr. WILLOUGHBY moved the second reading of Bill A, an Act to provide in the Province of Ontario for the dissolution and annulment of marriage.

He said: Honourable gentlemen, those who have been in this House for two years will know that this Bill has been passed at two successive sessions, exactly in its present form. It is wholly unnecessary for me to explain the provisions of the Bill. They are extremely short. I have the Bill in print before me. It is all in one paragraph. Its effect is to bring into this country the English law of divorce virtually as it is at the present time, modified by some Canadian Acts.

Right Hon. Mr. GRAHAM: The same Bill as last year?

Hon. Mr. WILLOUGHBY: Exactly, and the same Bill as is now in force in the three Prairie Provinces.

Right Hon. Mr. GRAHAM: I am against it, just the same.

Hon. Mr. WILLOUGHBY: I move the second reading of the Bill.

Hon. THOMAS CHAPAIS: Honourable gentlemen, I would like to say a few words on this Bill. I wish to show as briefly as possible why I think that the Senate should not pass it. I was not present when at last Session the same Bill, as I understand, was proceeded with; so I would like to say a few words now to explain my views on the matter.

This Bill is entitled, "An Act to provide in the Province of Ontario for the dissolution and annulment of marriage." Believing as I do that marriage should be indissoluble, I cannot conscientiously vote for the creation, in the greatest province of Canada, of a court intended to make divorce more accessible and more easily obtained. I have not the slightest doubt that if this Bill is passed its natural result will be an increase in the number of divorces, already so dreadfully and alarmingly great. It will swell the dirty flood. I am unwilling, for my part, to co-operate in the swelling process. Honourable gentlemen know that on two or three previous occasions I have stated in this honourable House what are my principles in this matter.

I deem that divorce is a social evil and a social danger. It should not be encouraged, but rather should be restrained, if not altogether suppressed. The family, which is the corner-stone of society, finds its most formidable foe in divorce. Every law which tends to the encouragement, extension and popularity of divorce is, in my opinion, antisocial.

I know perfectly well it is not my honourable friend's purpose to encourage divorce. On the contrary, his aim is to relieve this House from a most unwelcome burden. He wants to decentralize divorce. But if it be true that decentralization of justice was at one time in our Canadian history a national boon, it is equally true that decentralization of divorce would be an unqualified curse.

Allow me to quote the opinion of a great Canadian, a great political leader. We find the following lines in the memoirs of Sir John A. Macdonald:

> Speaking one day of the Senate's jurisdiction in the matter of divorce, Sir John observed that the late Lord Westbury had told him that, when he sat in the House of Commons, he had a rather stiff encounter with Mr. Gladstone on the establishment of a divorce court in England, against which Mr. Gladstone took strong grounds. "And Gladstone was right, too," observed Sir John, "for of this I am convinced, that the establishment of the divorce court in England has been productive of much mischief. In former times the procedure with respect to divorce was the same as is in force in Canada to-day—that is, it could only be obtained from the Upper House of Parliament. . . . . The establishment of the divorce court in Canada would mean cheap and easy divorces, which would lead to great laxity in the marriage relations."

Another great parliamentarian and jurist, Mr. Mulock, now Sir William Mulock, Chief Justice of the Appellate Division of the Supreme Court of Ontario, made a similar declaration, when he was a member of the House of Commons. He said:

> I think the facility with which divorces are granted in England and in other countries does go a long way to interfere with the sacredness of the marriage tie. . . . . There is no reason that justifies, in my opinion, the establishment of a divorce court in the province of Ontario.

That quotation may be found in the Debates of the House of Commons for the year 1888, Volume 2, page 1416.

Honourable gentlemen, the opinions of such illustrious men should carry great weight. We should feel on safe ground in following their advice and in abstaining from opening wider the flood-gates that help to protect our country against the foaming surge which, if loosed, would submerge that great social institution, the family.

For the reason I have stated, I am sorry to say that I shall have to vote against the second reading of my honourable friend's Bill.

Hon. G. D. ROBERTSON: Honourable gentlemen, I have a few observations to make concerning this Bill, which I hope we shall be able to dispose of at this sitting. The honourable gentleman from Grandville (Hon. Mr. Chapais) has expressed views, with which I feel sure every honourable member will agree, upon the general question of divorce; but I want to point out that the purpose of this particular Bill is to give to the Province of Ontario, in the matter of divorce, the same sort of jurisdiction that is to-day exercised by seven other provinces. I am sure that the people of Ontario feel that there is no good reason why their province should not be clothed with this power like those other provinces. The Bill does not interfere with the rights of any province that does not desire to deal with divorce.

On two grounds I hold that this Bill ought to be approved and passed without further delay by this Parliament. One is that twice as many divorces of people living in the Province of Ontario have been granted in the city of Detroit as by this Parliament, during recent years. Do honourable gentlemen know that in the year 1928 there were 548 Canadian divorces secured in the city of Detroit? Most of the people who are separated by these Michigan decrees remarry in the United States, return to Canada, and live in wedlock that is illegitimate according to Canadian law?

Hon. Mr. McMEANS: I do not know about that.

Hon. Mr. ROBERTSON: The people of Ontario feel that is not a desirable situation; and I think that this House should not be responsible for perpetuating it.

The second reason why I think the Bill should be approved at once is that if power were given to Courts in Ontario, proper redress could be given to deserving parties. As it is now, many divorces are granted by Parliament to persons whose sole object is to be relieved from the obligations of marriage. I understand we have no jurisdiction to deal with the question of redress. If we gave the jurisdiction to Ontario Courts, some assistance could be given to many a poor woman who, through no fault of her own, finds it necessary to obtain a divorce and is saddled with the burden of caring for minor children who ought to be supported by someone else.

I humbly and earnestly submit that that legislation should no longer be held up. We are not dealing with the principle of divorce, as to whether divorce shall prevail or not. It does prevail, and it will continue to prevail, whether facilities are provided here or in the Ontario Courts. Injustice is being done to many innocent, honest persons in the Province of Ontario because of the Ontario Courts having no jurisdiction.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman a question? If Ontario is given the right to grant divorces, of course the Province, having already jurisdiction to deal with civil rights, will be able to provide for alimony in cases where that may be proper?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. LEWIS: Under our present procedure there is no publicity given to the divorce cases in the newspapers. I should like to know whether it would be possible for this Parliament to ensure that there would be the same lack of publicity if divorce courts were established in Ontario. Or would that be a matter of provincial regulation?

Hon. Mr. WILLOUGHBY: I think that would be purely and solely within the competence of the Provincial Legislature.

Hon. Mr. McMEANS: I thought there was a clause in the Criminal Code that prohibited publication of divorce news.

Hon. Mr. WILLOUGHBY: I think that was with respect to the proceedings in Parliament.

Right Hon. Mr. GRAHAM: I thoroughly agree with everything that was said by my honourable friend from Grandville (Hon. Mr. Chapais).

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

78600—4½

THIRD READING

Hon. Mr. Willoughby moved the third reading of the Bill.

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

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

THE SENATE

Friday, February 15, 1929

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

Prayers and routine proceedings.

INTERCOLONIAL EMPLOYEES' PROVIDENT FUND BILL

FIRST READING

Bill 3, an Act to further amend the Intercolonial and Prince Edward Island Railway Employees' Provident Fund Act.—Hon. Mr. Dandurand.

TREATY FOR THE RENUNCIATION OF WAR

RESOLUTION OF APPROVAL

Hon. Mr. DANDURAND moved:

Resolved: that it is expedient that Parliament do approve of the General Treaty for the Renunciation of War, which was signed at Paris on the Twenty-seventh day of August, Nineteen Hundred and Twenty-eight, on behalf of His Majesty for the Dominion of Canada by the Plenipotentiary named therein, and that this House do approve of the same.

He said: Honourable gentlemen, our generation will have lived through one of the astounding epochs in the history of humanity. It had grown up with the self-satisfied conviction of its superior civilization, and all of a sudden it faced the abyss of barbarism. It witnessed a period of sanguinary destruction without example in history.

We had the consolation at the close of this tragedy to witness the efforts of the principal statesmen in Europe, under the leadership of the President of the United States, to guard the world forever against such recurring calamity. Woodrow Wilson created the League of Nations, which remains as a monument to his memory. Canada was also brilliantly represented by its Prime Minister, the Right Hon. Sir Robert Borden, the Right Hon. Sir George E. Foster, and the Right Hon. Charles J. Doherty.

The League of Nations is now completing the tenth year of its existence. It has demon-

strated its usefulness in many a field. It has brought into the international world the spirit of close co-operation. Upon that principle rests the new order of things. Secret diplomacy is denounced. The Great Powers now exchange their views at the round table four times a year, and fifty nations gather at Geneva yearly to discuss matters with a single object in view: the maintenance of peace throughout the world. They have all adhered to the pact which binds them to settle their difficulties by conciliation and arbitration. They have accepted the authority of the Council of the League to impose sanctions against a delinquent nation.

A new convention has been presented to the world which tends towards the same goal: the maintenance of peace. I now present it for your ratification. It is most simple in its form. It has but two short and simple articles. Mr. Briand penned them as a treaty to bind the United States and France. It was enlarged by Mr. Kellogg into a multilateral treaty. Sixty nations have already adhered to it. They solemnly renounce war as an instrument of national policy. These two simple articles read as follows:

Article 1. The High Contracting Parties solemnly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.

Article 2. The High Contracting Parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

It was my good fortune to be present at the Quai d'Orsay on the 27th of August last, when that world treaty was signed by the fifteen countries who had been invited to be the first adherents. Six great powers, Great Britain, the United States, France, Germany, Italy and Japan, were there. It was an inspiring sight to behold the British Commonwealth represented by seven of the fifteen delegates surrounding the table, who rose, one after another, to append their signature to the Treaty. It exemplified before the eyes of the world the magnitude, the vastness and the freedom of those British sister-nations. All the other countries were there present by their ambassadors and ministers. It was an epoch-making date. For the first time war, as an instrument of national policy, was being outlawed and banned as disreputable and dishonourable. In his address to the plenipotentiaries Mr. Briand said:

Considered of yore as of divine right and having remained in international ethics as an attribute of sovereignty, that form of war becomes at last juridically devoid of what constituted its most serious danger—its legitimacy.

It will be noticed that war, under the terms of this convention, will be justifiable only in the case of self-defence, just as the League of Nations itself may call for military force to resist an aggressor. This treaty simply lays down the principle that war as an instrument of national policy is renounced. Self-aggrandizement and selfish ambition are aimed at.

No sanctions are provided for, and skeptics draw the conclusion that there is no virtue in this covenant, which to their mind is but a pious wish and idealistic aspiration. So many mental reservations, they say, can arise to weaken a general rule! It is quite clear to every student of world politics that this pact is but the substructure of a new social edifice. The Treaty indicates this clearly, since it declares that the settlement of differences shall never be sought except by pacific means. There is no alternative to war but conciliation and arbitration.

It has been asked in many quarters if this pact reinforces the movement for peace, and to what extent. The answer is unhesitatingly in the affirmative. The Covenant of the League of Nations does not absolutely close the door to war, because a member may still have recourse to war if the Council cannot reach a unanimous decision. He cannot, however, open hostilities before the expiry of three months from the report of the Council.

Under the present Treaty all loopholes are closed against any aggressive war, as every signatory binds himself to renounce war as an instrument of national policy.

Moreover, another great difficulty is largely removed from the path of peace. When one has followed attentively the many efforts made by the Assembly of the League of Nations since 1920 to solve the problems whose solution would bring greater security to the various nations of the world, one has seen the League confronted at every step with the difficulty of achieving an adequate solution in the absence of the United States. The League of Nations has no army to enforce its decisions. The most potent instrument at its disposal is the application of economic pressure upon an offender, whose commercial and financial relations with the outside world would be severed. Any nation would hesitate to undergo that ostracism by coming under the ban. During these last ten years the League of Nations has felt that economic pressure was weakened to a degree by the

United States standing aloof, free to act as it pleased towards an offender. The Kellogg Treaty largely removes this impediment. While the United States has clearly stated that the Briand-Kellogg Convention does not imply that it is in the least degree obligated to use coercive measures against a nation violating its solemn pledge, it is generally understood that no signatory of the Treaty will ever treat lightly its moral obligation to deny help to a violator of the pact. The Treaty not only obligates a signatory to renounce war as an instrument of national policy, but it precludes him as well from becoming the silent partner of one who violates his pledge. His elementary duty will be to deny to such a belligerent access to his own resources. The Paris Treaty has created this new situation, in which the United States travels along the same road as the League of Nations. They have the same end in view and, although moving separately, they are both a menace to the wrong-doer.

This interpretation of the Paris covenant has made so deep an impression upon the minds of the United States Senate, which has just ratified the Treaty, that Senator Capper has presented to the Senate a resolution empowering the President to place an embargo on the export of munitions of war to any belligerent nation violating the multilateral pact. In the House of Representatives Mr. Stephen G. Porter, Chairman of the House Foreign Affairs Committee, has proposed a resolution to the same effect.

The Briand-Kellogg Treaty may help considerably to bring about an agreement among the maritime powers to apportion their respective quota for the policing of the seas, because, with the pact before them, it will be much easier to define the rights of neutrals in case of the violation of this agreement, the policy of the signatories of the pact leading in the same direction. It seems clear that the Paris Treaty materially reinforces the movement for peace.

What effect will that Treaty have towards a reduction of armaments? We are at this point facing what seems to be an illogical situation. Before the ink on that peace Treaty is dry many of the signatories vote large sums of money for increases in their armaments. When the question is asked of some of the naval experts of a country if they are not re-entering into competitive armaments and building against one another, they answer that they are building not against, but up to, the strongest rival. This means, of course, the same thing. And what is the explanation? One need not look far for it: it is generally the fear of the neighbour, and in some instances national pride. All are desirous of peace. They know their own sentiments and their own sincerity. They may not question the motives of others for the time being. The unknown quantity is fickle public opinion. Fear will be dispelled only by the long-continued practice of peaceable methods, which will influence and shape the mind of the rising generations. This transformation may be a slow one. The instinct of fear may linger in the breasts of men for a long time. It behooves all governments to devote their best efforts to directing their people towards the same ideal: the promotion of friendly intercourse with their neighbours.

I submit this Treaty as a most important step in the right direction.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, the elaborate presentation of this matter by my honourable friend the leader of the Government in this Chamber relieves me of any necessity of treating at length several points in reference thereto. I do not rise to criticize the pact, nor the manner of its presentation. So far as I am concerned, both have my complete approbation and acquiescence. I should be in favour of the adoption of this Treaty at the present time for prudential reasons on the part of Canada itself, if there were no other considerations in view. When one thinks of it, one easily realizes that Canada is well situated from a geographical point of view, as regards its boundary lines and any international troubles which may take place thereon. To the north we are protected from any menace of national disputes. The North Pole and all its cohorts and accessories present to us no difficulties in that respect. On the east and on the west our national limits touch the waters of immense protecting oceans. The only nation to whose boundary we are contiguous is our great kindred neighbour to the south.

Those of us who have had an extended experience in Canadian politics and public life and who have followed the course of the national attitudes of the United States and Canada towards each other, for forty or fifty or sixty years, have found in that time great changes therein on both sides of the boundary. Bitterness, dislike, menace, suspicion and fear have gradually given way to better understanding, good will, mutual friendships and confidence and neighbourly relations. As a matter of prudence, therefore, this Treaty should be adopted, for if there can be final assurance by treaty, or custom, with regard to this boundary, Canada will

then be left free to develop her resources and to make her advances, social, material, political and national, under the most favourable conditions of security. That is a blessing which we do not adequately appreciate unless we bestow a great deal of thought upon contemporary and past history. It is a consideration which will relieve us of tremendous burdens, financial and other, through the future years of our existence.

We have had disputes, some of which have been rather acute, with the United States of America; and those of us who have been in public life know, in some particular instances, just how acute some of those differences have been. We have had adjustments of those disputes and differences by arbitration and judicial process. In some cases we have thought that we were dealt with not quite fairly; in others we have approved of the conclusions that were reached. But there is no honourable gentleman in this Chamber who will for a moment say that the settlement of those disputes by peaceful means has not been infinitely preferable to any other form of settlement that was open to us.

We are a young power, with a comparatively small population. In spirit, in fibre, in character, we hold ourselves absolutely equal with the nationals to the south of us. But in physical force our 10,000,000 cannot successfully compete with the 120,000,000 of our great neighbour. If, then, by a treaty such as this, we can have the solemn affirmation that that great nation renounces war as an instrument of national policy and as applicable to any disputes that arise between ourselves and her, it is the part of prudence for this country to enter gladly into such a compact and to put its solemn seal to a treaty which will lift the menace for all future time. Then, why hereafter trouble ourselves very much about large appropriations for instruments and appliances of war by land or by sea? The only troubles that we could possibly have that would be insistent and continuous along our extended border would come from the nation to the south. If we mass all the appliances of war that we possibly can, and add to them all the experience and skill that we may, there is no possible chance for us to stand up in armed conflict with the United States of America, with its present population of 120 millions, and settle an issue by force of arms.

This Treaty offers the desired alternative. We accept it; and the possibility of war between us is removed for all time. Therefore, for prudential reasons, it is a splendid thing that at this age we are able, with the only neighbour conterminous with us, to have this Treaty of perpetual amity, and of renunciation of force in favour of arbitration on the basis of reason and justice.

I am also in favour of this Treaty under present circumstances because it comes in order of sequence and is not a thing born out of due time. It simply puts the seal of a solemn treaty on a condition of affairs between us and our neighbour to the south which has been in existence for more than a century, and which every honourable gentleman here has probably over and over again lauded as a practical, neighbourly, good-will attitude between conterminous peoples. Who can object to it? If we have been earnest and honest in our laudations of a century and more of peaceful relations between ourselves and the country to the south, then we must gladly grasp this opportunity of having the seal and the handwriting of both to a document which gives to prevailing and beneficent conditions the effective guarantee of a solemn treaty.

Honourable gentlemen will see what advantage that gives to peace-loving men and women in both countries. If at any time it should appear that our own Government were drifting ominously near to a dissension which boded trouble between ourselves and the United States of America, all that the peace forces of this Dominion would have to say to the committee in charge of the affairs of Canada would simply be: "What is up in the offing? Don't you know that you have pledged the faith of this Government and of this people to a renunciation of force and to the application of peace methods in international relations? Why, then, are you not busying yourselves in seeking a peaceful solution rather than provoking sentiments which tend to an entirely different result?"

In the United States of America the public peace sentiment is probably more vital, more widely distributed, more warm and active and more thoroughly organized than it is in the Dominion of Canada. For example, it was not many months ago when, owing to certain differences between the United States of America and Mexico, diplomatic correspondence ensued, and cold, formal, bureaucratic, official letters were dispatched by special messengers between Washington and Mexico. It became apparent that matters were proceeding along a line which, if there were no change, would inevitably lead to war between those two countries. The very moment that that became fairly apparent to the people of the United States, Washington was bombarded with a series of resolutions and delegations, unparalleled in the history of that or of any other country. The result was that within

six weeks there was a changed tone in the correspondence between Washington and Mexico. The public sentiment in favour of peace had simply called down the agencies of cold correspondence and letters diplomatic, and turned the attention of the administration towards peaceful methods for getting around the difficulty. The difficulty was got around, and peace established.

To take another example, suggested in part by the discourse of my honourable friend the leader of the Government (Hon. Mr. Dandurand). The administration of the United States, possibly piqued on account of the impossibility for the time being of coming to an agreement at Geneva, with Great Britain, on naval disarmament, presented to the House of Representatives, with the recommendation of the President and the Department of Naval Affairs, a program of naval construction including a total of seventy ships of war. It had scarcely reached the Committee on Naval Affairs in the House and been blazoned abroad through the newspapers before it became apparent to the peace-loving element of the people of the United States that an immense program of naval construction might become possible. Again the peace-loving sentiment of the people of the United States broke upon Washington with a force even greater than that to which I have already made allusion.

This proposition of the administration, which was presented to the Committee on Naval Affairs, came out from that Committee with the seventy ships reduced to fifteen, and even at that failed of approval by the Senate. Thus a tremendous proposed expenditure of public money amounting to some two billions of dollars was cut down to the small capacity of fifteen cruisers and an airplane carrier, in quick response to aroused public opinion. There, again, the people of the United States, not fortified by any statement of limitations by the United States itself, but sustained only by world opinion in favour of peace, brought about an unexampled and fundamental change in the proposition which emanated from and was recommended by the Government. How much more effective will such public peace sentiment be now that it has the backing of renunciation of war by that and the other governments of the world!

With reference to this present Naval Construction Bill which has been lately passed by the United States Congress, we must not in fairness lose sight of the fact that it had already suffered the drastic reduction from the administration Bill of a year ago, from seventy ships of war to sixteen. By the arrangement made in Washington in 1921 and 1922 a certain allocation was agreed upon up to which the great naval powers could build. The United States, with this Naval Construction Bill, is not beyond that allocation; it is in fact well within its limits; so we must take that into consideration, as well as the significant statement of President Coolidge himself that it is not the intention of the United States to enter into competition in naval construction with any other country in the world, but that it is simply bringing up its naval strength to something near the allocation which was made in 1921 and 1922.

Of course the question does arise, and gives a basis for criticism: "Why provide for even that amount of added naval construction when your pen is scarcely yet dry after giving its signature to a pact with every other nation in the world stating that you have renounced war and put yourself upon a plane of settling all differences of any and every kind by peaceable methods?" There is ground for that criticism. But, after all, I have faith that the United States of America, in the great mass of 120,000,000 people that fill its national boundaries, is sternly and strongly in favour of peace and peaceful methods in the world. There are many gestures and some gallery play, so to speak, which governments feel themselves obliged to perform, and which may not after all contain any great elements of danger.

I come now to my third point. I am in favour of this Treaty, heart and soul, because it notes a most important step and marks a most important epoch in the advancement of the human race along the lines of international relationships. Can we for one moment restrain an expression of wonder, mixed with hopefulness and with gratitude, that the human race has at last reached a point where it establishes a policy by which international relationships are based on justice and right? Through how many long ages has humanity struggled to attain, within its national limits, the renunciation of violence and force and the construction of its national and social relationships on the basis of justice, right, truth and good fellowship! This has been achieved. Now we have approached an era in which, long delayed though it may have been, humanity will have at last reached a similar point in its international development: it has proclaimed the reign of peace and justice in contradistinction to violence and war. The individual, unattached and independent, was the first unit of humanity. The family, which was an attachment of individuals on a limited basis, was the second great advance. Can any man tell me how many centuries passed before the first was evolved into the

second? Out of the family sprang the tribe and out of tribes the nation. Will any man tell me the number of centuries it took to achieve this evolution of the human race and reach the stages of nationality of which we have the experience and record for some thousands of years? Well, all this advance along social and national lines towards the inhibition of violence and force, and the enthronement of justice, and truth and right, is part of the long history of the upward advance of the human race, and now is passing into the international relationship. No man can unduly hurry it; it must take its time to come to full achievement. But the great fact is that we have at last entered upon this higher plane, which in the course of years—thousands of years it may be—will effect in all the international relations of the human race the absolute renunciation of violence and force, and the absolute enthronement of justice, right and good fellowship.

That is the goal to which the human race is tending. It has been mainly achieved along one stratum in its social and national relations; it has now entered another and higher stratum, and in that its final achievement is certain. This achievement may be long and tedious and full of difficulties, and there will be dips and curves, as there have been in the national and social achievement, but the end is as certain as that the human race has a purpose in its place in this world, and that God reigns over all.

And so I am in favour of this Treaty. Someone may tell me it is only a gesture, that there are no teeth in this pact, that it is only the expression of a pious wish. Well, search the history of the world, and show me any pious wish so universal, so distributed, so authoritatively emphasized and embodied as in this case. Instead of finding fault with this because it has no grip, and spreading doubt and scepticism, is it not a better exercise of human effort, and better national wisdom, and better international wisdom, for each and every man to say: "God be thanked for the progress so far made." Let us cultivate hope, and optimism in reference to the realization of that hope, for only through hope and optimism has humanity made its great advancements in the past.

So I am in favour of this Treaty because it is a solemn enunciation of principle and aspiration, and draws in every nation in the world. There are sixty-four nations in all, and sixty have already adhered, and pledged themselves and their peoples, to peace. Why should we throw a blur of suspicion and scepticism upon the good faith of governments and countries which come to a conclusion of that kind and embody it in solemn treaty?

If I pass my word with my brother man, that is a step in advance towards fulfilment of our bargain, which never begins until that step is first taken; and it is my faith in my brother man, and his faith in me, that makes ultimate achievement possible. As I have faith in the individual, man to man, so I have faith in agreements and covenants of this kind between nation and nation, which result from an aggregation of individuals in one nation making a solemn pledge and agreement with a similar aggregation in a different nation. After all, this matter has taken its natural course of gradual evolution. It will not be taken as idle carping if I say here that I would modify somewhat the statement of my honourable friend that the League of Nations was created by Woodrow Wilson. I think that is probably going a little too far.

Hon. Mr. DANDURAND: Under his leadership.

Right Hon. Sir GEORGE E. FOSTER: I have had some personal experience and have read most of the literature on this matter, and I accord Woodrow Wilson cordially the admission that in my opinion, had it not been for the stand that he took with regard to the League of Nations, we should not have that League in existence to-day. It would have come in time; it was absolutely necessary that it should come; but it would not have come so quickly had Woodrow Wilson not made it a point, for which he sacrificed many another point, that before the Peace Conference dissolved the League of Nations should be constituted, and that the Covenant of the League should be read into the Treaties of Peace. I believe that is where the greatest commendation of Woodrow Wilson is justly due, but the idea of an association of nations was the growth of many years and the product of many minds.

Now I want to touch very briefly one other subject. I have said that this is not the full achievement of world peace, but it is the absolutely necessary step by which to make full achievement possible. Many other things will have to be done, and all nations must work together for the common end, and it is well for the Canadian Government and public men to set themselves to a little serious thinking as to how they can best help to bring about this final achievement of world peace according to their influence and their duties. Those duties will be found to be somewhat onerous and will call for self-sacrifice; but I wish to note the point that this is but the

beginning, and that all the people of each nation and all the nationalities have to work together with good-will and along the common line in order to secure the full achievement in the end.

My honourable friend has mentioned the Capper resolution. There is an illustration of the consequential entails, so to speak, of the pact of itself. Man is a somewhat logical animal, though sometimes mightily illogical in applying his logic. He progresses from one stage to another along the line of reasoned experience. An obligation assumed, a line set, and upon it is worked a series of bilateral and multilateral and subsidiary influences which must follow and which cannot ultimately be ignored. If I have made an agreement with my friend here, that such and such shall be a course of conduct between ourselves, we both shall find, when we come to look over and think about that bilateral agreement, that it entails consequences and subsidiary effects which probably neither had previously thought about. If we have reached an agreement about a particular thing, and that agreement does not come to its fruition, he may say to me, or I may say to him, or each may say to himself: "Is there not something more to do than simply to make that personal agreement?" So if the United States of America set her hand and seal to that Treaty with sixty-four nations of the world, and if in the course of events that Treaty is violated, there is some other thinking that the United States has to do.

Did she enter into this compact in good faith and without hypocrisy? Did she mean what the pact expressed? Yes. Very well, here is a brigand who purposes violating it. What has she to do now? Serious thinking brings the unavoidable conclusion that she has to do something to keep that brigand from breaking loose, or if he breaks loose she must do something to subjugate him and bring him into a peaceable condition. If the belief is that the peace of the world is an absolute necessity, then something has to be done with the turbulent fellow who breaks out against common world opinion. That is just what is taking place in the United States to-day, and the Capper resolution, and the Porter resolution introduced in the House of Representatives at Washington, have just that object in view. If they become law in the United States of America, and according to the purport of the resolutions are made into a multilateral treaty among the signatories of the pact, then the argument is entirely against the critic who now says that there are no teeth in this Treaty.

What does the Capper resolution propose? In brief, what it proposes is this. Here is a solemn obligation which Italy, for instance, has undertaken with the United States of America; and if Italy should break this obligation by resorting to offensive war against a neighbouring nation, then so far as the United States of America is concerned two things would take place. An embargo would be placed against Italy upon all instruments, implements and munitions of war, and the nationals of the United States would be prohibited from sending or selling any article of that kind to Italy. The very enactment of such laws by the United States alone would prove a tremendous if not an absolute preventive to any country undertaking to violate the world pact, because it would be certain that that country would get no help or comfort or aid from the United States of America; and if the Capper resolution resulted in a multilateral treaty along the same lines, this would be an infinitely more powerful preventive, for it would deter any nation from undertaking so insane a thing as engaging in aggressive warfare in spite of the sentiments and opposition and absolute embargoes of the whole civilized world. So, if we do not look for the Capper resolution to become law at present, there is this much to be said: that it is a logical sequence of the original pact to make effective in practice that which it declares in principle is necessary and eminently just.

Now, honourable gentlemen, I think I have pretty nearly exhausted myself, and I am not quite sure that I have not pretty nearly exhausted the rest of you. I have no more to say upon this point at the present time, except to express my complete approbation of the proposed Treaty. One thing that is particularly pleasing and sweet about it is that in this arrangement there is no partisan flavour. This is a unitedly national affair. It is also an interlinking of many nations in an international unity. We have the united sentiment of our own nation; we have the united brotherhood of all the nations of the world in a community of spirit and purpose tending towards one great end.

The motion was agreed to.

Hon. Mr. DANDURAND moved:

That a Message be sent to the House of Commons by one of the Clerks at the Table to acquaint that House that the Senate has adopted this resolution, and requesting the House of Commons to unite with this House in the approval of this Treaty.

The motion was agreed to.

CRIMINAL CODE (ESCAPES BY FLIGHT) BILL

FIRST READING

Bill D, an Act to amend the Criminal Code in regard to the use of force to prevent escapes by flight.—Hon. Mr. Lynch-Staunton.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

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

Hon. J. LEWIS: Honourable gentlemen, I desire to associate myself with what has been said in the Speech from the Throne, and by various speakers, expressing thankfulness for the partial recovery of the King, and hopes for his complete recovery. The extraordinary demonstrations of affection that we have witnessed in the last few weeks are a tribute to the character of the King, and also to the constitution under which we live. The British monarchy is strong not in spite of its limitations, but because of them—because they preclude any conflict between the King and Parliament, and also because they suggest to the monarch means of influence that lie beyond the strictly legal field. In that there are, I think, a hint and an example for those who are trying to strengthen the influence of second chambers in England and in this country. But that is a subject upon which I will not enter now.

As I listened to the honourable gentleman from Welland (Hon. Mr. Robertson) expressing some doubt as to the prosperity of the country and quoting figures as to the national debt and the balance of trade, and so on, I thought of an old saying of Sir Wilfrid Laurier, that when he came into power—as he hoped to do, and did—it would not be necessary to prove prosperity by statistics, but that every man would feel the results of prosperity in his own pocket. I would add to that a testimony a little nearer to us in time and place, as found in a speech made by the honourable member from Alma (Hon. G. G. Foster) last session. He said:

> I am not able to join with members of this House who indicate that there is anything wrong with this Dominion to-day, financially or otherwise. I do not believe there is. I quite understand that everybody is not rich, that everybody is not receiving as much wages as some would like, and that everybody is not making the profits that were expected or desired in all branches of industry; but from my own observation and knowledge of the men who are doing business in pulp and paper, insurance, banks, trust companies, manufacturing, and other walks of life, I believe Canada is prosperous to-day, and this House and the country should not be ashamed to say that it is so, unless we are being camouflaged by the presidents of banks, trust companies, insurance companies and the high officials of the corporations that are doing business here and making money, and are happy and satisfied, and are not afraid to tell their shareholders so.

The honourable gentleman from Welland rather qualifies that statement of the honourable member for Alma by saying there is prosperity indicated by these various facts, but that there are many of our people, farmers, industrial workers, and others, who have not been sharing in the prosperity. That is a subject I do not at all wish to belittle. It is true that under all economic systems there have been these inequalities, some getting more than they deserve and some less, and I am perfectly willing to join with the honourable member in any suggestion he may make for the improvement of this condition.

The honourable gentleman refers especially to one reason for unemployment, the fact that we do not employ quite as large a population as we apparently ought to employ because of our prosperity. He says that while manufacturing production has increased the number of producers has decreased. He adds:

> I think it is clear to anyone who considers the situation why immigration is more difficult to obtain and absorb now than it was in 1913 and prior thereto. The advance of science, the improvement of mechanical equipment, and the tremendous advance in efficiency of operation and management of Canadian industries have so increased production and lessened labour requirements that increased immigration cannot be absorbed into our industrial life under present conditions.

That statement agrees with the remarks made by a Canadian correspondent of the Round Table some time ago, on the question of immigration. He advanced the idea that we could not expect a very large industrial population in Canada because of the peculiar nature of some of our large scale industries. Of course we cannot check the advancement of science, or prevent manufacturers or others from introducing new inventions; but that, at all events, is a part of the economic problem to which we have to give due consideration, being a body whose members are wealthy or at least in comfortable circumstances. We ought to avoid the implication that because we are prosperous we do not care for others less fortunately situated. I sympathize with the honourable gentleman from Welland in the attention which he gives to that particular question.

That matter bears also upon the question of immigration, which I may touch upon later, and upon the question of emigration

from Canada, which was particularly emphasized by the honourable gentleman from Montarville (Hon. Mr. Beaubien). I am quite willing to admit that there is an exodus, which I regret, and which I think has been going on ever since Confederation.

Hon. Mr. DANDURAND: And before.

Hon. Mr. LEWIS: And before. Perhaps that makes it, not better, but rather worse. Nevertheless, that is a matter we have to consider. It is possible that the situation has been aggravated a little in recent years by the passage of the quota law in the United States, which shut off immigration coming by way of the Atlantic, and therefore naturally induced greater immigration through the northern gate. This too may have had a peculiar influence on native Canadians, because they pass across the border line very freely and easily, whereas a foreigner or even an old countryman from Britain betrays himself by his speech, and is checked and asked questions.

The honourable gentleman from Montarville seemed surprised that people should leave this country to look for work amongst strangers, amongst people whose habits and language were not altogether familiar to them. But that is not quite the case. British Canadians find themselves among men whose habits and language are familiar, and French-Canadians who go to New England find there probably a larger French-Canadian population than can be found in any province in this country outside of Quebec. I have been told that in two states the French-Canadians are so numerous that in one state they elected a Governor, and in the other a member of the Senate of the United States. The same is true of Swedes and other Scandinavians who leave our country and go to the western United States, where there is a large Scandinavian population.

As I have said, this exodus has not been confined to recent years. In the decade from 1911 to 1921, according to the official figures, we received immigrants to the number of 1,728,921. When the census came to be taken we found that there was an increase in population of 1,581,000, which shows that we made a loss of 147,921. In that connection we must not forget to consider the natural increase, which is estimated by the experts to have been during that period 1,050,000. In other words, in 1911 we had a population of 7,200,000; the natural increase in 10 years, not including the natural increase of the newcomers, was 1,050,000; and immigration amounted to 1,728,921; therefore the total expected population in 1921 was 10,086,000. But the actual population as shown by the census was 8,788,483. We had lost in some way nearly 1,300,000 people during those 10 years.

Now I want to go back a little to what may seem to be ancient history. The period from 1881 to 1891, following the adoption of the national policy, is particularly instructive, not as casting any reflections on any particular party, but as showing that the doctrine advanced by the honourable gentleman from Montarville (Hon. Mr. Beaubien) is not borne out. There could not have been a more favourable opportunity for the carrying out of any kind of high tariff policy than that. The Conservative party in 1878, and again in 1882, had a majority of 2 to 1, elected wholly and definitely on the issue of protection; and in 1887 it still had a clear working majority. It had the advantage of the highest administrative ability for carrying out that kind of policy. Its leader was Sir John A. Macdonald; its Finance Ministers were Sir Leonard Tilley, Sir Charles Tupper, and the right honourable gentleman whom we call—I suppose on account of his immortal youth—the junior member for Ottawa (Right Hon. Sir George E. Foster). They were all men of the highest administrative ability.

There was no free trade West at that time to hamper the Finance Minister in carrying out any sort of protective policy that he wanted. There were only five members from the Prairies, and afterwards nine; and the most of those supported the Protectionist Government of the day. In addition to that, the Canadian Pacific Railway was built during that period, and of course in its construction a large number of men were employed and huge sums of money were spent on wages and supplies, to the great benefit of the whole country. But what was the result? The population increased by 635,000 or 17¼ per cent, in the decade from 1871 to 1881, which was supposed to have been one of great depression, while in the national policy decade, from 1881 to 1891, notwithstanding all the advantages I have mentioned, it increased by only 508,000, or 11¾ per cent. Not only that, but there was a decline in the rate of progress in manufacturing—the very thing that the national policy was supposed to promote. The volume of manufactured products increased from 1871 to 1881 by more than $88,000,000, and from 1881 to 1891 by less than $60,000,000.

I mention these things not to show that one party is superior to another, but to cast very serious doubts upon the hopes of those who imagine that all our problems would be solved and that we should have no more migration or other troubles if only we had a higher tariff.

There always has been migration to the United States, under all tariffs and under all policies, due to the attraction of a larger population, larger cities, greater opportunities for young men, and so on. I do not regard that situation complacently; I should like to see something done that would prevent it. I do not like to see so many Canadians leaving the country; but I think that the migration will continue until the larger population of the United States becomes a disadvantage instead of an advantage to our neighbours. That is to say, I think the time will come when the United States will have a surplus population, when many of her people will be forced to go elsewhere; and then I think the migration northward will begin. This is the opinion of a very practical man, Mr. Beatty, President of the Canadian Pacific Railway, who says that he expects that within a few years our largest immigration will be from the United States.

That brings me to the question of immigration. I must confess that I have not been very much affected by all the uproar that has been going on concerning immigration during the last year. I think it is due to the fact that when people talk about having a superman at the head of the Department of Immigration—a man of vision who will be able to do something that has never been done before—they are looking for two things that are mutually destructive. They want a very large immigration, but they want an immigration that is exclusively or mainly British. In my opinion you cannot have the two things. Great Britain, as we know, is not an agricultural country, and has no agricultural labourers to spare. So we are driven to the expedient of trying to convert clerks and mechanics into farmers.

But we ought to remember that not only is Great Britain urban in its tendencies, but this is true of the entire Anglo-Saxon and British race. We used to imagine ourselves to be a race of lovers of the country; but the facts now show that this belief must be qualified. Our own country in 1891 was rural in the proportion of 2 to 1. To-day it is almost equally urban and rural. The United States, whose people are largely of British descent, has been going in the same direction, in the same cityward trend. In Australia, which is almost exclusively British, one-third of the people live in the great cities of Melbourne and Sydney.

If we desire a large agricultural immigration, it seems to me that we shall have to get it from the peasant countries of Europe, and take the disadvantages along with the advantages. We must either do this or be satisfied with a comparatively small immigration. Sir Clifford Sifton, who, I suppose, was the ablest and most successful Minister of Immigration that we ever had, holds that view. The railways also favour the immigration of European peasants. Talk to any railwayman you will, he usually is skeptical about keeping our immigration exclusively British.

As to the Communistic tendencies of foreigners, I think there is a good deal of exaggeration. My experience of the foreigner in Toronto—I do not know so much about other districts—is that he is a great deal more interested in getting a little capital for himself than in trying to overturn the capitalistic structure. The Chinaman opens a laundry, the Greek runs a restaurant, the Italian becomes a specialist in fruit—in fact, almost dominates the fruit business. Members of other races go into the humble but respectable business of collecting junk, and once in a while you will find one of those men branching out as a big dealer in metals. Foreigners seem to have a greater capacity than we for finding work. I doubt whether many of us would have equalled the record of some foreigners who have come to our country, if we, even while young men, had landed in Buenos Aires, or some other distant place where we were strangers to the language and customs. My impression is that if I had been obliged to migrate to an unfamiliar country I either should have starved to death or developed some resource that I am not now conscious of possessing. I should have had to emulate the beaver that is said to have climbed the tree because the dog was crowding him so.

As I have said, I think that the fear of Communism among foreigners is exaggerated. No doubt there is a certain amount of Communistic teaching going on among foreigners. I have attended some of their meetings and heard them talking about Karl Marx, the bourgeoisie, the proletariat, the class war, and the necessity of overturning our institutions. But I do not know that very much has ever come of it. At any rate, I am doubtful whether we adopt the right methods with them. We say to these people: "We like British institutions; they are good enough for us, and if you do not like them you can go to Russia, or we will put you into jail." We have done nothing in the way of educating them. We tell them that British institutions are the best that we know of, but we do not explain why they are the best. We leave all the argument and all the education, such as it is, to the Communist agitators. If we put them into jail their leaders say that we can-

not answer their arguments, that we have no satisfactory replies to make to the wisdom of Karl Marx, that the only answer we can make is to put them into jail. I would favour a system of educating these people with a view to showing them what our institutions really are. I do not know but that it would be a good thing if the Immigration Department would include a certain amount of educational matter along this line in their immigration literature. We need to make it clear to foreigners that they are free to hold their own opinions and to express them, but that they must not use violence in attempting to have their ideas become effective. They can advocate what they wish, even the abolition of the Senate, academically, at any rate, if they so desire; and proportional representation, or anything of that kind, so long as they do it along British constitutional lines. I doubt if the necessity of working freely along constitutional lines, which is so patent to us, has ever been made clear to the foreigner.

I could not help being stirred up a little by the remarks of my eloquent and honourable friend from Montarville (Hon. Mr. Beaubien) against old age pensions, of which I am very strongly in favour. I do not suppose I shall be able to convince him, because it is probably a matter of point of view rather than of anything that can be decided by argument. But I do not understand him when he says that old age pensions are going to pauperize the people of Quebec or any other place. It does not seem to me that you can pauperize a man by giving him an independent income. That might be the result if old age pensions were regarded as a matter of charity, but I do not so regard them. On the contrary, I look upon them as a matter of right. I hold that old working people are entitled to pensions just as well as our judges and soldiers and others to whom we have been accustomed to giving pensions. If I saw an old man getting down on his knees petitioning for a pension, I should say to him: "Don't do that. You are entitled to the pension as a matter of right."

Nor do I follow my honourable friend when he says that old age pensions will destroy the home life and weaken home ties by giving to children the idea that they no longer have to provide for their parents. It seems to me that argument carries us very far, because it is an argument not only against old age pensions provided by the State, but against the provision by a man for an income for himself through his own thrift. According to that point of view, if a man saves money so that when he becomes 65 or 70 years of age he has a sufficient income to live on, and his children are not under the obligation to support him, then they do not love him and the family life is destroyed. In the same way, it is an argument against the provision by a man for his wife, or his widow that may be. Holding that view, he may say: "If my wife has an income she will be independent of her children, they will feel that they have not to support her, and the home life will be destroyed." I cannot agree with that sentiment. My opinion is that the more independent you make an old man or an old woman, the happier you make him or her and the better the family relation. That reasoning, it seems to me, is true in family circles, just as we say it is in our relations in the Empire. Independence makes for good-will in both cases.

Certainly I do not think that old age pensions would result in any of the dire effects that have been predicted in Ontario, and I rather think that the people of Quebec will be converted to become supporters of the measure. As to the contributory scheme, I am quite in favour of that where a man can begin making contributions in his youth to his own pension fund; but we need to consider now the making of provision for men who are, say, over fifty years of age and who will be unable to make any considerable contribution towards a fund for themselves. In the future I should be very glad to see put into effect a contributory scheme such as my honourable friend proposed.

Hon. J. J. HUGHES: Honourable gentlemen, I hope I am not late in associating myself with the honourable members of this House who have extended their congratulations to the honourable senator from Moose Jaw (Hon. Mr. Willoughby), who was elected as leader of the party to which he belongs in this Chamber. His election to this honourable position proves to me that the faithful, honest and modest exercise of the common virtues of our race secures the approval and esteem of the majority of men. I hope that the honourable gentleman will have many years of useful life in the position that he now occupies.

In the Speech from the Throne which we are now considering, fitting and graceful reference was made to the serious illness and the convalescence of His Majesty. King George V has won the love and affection of the British race, and the respect of the whole world. He, too, is a modest, unassuming man, who loves his fellowmen and simply tries to do his duty. If contemporary his-

tory speaketh truly, he, on a notable occasion and in a notable way, used his great influence to promote peace, harmony and goodwill among the people of Great Britain and Ireland. If he had done nothing else, by that action alone he would have, or should have, endeared himself to all his people. But it is a fair assumption that that action was typical of his whole official life. Men like the present King of the British Commonwealth of Nations are a blessing to the human race. Let us hope that Divine Providence will soon restore him completely to health, and that he may still have many years of life and wisdom to fill, as we know the King would wish to fill, his high office.

I listened with interest to the speeches that were made a few days ago by the honourable gentleman from Welland (Hon. Mr. Robertson) and the honourable gentleman from Montarville (Hon. Mr. Beaubien). It appeared to me that they were somewhat inconsistent in their statements. The honourable senator from Welland (Hon. Mr. Robertson), for instance, stated that the cost of living now was higher than it was prior to the advent of the present administration. Both he and the honourable senator from Montarville (Hon. Mr. Beaubien) stated that the remedy they favoured was higher customs duty, or taxation, in order to relieve the burden that they say is being carried by the people. In other words, they would increase the dose of the medicine that had injured the patient. I belong to a school of thought that holds—or, I think myself, at all events—that even good governments cannot do very much to promote prosperity. I believe bad governments can do a lot of harm, can retard prosperity and perhaps even destroy it. But in my judgment the prosperity of any country depends very largely upon its productivity and the energy, the industry, enterprise and rectitude of its people. If the Government passes wise legislation to protect the people in their lives and property, gives the country honest administration, appoints upright men to the Bench to administer law impartially and properly, and gives a good example in the conduct of affairs, it has done about all that any Government can really do. It may go further in some respects, but not a great deal. I think that meddling with the people in their natural callings is injurious; that is the reason why I cannot support the principle of protection. If that principle would give the results that its advocates claim for it I would support it with all my heart. In fact, if it would give us half the results they claim I should be inclined to support it.

I take this view of trade matters, that trade is not carried on by governments, except perhaps to some extent in time of war, when conditions are abnormal, but that trade is conducted by individuals or companies or corporations who would not engage in trade, and certainly would not continue in it, unless it worked out to their mutual advantage. If trade is carried on between people who live in different countries, it necessarily follows that it must be to the advantage of those respective countries. I do not think that statement needs to be proved; it is as self-evident as any axiom in Euclid.

As I listened the other day to the honourable senator from Welland (Hon. Mr. Robertson) referring to the prosperity of the United States, claiming that this was due to the protective policy that had been in operation since the Civil War, and arguing that such policy would be of advantage to the producing classes in Canada—farmers, fishermen, lumbermen, miners, and industrialists—I could not help thinking that there is no other country in the Western Hemisphere in which farmers, as compared with other classes in the country, are to-day at such disadvantage as they are in the United States. The farmers there are worse off than the farmers in Canada, as compared with other classes of the community; indeed, not only comparatively, but actually and truly they are worse off. Now, if this principle of protection would benefit the farmers in Canada, why has it not benefited those in the United States? The same remark applies to the producing classes there.

If there is a country in the world where the protective system would apply it is the United States of America. It has a population of 110,000,000 or 120,000,000, and has therefore the largest home market in the world. It is a compact country, producing within itself nearly all the products necessary to life, and many of the luxuries. It is equipped with transportation facilities second to those of no country in the world; in fact better than any others. If any market is of advantage to the farmers, that of the United States must necessarily be; yet the farmers there are worse off than the farmers of Canada, or, I believe, those of South America. Why has that protective principle not worked out in the United States? And if it has not worked out well there, how can we expect it to work out well in Canada?

A condition of things is arising which I believe will cause the people of Canada to look farther afield than we have done during the last few years for markets for several of our products. Whether that situation will become a reality or not we do not at present know fully, but according to the principles that

I hold, and on account of conditions that may occur within the next year or two, I think that it should be the duty of this country to look for markets in the direction of the British Commonwealth to which we belong. I believe it to be a fact that the British Commonwealth of nations is in a better position in the matter of production than even the United States. It was said a few years ago that the British Commonwealth covered a quarter of the entire surface of the earth, that we had territory in every latitude and longitude of the world, and that within our own territory we could produce everything necessary for the human family. The seas and oceans, instead of being a barrier to trade among ourselves, are an advantage, because transportation by water is much cheaper than by land.

I hope that as the years go on the Commonwealth of British nations will be drawn closer and closer together in trade and in every other way. I should be glad to support any steps that would be taken in that direction, for I believe that the welfare of the Empire to which we belong lies in such co-operation. Trade among ourselves as a Commonwealth increases and enriches all our communities, and with respect to the exchange of goods we can make mutual arrangements that we know will not be abrogated. We have the greatest opportunity that was ever presented to any race in the world.

We should be glad to trade with our neighbours to the south, for it is the natural thing to do; but if we cannot do so, I think the time has arrived when we should seriously consider the matter of Empire trade, and I should be glad indeed to support any movement in that direction.

I desire to refer now to a matter that is of very special concern to the Maritime Provinces. We have there a condition of things that is very injurious to the moral and physical welfare of our people. The duties on malt and spirituous liquors before the war were less than a third of what they are now, because on the outbreak of war in 1914, at the first Session of Parliament that was held to consider war matters, those duties were considerably increased. I was a member of the House of Commons at that time, and I voted for that law. I thought then I was doing my duty, and I think so still. The law was fairly well observed during the war period, and as a war measure it was fine. The same duties have been maintained since the war, but such conditions have arisen in the Maritimes that the law is not observed. Those conditions lend themselves to smuggling in a wholesale way. The islands of St. Pierre and Miquelon lie a short distance east of us, and there unlimited supplies of spirituous liquors can be obtained, and a business of smuggling has been established. Four-fifths of our people sympathize with that business. I am quite safe in saying, after giving the matter all the consideration I could, and getting the opinions of others, that 80 or 90 per cent of the liquors consumed in the Maritimes do not pay duty. As a result, a considerable number of persons are employed in trying to prevent smuggling. There are several cutters and armed vessels on the coast, yet the smuggling goes on. I believe it would take half the number of men that went overseas at the time of the war, and half the revenue of Canada, to prevent that smuggling; and if it could be prevented, illicit home brewing would take its place, and it is difficult to say which would be the greater evil.

From personal observation I know of whole families, who were respectable a few years ago, and who have lost everything they possessed because of this illicit traffic. I know of entire settlements that have been demoralized. I listened the other day to my honourable friend from De Lanaudiere (Hon. Mr. Casgrain) advising that something be done to promote the steel and coal industries of Nova Scotia; but in my judgment it does not much matter what is done in that direction if something is not done to prevent this illegal traffic. The people are becoming demoralized. In parts of Nova Scotia it is even worse than on Prince Edward Island, if my information is correct —and I have spoken to commercial travellers and others. This remark applies particularly to the Island of Cape Breton, because the coast line there lends itself to that vile traffic.

In my judgment the remedy for this bad state of affairs is to reduce the duty on malt and spirituous liquors to what it was before the war, and thus take away the inducement. If this were done I do not believe the revenue of Canada would suffer. It would certainly not suffer so far as the Maritimes are concerned. Of course I do not know how it would affect conditions in Ontario and Quebec, but even a large revenue will never justify the Government, or the people of Canada—for no Government is to blame for this—in allowing a large section of the people to be demoralized. I have consulted men and women who are very much interested in the temperance question, and they favour a very considerable reduction of duty. They want to destroy this illegal traffic, and a small reduction would not do it.

Hon. Mr. GORDON: Is not Prince Edward Island under prohibition?

Hon. Mr. HUGHES: That does not affect us.

Hon. Mr. GORDON: It does, through the people. They do not want prohibition, do they?

Hon. Mr. HUGHES: I do not know how it is, but I think that in many places in Canada, as well as in Prince Edward Island, people will vote for prohibition and at the same time assist in smuggling. It is strange that they do so, but it is a fact.

Right Hon. Mr. GRAHAM: It is human.

Hon. Mr. HUGHES: That is the unfortunate part. If we were all sober people, and sincere in what we are doing, there would be no demand for this. Vessels laden with liquor lie off the coast, and fishermen and others go out in their boats and bring in boatloads. Under ordinary circumstances the traffic cannot be fought, for the people engaged in this business do not suffer in the public estimation, or lose their reputation; in fact they are looked on as heroes, who beat the law and the officers. Men and women who have given thought to this question, who are in favour of real temperance, agree with me that the only remedy that can be thought of is a drastic reduction in customs and excise duty.

I had intended to bring this matter before the Senate in a concrete way by resolution, but I was advised not to do that, but rather to present it in this way. I would therefore suggest that a Committee of the Senate be appointed to consider this matter at the present Session. That Committee need cost very little. We could bring the officers of the National Revenue Department before us, and learn what they think about this question, and what suggestions they would make, and what remedy they would apply—which I think I know—and if we thought it necessary we might bring some witnesses from the Maritimes to tell of conditions there. If this Committee could come to some conclusion it would be very desirable, for in my opinion this matter cannot be allowed to drift. The condition in those provinces is serious. We have established a school for crime. Young men are graduating from this school in large numbers every year, and are becoming participants in crime because of the profits to be derived from this traffic. This situation will continue to exist while the present duties remain; so I hope that honourable gentlemen, particularly those from the Maritime Provinces, will give expression to their opinions on this phase of the subject. I thank you, honourable gentlemen.

Hon. Mr. HUGHES.

Hon. C. E. TANNER: Honourable gentlemen, I wish to say just a word or two in support of what has been said by the honourable gentleman who has just resumed his seat (Hon. Mr. Hughes) about conditions in the Maritime Provinces. I am very glad that he has brought this subject to our attention. Of course I am not familiar with conditions in Prince Edward Island or in New Brunswick, but I think I have a certain knowledge of what is going on in Nova Scotia, gained from my own observation and from the information that one gets from the press and otherwise.

I am satisfied that my honourable friend has not exaggerated conditions in the slightest degree. Around the shores of Nova Scotia we have what we call cruisers, and a very large preventive force, both maintained by the Federal Government for the purpose of keeping out liquor upon which certain people intend to evade the payment of duty. The fact of the matter is, as my honourable friend has stated, that these cruisers and these preventive officers do not keep the liquor out. On the contrary, it is coming in almost everywhere. When this liquor has been illicitly landed we find the provincial and municipal government officials engaging in an attempt to catch it. They catch a bottle here and there, or perhaps a dozen bottles; they may even get hold of $100 worth; but in comparison with what is thus illicitly brought into the province, the quantity intercepted is but a drop in the bucket.

I think my honourable friend is on absolutely sound ground when he says that the practical and effective way of dealing with this situation is to reduce the duties. It is the promise of gain which actuates the bootlegger, as we call him. For instance, a certain class of liquor very common in the Maritime Provinces comes from the West Indies, where it is bought for 75 cents a gallon; it is brought, at a cost of a few cents more, to the shores of Nova Scotia, where, after it is landed, it is retailed freely for $8 or $9 or $10 a gallon. The spread between the cost, which cannot be more than $1.50, and the price at which it is sold, makes this a very lucrative business.

Furthermore, most of the people who live by the sea are filled with the spirit of adventure. When they apprehend that they can get this liquor for so little, bring it up to Canada, and participate in the adventure of landing it and selling it to the local bootlegger, the suppression of the traffic by means of cruisers is practically impossible. The real way to suppress this traffic is to take away the hope of gain.

Right Hon. Mr. GRAHAM: It is the schooner against the cruiser.

Hon. Mr. TANNER: Yes. I remember reading on one occasion that some time during the reign of Queen Victoria a tremendous smuggling trade was carried on in certain articles upon which a considerable duty was levied. The Government of that day cut off the duty on those articles, and at once the smuggling was stopped, because it was no longer profitable. That is the only practical way to deal with this question, and I unite with my honourable friend in hoping that the Government will give it serious consideration. I do not believe that they would come up against the people of the Maritime Provinces in so doing, or that there would be any objection to lowering the duty in order to cut out the bootlegger.

The motion for the Address was agreed to.

POSSESSION OF WEAPONS BILL

SECOND READING

Hon. Mr. BELCOURT moved the second reading of Bill B, an Act to amend certain provisions of the Criminal Code respecting the possession of weapons.

He said: Honourable gentlemen, I assume that I am not expected to say very much about this Bill. This proposal has been discussed on several occasions, and the Bill has been very seriously and thoroughly considered by a committee. For three consecutive sessions this House has unanimously approved of the Bill. Unfortunately, on two occasions when it went over to the other branch of Parliament, for one reason or another it was not considered. On the other occasion it was sent to a special committee which carefully and critically considered it, made some unimportant amendments, and reported the Bill to the House. Then for some considerable time it stood on the Order Paper of the other House for third reading, and it was one of my own political friends who finally tolled its knell. The Bill happened to be placed on the Order Paper immediately before another Bill amending the Criminal Code, to which the Solicitor General took very serious objection, and in order to kill the other Bill he killed mine, though he was in favour of it.

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

THIRD READING

Hon. Mr. BELCOURT: The honourable leader of the Government suggests that there is no necessity to refer this Bill to a committee; that we might give it the third reading now and send it over to the Commons. If there is no objection, that procedure would certainly expedite its passage.

Perhaps I should say that this is not exactly the same Bill that came before us previously, because it contains the slight amendments made in the House of Commons.

Hon. Mr. WILLOUGHBY: Does the honourable gentleman concur in those amendments?

Hon. Mr. BELCOURT: Yes.

Hon. Mr. WILLOUGHBY: Then I have no objection.

Hon. Mr. BELCOURT: Then I move that the Bill be now read a third time.

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

COMPANIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill C, an Act to amend the Companies Act.

He said: Honourable gentlemen, this is a Bill to amend the Companies Act. It is sometimes suggested that company legislation should be fully amended so as to meet all requirements. This is practically impossible. The course of business is changing. The complexity of company management is increasing, and it is necessary from time to time to make amendments so that the Act may be adequate for business purposes. Thirty years ago the incorporation of a company with a capital of $3,000,000 was made the subject of public discussion, and the result was that the fiat of the Finance Department was required in the issue of company charters. Now a capital of $100,000,000 is not unusual. A few years ago the usual method of promoting a company was through the issue of common stock and debentures. Now it is through common stock and redeemable preference shares. Adequate provisions must be introduced in the Act to meet these changing conditions.

About the year 1900 the provisions respecting prospectuses were first introduced in the English Act for the protection of investors. It was afterwards discovered that there were loopholes, and evasions of the Act. After careful study these provisions were revised in 1905, and the Act was completely consolidated in 1908. It was not until 1914 that the prospectus provisions were embodied in our Companies Act. Since then other methods of evasion have been discovered. These clauses were under consideration by an interdepartmental committee in London, com-

posed of not only representatives of several Departments of the Government but also legal and financial experts. The report of this committee resulted in an amendment to the English Act in 1928. A company is required to file a prospectus when it offers its shares to the public, but the practice has arisen of a company not offering any shares whatever, but selling them to an underwriter who makes the offer to the public. They are sold as the shares of the underwriter. The company files, in lieu of a prospectus, a notice which does not contain the adequate information required in the prospectus itself. This Bill provides that under such circumstances, and notwithstanding the fact that the company is not offering shares to the public, a complete prospectus must be filed.

What is a new business for Canada, although it has been carried on in England and Scotland for more than seventy-five years, has recently been introduced. I refer to what is known as the investment trust. The Department has endeavoured to surround these companies with adequate safeguards, but it is found that legislation for the purpose is necessary. An investment trust when conservatively managed is a source of great profit, and is of great advantage to the small investor, who can diversify his investments. In the hands of unscrupulous promoters, however, such a concern might become a menace to the public. The investment trust has been under discussion in the United States for some time past, and various forms of control have been suggested. I am informed that the Assistant Attorney-General of the State of New York, who had the matter in charge, expressed the opinion that the methods of control devised by the Department of the Secretary of State of Canada were more adequate than any suggested in the discussion which took place. This control extends, of course, only to investment trusts incorporated by the Department. Other concerns not incorporated with the limitations of an investment trust may nevertheless hold themselves out as carrying on that business. The public should be protected in such a case, and the provisions of this Bill go the length which at present appears to be necessary for that purpose.

The Bill also contains a number of improvements in the wording, the necessity for which has been disclosed in the departmental administration of the Act.

It is my opinion that this Bill should be given its second reading now, the members of the Senate not being bound to any of the principles contained in it. There are many amendments in the Bill. I would suggest that the Bill be sent to the Committee on Banking and Commerce, which could sit on Tuesday afternoon next as soon as we have disposed of the Order Paper. Mr. Mulvey, the Under-Secretary of State, could appear and explain and justify the amendments that have come from his Department. Then I would suggest that the Bill be retained by the Committee, so that during the short adjournment, which I shall move next week, the Boards of Trade and other people interested in this legislation may have an opportunity of studying the Bill and offering whatever comments they deem advisable.

Hon. Mr. WILLOUGHBY: On the understanding that no member of the House is bound to any principle contained in the Bill, the procedure proposed is quite agreeable to me. I presume that arrangements will be made for the distribution of copies of the Bill to interested parties, so that they may make their representations and we may be in a position to go to work when we return.

Hon. Mr. DANDURAND: Yes. When we go into Committee we might consider to whom the Bill should be sent.

Hon. Mr. BELCOURT: If you postpone the distribution of the Bill until after the Committee meets to deal with it, you may find that it is too late. Why not make the distribution now?

Hon. Mr. DANDURAND: The idea in having the Committee meet before recess is to obtain from the Department explanations which will go out to the public at the same time as the Bill. We shall still retain the Bill in Committee, and the parties interested will have the benefit of the explanations which will be given next week.

Hon. Mr. BELCOURT: If you have suggestions coming from lawyers, bankers and others, you may compare the information given by them with the explanations of Mr. Mulvey, and you will have the opportunity of getting Mr. Mulvey's view on those suggestions.

Hon. Mr. DANDURAND: But we shall have all that when the Committee meets again in a few weeks.

Hon. Mr. WILLOUGHBY: You can have Mr. Mulvey, of course, at any time.

Hon. Mr. BELCOURT: I am trying to expedite the thing.

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

ROOT VEGETABLES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 5, an Act to amend the Root Vegetables Act.

He said: Honourable gentlemen, I shall explain the various clauses of this Bill when we go into Committee on Tuesday next.

Hon. Mr. WILLOUGHBY: Before this Bill receives its second reading, it should be understood that we are not binding ourselves to the principle of it.

Hon. Mr. DANDURAND: Absolutely not.

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

The Senate adjourned until Tuesday, February 19, at 3 p.m.

THE SENATE

Tuesday, February 19, 1929.

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

Prayers and routine proceedings.

CIVIL SERVICE BILL (PRIVATE SECRETARIES)

FIRST READING

Bill 7, An Act to amend the Civil Service Act (Private Secretaries).—Hon. Mr. Dandurand.

POST OFFICE BILL (NEWSPAPER OWNERSHIP)

FIRST READING

Bill 9, an Act to amend the Post Office Act (Newspaper Ownership).—Hon. Mr. Belcourt.

EXHIBITIONS, GREAT BRITAIN AND IRELAND

INQUIRY

Hon. Mr. BEAUBIEN inquired of the Government:

1. Did Canada take part in any exhibitions in Great Britain and the Irish Free State in 1928?

If in the affirmative, in each case where and when each of the said exhibitions was held. The nature thereof, the amounts spent by the Dominion Government in each, the names of those to whom such amounts were paid, with the indication of the purpose of such payments.

The amount of salvage realized in each exhibition, as well as the number of Canadian exhibitors, and the total sales by Canadian producers in each said exhibition.

2. Did the Government proceed with the building of an exhibition warehouse in London during 1928, and, if so, what amount was spent to build and equip the same?

Hon. Mr. DANDURAND: I am informed that my honourable friend's inquiry is quite wide, and information will have to be obtained from London. It will take some time to prepare the answer. Perhaps if my honourable friend would confer with the Deputy Minister of Trade and Commerce he would enable the Department to reduce the quantity of information which his inquiry calls for as it now reads.

The inquiry stands.

ROOT VEGETABLES BILL

REFERRED TO COMMITTEE

Hon. Mr. DANDURAND moved that the Senate go into Committee on Bill 5, an Act to amend the Root Vegetables Act.

Hon. Mr. WILLOUGHBY: I would suggest to the honourable leader of the Government that if he is agreeable we might put the Agricultural Committee to work on this Bill. I do not think there is anything about the Bill that necessitates immediate action.

Hon. Mr. DANDURAND: I am agreeable to amending my motion, and move that the Bill be referred to the Committee on Agriculture.

The motion, as amended, was agreed to.

INTERCOLONIAL AND PRINCE EDWARD ISLAND RAILWAYS EMPLOYEES' PROVIDENT FUND BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 3, an Act to further amend the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act.

He said: Honourable gentlemen, this Bill provides for the ultimate elimination of the Government Railways Provident Fund, making it possible eventually to bring all employees under the general pension scheme. The Provident Fund, which was started in 1907, followed the general English practice, which is to build up a fund by contributions from both employees and employer. It is not self-supporting, on account of the addition, since its inception, of many railways and employees to the Canadian Government Railways System. It is, therefore, deemed advisable to give the Governor in Council power

to close it to new entrants, protecting the present members in any acquired rights, and to allow any employees wishing to do so to withdraw from its membership.

Under the Provident Fund Act, employees are required to contribute monthly 1½ per cent of salaries or wages, and His Majesty is required to contribute annually, out of the gross earnings of the railway, an amount equal to the total monthly contributions of the employees, not exceeding in any one year $100,000.

Provident Fund members presently total 10,861, which includes 1,675 Transcontinental Railway employees out of a total of 7,674. The total number of Canadian Government Railway employees, including Transcontinental Railway, is 19,160 (about 1,300 temporary).

Pensions payable under the Provident Fund Act are larger than those which have been payable under the Grand Trunk pension scheme which it is proposed to extend. The Government Railways' minimum pension is $30 per month, and the Grand Trunk minimum is $16.67. Similarly, on an average salary of $1,000, with 40 years of service, the Grand Trunk pension would be $400 per annum as against the Government Railways' pension of $600.

Hon. J. W. DANIEL: There is one point I am not clear about. In the explanatory notes there is a reference to "expense involved in holding annual elections in a district now extending from the Atlantic to Winnipeg and Hudson Bay Terminal," yet the Bill refers only to the Intercolonial and Prince Edward Island Railways. Perhaps the honourable Minister would explain how it is that the district served by these two railways has been so enlarged as to include Winnipeg and the Hudson Bay Terminal.

Hon. Mr. DANDURAND: I understood that there was another Bill to be examined at the same time as this—a Bill to amend the Grand Trunk Act, 1906-7, with respect to pensions; but I find on the Order Paper just the one Bill, referring to the Intercolonial and Prince Edward Island Railways. The right honourable gentleman who sits on my right (Right Hon. Mr. Graham) was to have dealt with these two Bills. I am simply moving the second reading now. To-morrow afternoon we shall go into Committee on the Bill, and whatever questions are asked with reference to it may be answered then.

Hon. G. D. ROBERTSON: Honourable gentlemen, the Bill before the House apparently contemplates the discontinuance of the operation of the Provident Fund Act on the old Intercolonial and Prince Edward Island Railways, and, to whatever extent it has been operative, on the National Transcontinental Railway as far west as Winnipeg. The mention of Hudson Bay Terminal in the explanatory note to which my honourable friend from Saint John (Hon. Mr. Daniel) has drawn our attention refers, I think, to former Intercolonial Railway employees who were transferred to Port Nelson in connection with the construction of that terminal, and who obviously could not have been expected to agree to the transfer unless they were protected in their Provident Fund rights.

I have no criticism whatever to offer on this Bill except that, as I regret to observe, it indicates a tendency to discontinue the contribution feature of pensions legislation. The Provident Fund Act as originally conceived was the result of careful consideration and of a decision by the Government of that day, of which, I believe, Sir Wilfrid Laurier was Premier, to co-operate with the employees on the Government Railways in providing a pension fund to which the employees would contribute, through pay-roll deductions, 50 per cent of the cost of operating and maintaining the fund, the Government bearing the rest of the expense. I have always felt, as I do now, that any pension scheme should be on a contributory basis. I believe, for many reasons, which we need not go into at this time, that no other basic plan can ever be regarded as really satisfactory.

In a few days there will be presented to us a Bill to establish a pension scheme for the whole Canadian National Railways system. My honourable friend (Hon. Mr. Dandurand) has just intimated that it is on a more generous scale than the old Grand Trunk pension scheme, after which it is patterned. He has omitted to mention, and has perhaps overlooked, the fact that the proposed Canadian National Railways pension scheme is on exactly the same basis as the Canadian Pacific Railway pension fund, which has been in existence since 1908. Under that scheme no contributions are accepted from the employees, and the whole expense is borne by the railway. For that particular reason incidents of unpleasantness and, indeed, injustice to certain persons have arisen in times past, and such incidents will continue to arise under any similar pension plan. However, we need not discuss that at the moment. The only regret that I wish to express now is that the pension plan of the Canadian National Railways is not on a contributory basis, whereby all the employees would co-operate with the railway company, as was done on the Intercolonial Railway in

years gone by. When the employees are contributing, the pensions are more adequate, and at the same time they are regarded by the employees as a right granted in return for long service and for the contributions which they have made to the fund, in the same way as one pays to an insurance company. The principle of pensions donated by the employer is, in my opinion, not sound. Had the railways management seen fit to go to the extent of devising a plan of pensions on a contributory basis, the employees would, I am sure, have been glad to join, if they had been consulted and the matter discussed seriously with them.

The effect of the passing of this Bill, as I understand it, will be that the present employees who have contributed to the fund will be protected in the rights that they have heretofore enjoyed, but after this Bill becomes law the new pension plan will apply to any new employees of the Canadian National Railways on the lines of the old Intercolonial, Prince Edward Island and Transcontinental railways, and as the fund will be no longer on a contributory basis, there will be substantial reductions in the pensions allowed to these employees when they retire.

Hon. J. P. B. CASGRAIN: I agree absolutely with what my honourable friend the ex-Minister of Labour (Hon. Mr. Robertson) has said. I believe that a pension fund to which employees do not contribute is not appreciated. I know of one large concern—I will not mention the name—which is paying out over $100,000 a year in pensions, and the employees do not appreciate the fact. There is an old English maxim to the effect that you do not value anything that you get for nothing. You do value anything for which you have made sacrifices or denied yourself pleasures. If a man contributes to a fund on which he may draw in his old age, when he can no longer earn a living for himself, or to a fund which will provide for those who come after him, he appreciates its benefits far more than he would if he made no contribution.

Hon. F. L. BEIQUE: Honourable gentlemen, I have not had an opportunity to examine the Bill, but I suspect that the reason for not requiring contributions from employees is that under the plan as proposed the railway board would feel more independent and free in dealing with the employees. The directors would hesitate to dismiss an employee after he had contributed to a pension fund for ten or fifteen years, although they might think it would be for the good of the service to dispense with his services. There might be a feeling that after a man had contributed to the fund for a long time he should not be deprived of any rights that he might have under it.

I know of a number of companies, banks and others, that have a pension fund to which their employees do not contribute, and so far as I have been able to see, those schemes work out well in practice in every case.

Hon. Mr. DANDURAND: I did not intend to handle this Bill; so I am not well posted on some of the questions that have been raised. Information will be obtained from the Railway Department and will be available to-morrow when we go into Committee on the Bill.

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

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

THE SENATE

Wednesday, February 20, 1929.

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

Prayers and routine proceedings.

INTERCOLONIAL AND PRINCE EDWARD ISLAND RAILWAYS EMPLOYEES' PROVIDENT FUND BILL

CONSIDERATION IN COMMITTEE POSTPONED

On the Order:

The House in Committee of the Whole on Bill 3, an Act to further amend the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act.

Hon. Mr. DANDURAND: Honourable gentlemen, I stated yesterday that the right honourable gentleman from Eganville (Right Hon. Mr. Graham) had charge of this Bill and of one affecting the Canadian National Railways. I have found since that this Bill is but complementary to the other, which is still in the other House. So I shall simply ask that the Order stand, and we shall await the arrival of the other Bill from the House of Commons. Both Bills will be handled by my right honourable friend.

The Order stands.

ADJOURNMENT OF THE SENATE

Hon. Mr. DANDURAND: Honourable gentlemen, we have disposed of the little work that was before us to-day. I have made inquiry as to further legislation coming before

this Chamber, and I find that it will be some time before we have sufficient work to necessitate our meeting again. Under these circumstances, in accordance with our traditional practice at this stage, I move:

That when the Senate adjourns this day it do stand adjourned till Wednesday, March 20, at 3 o'clock in the afternoon.

The motion was agreed to.

The Senate adjourned until Wednesday, March 20, at 3 p.m.

THE SENATE

Wednesday, March 20, 1929.

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

Prayers and routine proceedings.

REPORTS OF COMMITTEE ON DIVORCE

MOTION FOR CONSIDERATION

On the reading of the fifteenth report of the Committee on Divorce, to whom was referred the Petition of Calvert Mitchell Carruthers:

Hon. J. J. DONNELLY: With the permission of the House, I beg to move that the fifteenth report of the Committee on Divorce, and all further reports so far submitted, be taken into consideration on Friday next.

The Hon. the SPEAKER: Do I understand that the honourable gentleman is objecting to something?

Hon. Mr. DONNELLY: No. I wish to move that the fifteenth report of the Committee on Divorce, and all further reports so far submitted, be taken into consideration on Friday next. I understand there are about fifty similar reports.

The Hon. the SPEAKER: If it is the unanimous wish of the House that that should be done, I am quite agreeable, but we always deal with the reports one after another, to give any honourable member an opportunity to object if he wishes. Is it the unanimous wish of the House to have these go through en bloc?

Hon. R. DANDURAND: The only question that occurs to me is, what could be the objection? Inasmuch as the motion is simply that the reports be taken into consideration on Friday, it does not seem to me at the moment that there can be any objection. If there were any objection to any particular report, then I would say, let us proceed with the reports seriatim.

The motion was agreed to.

RAILWAY EMPLOYEES' WAGES

NOTICE OF DISCUSSION

Hon. G. D. ROBERTSON: I desire to give notice that on Friday next I shall call the attention of the Government and the House to certain matters affecting railway employees in Canada.

Hon. Mr. DANDURAND: Could not the honourable gentleman make his notice a little more precise, so that we might have an inkling of what it covers? Could this not be done by adding a few words to the notice?

Hon. Mr. ROBERTSON: I am quite prepared to say all that I intended to say, and I can make my statement on the Orders of the Day if my honourable friend agrees.

Hon. Mr. DANDURAND: My honourable friend says that he will refer to railway employees. It is such a vast subject that no one would be prepared to follow him unless he gave, in his notice, an outline or inkling of the ground that he intends to cover.

Hon. Mr. ROBERTSON: The ground I intend to cover will be of very small compass. My purpose is simply to correct some statements that have gone abroad in press reports in the last 24 hours and that seriously affect railway employees and give them an entirely mistaken impression of fact.

Hon. Mr. DANDURAND: Is it as to their treatment or as to their wages?

Hon. Mr. ROBERTSON: With reference to their wages and their treatment.

Hon. Mr. DANDURAND: Then I am quite satisfied.

PRIVATE BILLS

FIRST READINGS

Bill 16, an Act respecting the Sun Life Assurance Company of Canada.—Right Hon. Mr. Graham.

Bill 17, an Act respecting the Quebec Railway Light and Power Company.—Hon. Mr. Paradis.

Bill 19, an Act to incorporate the Railway Brotherhood Casualty Insurance Company.—Hon. Mr. Robertson.

Bill 21, an Act to incorporate the National-Liverpool Insurance Company.—Hon. Mr. Casgrain.

Bill 23, an Act respecting certain patent application of Stanley W. Hayes.—Hon. Mr. Haydon.

Bill 27, an Act to incorporate Barclays Bank (Canada).—Hon. G. G. Foster.

Bill 28, an Act respecting the Pension Fund Society of the Bank of Montreal, the Molsons Bank Pension Fund, and the Merchants' Bank of Canada Pension Fund.—Right Hon. Mr. Graham.

Bill 29, an Act respecting a certain patent of Catelli Macaroni Products Corporation Limited.—Hon. Mr. Belcourt.

Bill 30, an Act respecting the Protective Association of Canada.—Hon. Mr. Pope.

Bill 31, an Act to incorporate the Wawanesa Mutual Insurance Company.—Hon. Mr. Horsey.

Bill 32, an Act to incorporate the Wapiti Insurance Company.—Hon. Mr. Horsey.

Bill 35, an Act to incorporate the Ukrainian Greek Orthodox Church of Canada.—Right Hon. Mr. Graham.

ELECTRICITY AND FLUID EXPORTATION BILL

FIRST READING

Bill 15, an Act to amend the Electricity and Fluid Exportation Act.—Hon. Mr. Tanner.

CANADIAN NATIONAL RAILWAYS PENSION BILL

FIRST READING

Bill 2, an Act to amend the Grand Trunk Act, 1906-7, with respect to pensions.—Hon. Mr. Dandurand.

MILITIA PENSION BILL

FIRST READING

Bill 33, an Act to amend the Militia Pension Act.—Hon. Mr. Dandurand.

TECHNICAL EDUCATION EXTENSION BILL

FIRST READING

Bill 34, an Act to amend the Technical Education Act.—Hon. Mr. Dandurand.

APPROPRIATION BILL NO. 1

FIRST READING

Bill 82, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1930.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill.

He said: Honourable gentlemen, with the leave of the Senate I move the second reading of this Bill. It grants to His Majesty one-twelfth of the amount needed for the public service.

Hon. Mr. ROBERTSON: What is the amount?

Hon. Mr. DANDURAND: Twenty millions.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, I understand that the appropriation granted by this Bill will be subject to the ordinary right of criticism, if criticism should be necessary later; in other words, the Bill is to be passed without prejudice to subsequent discussion. From that point of view I have no objection to it.

Hon. Mr. DANDURAND: That is always understood.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

EXHIBITIONS, GREAT BRITAIN AND IRELAND

INQUIRY

Hon. Mr. BEAUBIEN inquired of the Government:

1. Did Canada take part in any exhibitions in Great Britain and the Irish Free State in 1928?

If in the affirmative, in each case where and when each of the said exhibitions was held. The nature thereof, the amounts spent by the Dominion Government in each, the names of those to whom such amounts were paid, with the indication of the purpose of such payments.

The amount of salvage realized in each exhibtion, as well as the number of Canadian exhibitors, and the total sales by Canadian producers in each said exhibition.

2. Did the Government proceed with the building of an exhibition warehouse in London during 1928, and, if so, what amount was spent to build and equip the same?

Hon. Mr. DANDURAND:

1. Yes. Schedule No. 1, attached hereto, shows where and when each of the said exhibitions was held, together with the nature thereof, the amount spent, etc.

There was no salvage realized in any of these exhibitions. Exhibits purchased were returned to our warehouse. Exhibits on loan

were returned to their owners after such exhibition.

There were no individual exhibitors in 1928 exhibitions, and no sales were made by Canadian producers in each said exhibition. Interested visitors were directed to the retail stores listed as carrying the product shown. A list of the products shown is contained in Schedule No. 2 herewith.

2. Yes. No payment was made in 1928, but a contract for £15,164 has been entered into, and the sum of £4,000 has been paid, as the first progress payment in January, 1929. A further sum of £6,500 is now due.

SCHEDULE No. 1

Sheffield Ideal Home Exhibition, April 17–18, 1928

To whom paid	Particulars	Amount	——
J. O. Turcotte	R.R Fare to Sheffield	5 6 2	Food products.
Sheed Thomson & Co	Exhibits	4 13 10	
Stroud Bros	Floral decorations	2 2 6	
W. D. Dalgish	Travel expenses	17 19 4	
R. G. Brown	Travel expenses	12 17 3	
		£42 19 1	

Manchester Grocers and Allied Trades Exhibition, April 17–26, 1928

J. O. Turcotte and R. G. Brown	R.R. Fares to Manch	16 1 6	Food products.
Harrods, Ltd	Exhibits	3 9 6	
Sheed Thomson & Co	Bacon exhibit	4 13 10	
Stroud Bros	Floral decorations	4 0 0	
Thomson McCutcheon	Exhibits	3 4	
J. U. Bayard	Travel expenses	5 19 11	
		£34 8 1	

Old Englysshe Fayre, London, May 5–12, 1928

J. R. Bothwell	Travel expenses	1 17 8	Food products.
	Tickets	2 10 0	
Stroud Bros	Floral decorations	6 8 0	
R. Lehmann & Co	Exhibits	7 14 6	
Gordan McDonald & Co	"	26 6 0	
		£44 16 2	

Woking Carnival, Woking, June 11–18, 1928

	Space	10 0 0	Window display and food products.
R. G. Brown	Expenses	7 14 6	
Keith Dannatt	Photograph	17 6	
J. O. Turcotte	R.R Fare and exes	2 0 2	
J. Bothwell	Travel expenses	2 4 6	
		£22 16 8	

Aldershot Command and District Horse Show, July 4–6, 1928

J. O. Turcotte	R.R. expenses	2 19 10	Food products and natural resources.
W. D. Dalglish	"	20 0 4	
J. O. Turcotte	"	5 13 4	
V. E. Duclos	Expenses	4 11 5	
R. G. Brown	Travel expenses	18 8 9	
Stroud Bros	Floral decorations	22 16 0	
J. R. Bothwell	Travel expenses	5 4 6	
R. L. Greene	"	6 3 6	
W. D. Dalglish	"	5 10 3	
Gaie and Polden	Photograph	17 6	
		£93 5 5	

SCHEDULE No. 1—*Continued*

Bristol Annual Exhibition, August 30–Sept. 12, 1928

To whom paid	Particulars	Amount	——
A. Stanley Hill	Rental of space	128 5 0	Food products.
R. Lehmann & Co	Exhibits	4 0 0	
Gordan McDonald & Co	"	14 5 0	
R. L. Greene	Travel expenses	4 2 6	
A. B. Eastes	"	4 2 6	
F. Holmes and V. Turl	Photograph	14 0	
Pillman and Phillips	Flour exhibit	4 10 7	
W. J. Ashford	Cartage	15 0	
R. G. Brown	Travel expenses	29 0 1	
A. B. Eastes	"	1 9 0	
R. L. Greene	"	1 9 0	
B. J. Hall & Co	Negatives	1 15 9	
J. H. Winter & Co	Electric light	17 0 0	
A. B. Eastes	Travel expenses	2 19 0	
Canadian Ship Brokers	Cartage, etc	31 4 0	
		£245 11 5	

National Show, Bees and Honey, Crystal Palace, London, Sept. 6–8, 1928

R. G. Brown	Space	2 0 0	Honey.
	Travel expenses	3 2 6	
		£5 2 6	

Northern Tobacco Trade Exhibition, Manchester, Sept. 10–14, 1928

V. E. Duclos	Travel expenses	9 11 0
"	"	3 0 0
J. U. Bayard	"	7 5 7
"	"	8 8 6
Can. Ship Brokers	Cartage, etc	12 14 4
		£40 19 5

London Grocers and Allied Trades Exhibition, Agricultural Hall, London, Sept. 22–28, 1928

R. G. Brown	Travel expenses	£3 10 5	Food products.

Petter Housing and Housekeeping Exhibition, Sheffield, Oct. 2–13, 1928

Prov. Exhib., Ltd	Rent of space	96 0 0	Food products and natural resources.
Lester S. Glass	Travel expenses	9 16 10	
R. G. Brown	"	5 2 0	
A. B. Eastes	"	6 9 0	
R. G. Brown	"	7 10 1	
J. G. Buckle	"	23 14 5	
R. L. Greene	"	9 4 10	
Can. Ship Brokers	Cartage, etc	49 12 3	
T. B. Cockayne	Two night covers	6 10 0	
Provincial Ex., Ltd	Tickets, etc	44 19 6	
		£258 18 11	

SCHEDULE No. 1—*Continued*

Aberdeen and District Grocers and Allied Trades Exhibition, Oct. 3-13, 1928

To whom paid	Particulars	Amount	——
J. G. Buckle	Travel expenses	16 4 4	Food products and natural resources.
Lester S. Glass	"	12 19 1	
J. U. Bayard	"	14 11 9	
Provincial Exhib	Rent of space	150 0 0	
R. G. Brown	Travel expenses	22 10 1	
Can. Ship Brokers	Cartage, etc	20 0 11	
Prov. Exhibitions	Tickets and bal.; space	121 7 3	
		£257 13 5	

Portsmouth Empire Fair, Portsmouth, Oct. 18 and 19, 1928

Portsmouth South Conservative and Unionist Assoc	Rent of space	£40 0 0	Food products and natural resources.

Stoke Newington Empire Fair, Oct. 18-20, 1928

Stoke Newington Conservative and Unionist Assoc	Rent of space	£15 15 0	Food products and natural resources.

Imperial Fruit Show, Manchester, Oct. 19-27, 1928

Stroud Bros. Ltd	Floral decorations	25 0 0	Apples.
R. G. Brown	Expenses	11 12 1	
Multiplex Adv. M/c	Hire of multiposter	16 11 9	
		£53 3 10	

Third Home and Food Exhibition, Edinburgh, Oct. 20-Nov. 30, 1928

British Towns Ex	Rent of space	109 7 6	Food products and natural resources.
Gordan McDonald	Exhibits	7 2 6	
Thos. Henderson	Fitting of stand	146 5 0	
R. L. Greene	Travel expenses	29 0 2	
J. G. Buckle	"	35 17 9	
British Towns Ex	Electric lighting	13 0 0	
Can. Ship Brokers	Cartage, etc	3 6 8	
		£343 19 7	

Boscombe Carnival, Bournemouth, August 14 and 15, 1928

Partridges Models, Ltd	Float	50 3 4	Window display, food products.
Mr. R. Brown	R.R. fare	2 6 4	
Miss D. Parker	Expenses	3 15 0	
Civil Service Assoc	Exhibits	9 17 5	
		£66 2 1	

British Empire Exhibition and Shopwindow Display, Cardiff, Oct. 30-Nov. 10, 1928

Can. Ship Brokers	Cartage, etc	14 19 4	Food products and natural resources.
R. G. Brown	Travel expenses	15 6	
Harrods, Ltd	Muslin roof	23 5 0	
Docket Smith	Rent of space	134 0 0	
J. Bothwell	Travel expenses	12 1 0	
Wages sheet	Casual labour	90 3 7	

SCHEDULE No. 1—*Concluded*

British Empire Exhibition and Shopwindow Display, Cardiff, Oct. 30-Nov. 10, 1928—*Concluded*

To whom paid	Particulars	Amount	—
J. O. Turcotte	R.R. fare	2 2 9	
Wages sheet	Casual labour	161 6 8	
Magnet Iron Stores	Hardware	10 11 4	
Stroud Bros	Floral decorations	62 10 0	
M. A. Armstrong	Travel expenses	6 0 4	
J. U. Bayard	"	9 0 6	
A. B. Eastes	"	18 5 4	
C. C. Waddington	"	7 1 1	
J. Bothwell	"	21 13 5	
Jas. Howell & Co	Casement cloth	12 19 7	
J. G. Buckle	Travel expenses	10 4 4	
C. W. Hulin	Photograph	3 5 0	
E. R. Evans & Co	Lumber	87 0 6	
Lester S. Glass	Travel expenses	23 16 0	
R. G. Brown	"	41 6 11	
A. B. Eastes	"	7 17 6	
Can. Ship Brokers	Cartage, etc	82 18 1	
G. L. Ward	Electric fittings	137 0 0	
Cardiff Gas Light & Coke Co.	Alterations to fittings	3 2 0	
A. J. Elkington & Co	Hire of tables, etc	4 19 0	
T. W. Docket Smith	Balance of rent	66 0 0	
British Co., Ltd	Assistance and storage	186 16 6	
J. Bothwell	Travel expenses	14 9 9	
J. O. Turcotte	"	6 7 8	
Rexine, Ltd	Imitation leather	22 19 4	
Wages sheet	Casual labour	58 16 4	
"	"	4 8 9	
Gedye & Sons	Exhibits	14 6	
J. Loudon	"	9 10 0	
W. Rowles	Paint, etc	5 14 0	
Cardiff Corporation	Electricity	26 1 11	
Rexine, Ltd	Imitation leather	8 5 5	
		£1,398 8 5	

Brewers Exhibition, Islington, Nov. 3-9, 1928

W. Tomney	Travel expenses	6 9	Canadian barley.
J. R. Bothwell	"	1 14 11	
Mayfair Window Co	Cleaning Services	10 0	
		£2 11 8	

Cookery and Food Exhibition Olympia, Nov. 26-Dec. 1, 1928

To whom paid	Particulars	Amount	—
U.C.F.A. Ltd	Rent of space	446 0 0	Food products and natural resources.
A. Elmes & Co	Erection of stand	190 0 0	
Gen. Window Clean. Co	Cleaning services	5 5 0	
C. W. Hulin	Photograph	5 0	
Springvale Elect. Co	Electrical fittings	81 13 9	
R. G. Brown	Travel expenses	8 1 2	
"	Disbursements	1 5 6	
Stroud Bros	Floral decorations	19 4 0	
V. E. Duclos	Expenses	4 9 0	
U.C.F.A	Electricity	41 4 6	
Civil Service Supply Assoc.	Exhibits	3 18 3	
		£801 6 2	

SCHEDULE No. 2

Canadian Agents	Food Commodities	English Agents
Clark, W., Ltd., 83 Amherst Street, Montreal, Quebec, Canada.	"Clark's": Roast beef, pork and beans, soups (asstd.), vegetarian beans, governor sauce, tomato ketchup, meat loaf, lunch tongue.	Clark, W., Ltd., 1 Goodman's Yard, Minories, E.
Canadian Canners, Hamilton, Ont., Canada.	"Aylmers": Canned fruit (various), fancy fruit in glass jars, pork and beans, wax beans, soups (assorted).	Thompson, McCutcheon & Co., Ltd., 16 Philpot Lane, E.C. 3.
Dominion Canners, Hamilton, Ont., Canada.	"Lynn Valley": sweet corn, pears..	Thompson, McCutcheon & Co., Ltd., 16 Philpot Lane, E.C. 3.
B.C. Canners, Canada.....	"Maple Leaf": pink salmon.....	Brand & Co., Ltd., Mayfair Works, South Lambeth Road, S.W. 8.
J. W. Winsor, Montreal, Que., Canada.	"Beaver Brand": boneless chicken, lobster, lobster paste, haddies, clams, shrimps, etc.	Lewis Hawkins & Co., Leadenhall Chambers, 2-4 St. Mary Axe, E.C.
Marsh's Grape Juice, Niagara Falls, Ont., Canada.	"Marsh's": grape juice.....	Gordon McDonald & Co., 13 Northumberland Alley, Fenchurch Street, E.C. 3.
Ontario Honey Producers, Ltd., Toronto, Ont., Canada.	"Beekist": honey.....	R. & W. Davidson, 49 Tooley Street, London.
Co-Operative Fédérée de Quebec, 114 Rue St. Paul, Montreal, Que., Canada.	"Miel Pur": honey, maple syrup and sugar.	C. A. Harrison, Esq., Adelaide House, King William Street, E.C. 4.
Kellogg Co. of Canada, London, Ont., Canada.	Corn flakes, All Bran, Krumbles...	Kellogg Co. (of Great Britain), Ltd., 329, High Holborn, E.C.
Laing Produce & Storage Co., Ontario, Canada.	Condensed Milk: "Mothers," "Milkman," "Betty."	
Fraser Valley Milk Producers, Canada.	"Columbia": condensed milk.....	V. K. Manufacturing Co., Aldwych, Bush House, W.C. 2.
Quaker Oats Co., Peterborough, Ontario, Canada.	"Quaker": rolled oats, muffets.....	Quaker Oats, Ltd., Finsbury Square, E.C. 2.
H.O. Cereal Co., Ayre, Ontario, Canada.	"Force": whole wheat flakes, malted and toasted.	A. C. Finken & Co., 197, Gt. Portland Street, W. 1.
	"White Swan": buckwheat flour....	Gordon McDonald, 13, Northumberland Alley, Fenchurch Street, E.C. 3.
	"Old Colony" maple syrup, "Old Tyne" maple syrup, "Dirk" maple syrup.	Gordon McDonald, 13, Northumberland Alley, Fenchurch Street, E.C. 3.
Harris Abattoir Co., Canada.....	"H.A." Cheese.....	John Loudon & Co., London Bridge House, S.E. 1.
	"Hirondelle": macaroni, spaghetti, vermeciili, soup A. B. C's.	
Dominion Macaroni Co.....	Macaroni.	

POST OFFICE BILL

FIRST READING

Bill 9, an Act to amend the Post Office Act (Newspaper Ownership).—Hon. Mr. Belcourt.

SECOND READING

Hon. Mr. BELCOURT moved the second reading of the Bill.

He said: Honourable gentlemen, this Bill came over last year from the House of Commons, and was placed in my name when it reached here. I received no instructions of any kind at the time, and have none now, when the waif is again deposited at my door. I really do not know what I can say about the Bill except to refer to its terms. It did not pass this House last year, and I am afraid that my right honourable friend from Eganville (Right Hon. Mr. Graham), unless he has changed his mind in the meantime, is lying in wait to kill the waif at the first opportunity.

Right Hon. Mr. GRAHAM: There may be some good in it. Send it to a Committee.

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

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

THE SENATE

Thursday, March 21, 1929.

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Hon. Mr. Justice Duff, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 5.45 p.m. for the purpose of giving the Royal Assent to the Interim Supply Bill.

PRIVATE BILLS

FIRST READINGS

Bill 18, an Act to incorporate Canadian Re-insurance Corporation.—Hon. Mr. Webster.

Bill 41, an Act respecting the Canadian Pacific Railway Company.—Hon. Mr. Harmer.

Bill 64, an Act respecting Chartered Trust and Executor Company.—Hon. Mr. Spence.

DEMISE OF MARSHAL FOCH

EXPRESSION OF SYMPATHY

Hon. Mr. DANDURAND: Honourable gentlemen, the news has reached Canada and the various other parts of the world of the demise of Marshal Foch. It is fitting that this event should be noted by the Parliament of Canada, since Marshal Foch was the Chief Commander of the armies of the Allies, comprising the Canadian units.

Marshal Foch was essentially a soldier from the very day he left college. He decided to follow a soldier's career, and after leaving the military school he soon became a professor in the military college. There he acquired the experience which helped him to ascend the ladder towards the position that he held when the war opened, that of a general. He had been noted as a professor for the clear thinking and deep philosophy that lay at the basis of his lessons. I remember a phrase of his which was mentioned at the time his action on the battlefield was attracting attention: it was that war meant the opposing of two moral forces, its material aspect being mainly that of the instruments used in support of those moral forces.

In action, from August, 1914, he showed his faith in the judgment he had formed on the ethics of war. His command of army divisions was most brilliant, but it was only a preparation for the role which he assumed after the meeting at Doullens between the staffs of the British and French armies.

In March, 1918, there had been a formidable onslaught by the German armies, reinforced by all the troops from the eastern front, who had been freed after the Treaty of Brest-Litovsk, signed by Germany and the Russians. A gap of some twenty kilometers was made at the junction of the British and the French armies. Twenty kilometers represented a considerable opening for the enemy. The leaders in both camps, British and French, had met and reached a decision which, though it has not been heralded to a very great extent, was yet a very important one: it was that the British should separate from the French by withdrawing towards the sea, while the French receded towards Paris. The men in authority, British and French, decided to review that momentous decision, and they met at Doullens. There was considerable discussion as to what was best to do. Those who took part in that important meeting all remember that to the question, "How can the gap be closed?" the quick answer of Marshal Foch was, "It is very easy to stop the inroads," and in a rapid way he gave the modus operandi by which it could be done. After deliberating for a few moments the leaders decided to confide the fortunes of the Allies to General Foch, and from that moment, the supreme command being unified, the Allies began to readjust their position, with the result that we all know.

Before he was in supreme command Marshal Foch had played his part to the absolute satisfaction and great admiration of the men who surrounded him, and from the moment that he emerged at Doullens with the supreme command, acting and manœuvering in the eyes of the world, he won the unanimous encomiums and applause of the Allies.

As Marshal Foch had the signal honour and heavy responsibility of commanding the Allies, I thought it was but just that the Canadian Parliament should recognize the day of his passing, and express its sympathy with the nation to which he belonged, in the loss which they have suffered.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, the honourable leader of the Government was good enough to advise me a few moments ago of his intention to speak on this subject, and suggested that something might appropriately be said from this side of the House in the same connection.

The honourable leader has given in a very succinct manner the military career of General Foch before he became Commander-in-Chief of the French army. From that time on, more particularly, his career is known to all Britishers throughout the world. Before the union of the two armies, or the combination of their forces, it was but natural that we should follow with more interest our own General, Sir Douglas Haig. In this connection, it is a tribute to Great Britain and the Allies, and no less a tribute to Sir Douglas Haig himself, who had been in chief and successful command of enormous forces, that in the extreme pass that matters had reached, they were willing to subordinate personal and national considerations and under a unified command to present a combined, common front to the enemy.

There is no doubt that General Foch will go down in history as one of the great military commanders of the ages. The war was the greatest of all time, and as the ultimate supreme commander in that war he must of necessity go down in history as one of the most distinguished generals.

I have read a little about Marshal Foch, though not recently, and I understand that while he was strict in military discipline, as he might be expected to be, he was a man of the most simple character, thoroughly affable and likeable, and without what is called "side".

I am sure that we in this House agree with the sentiments which have been so eloquently expressed by the honourable leader of the Government, and unite in our sympathy in what I may call the misfortune suffered by the world in the death of General Foch.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Hon. Mr. Justice Duff, Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker:

The Honourable the SPEAKER of the Senate said:

Honourable Members of the Senate, Members of the House of Commons: I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Right Honourable Lyman Poore Duff his Deputy, to do in his Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

Hon. Mr. WILLOUGHBY.

The Right Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bill:

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending 31st March, 1930.

The House of Commons withdrew.

The Right Honourable the Deputy of the Governor General was pleased to retire.

The sitting of the Senate was resumed.

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

THE SENATE

Friday, March 22, 1929.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. COPP, Acting Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill E, an Act for the relief of Effie Margaret Hill.

Bill F, an Act for the relief of Frederick Rutherfoord Zoppi.

Bill G, an Act for the relief of Lera Ethel Vallance.

Bill H, an Act for the relief of Minerva Elliott.

Bill I, an Act for the relief of Naomi Pauline Wilson.

Bill J, an Act for the relief of Harry Babington Millward.

Bill K, an Act for the relief of Frances Gwendolyn Snow Lott.

Bill L, an Act for the relief of Edward George Croucher.

Bill M, an Act for the relief of Elsie Alice Hervey.

Bill N, an Act for the relief of Edyth May Shields.

Bill O, an Act for the relief of Mary Melvina Guerin.

Bill P, an Act for the relief of Calvert Mitchell Carruthers.

Bill Q, an Act for the relief of Hunter Wilbert Faulkner.

Bill R, an Act for the relief of Marion Ruth Laidman.

Bill S, an Act for the relief of William Henry Blackwell.

Bill T, an Act for the relief of Mabel Lorence DeClute.

Bill U, an Act for the relief of Isabell Leach.

Bill V, an Act for the relief of Emily Munnings.

Bill W, an Act for the relief of Constance Mary Kearns.

Bill X, an Act for the relief of Alfred Rescorl.

Bill Y, an Act for the relief of Clarence Percy Shields.

Bill Z, an Act for the relief of Isabella Einboden.

Bill A1, an Act for the relief of John William Telfer.

Bill B1, an Act for the relief of Thomas Southwood.

Bill C1, an Act for the relief of James Ross Curry.

Bill D1, an Act for the relief of Edna Louise Brown.

Bill E1, an Act for the relief of Frederick Davenport.

Bill F1, an Act for the relief of William Greig Green.

Bill G1, an Act for the relief of Antoine Joseph Bourdon.

Bill H1, an Act for the relief of Arnold Whitchurch Little.

Bill I1, an Act for the relief of Arthur James Taylor.

Bill J1, an Act for the relief of Alla Chretter.

Bill K1, an Act for the relief of Wallace Evered Gillespie.

Bill L1, an Act for the relief of Marjorie Grace Coleman.

Bill M1, an Act for the relief of Bessie Ruth Glass.

Bill N1, an Act for the relief of Janet Gee.

Bill O1, an Act for the relief of Sylvester Wilfred Kerr.

Bill P1, an Act for the relief of Florence May Forbes.

Bill Q1, an Act for the relief of Florence Velma Strachan.

Bill R1, an Act for the relief of William Ernest Foulkes.

Bill S1, an Act for the relief of Edith Marie McFarlane.

Bill T1, an Act for the relief of William Henry Laverty.

Bill U1, an Act for the relief of Sophia Love.

Bill V1, an Act for the relief of Cleoniki Paleologou Drakoulas.

Bill W1, an Act for the relief of Ernest Carl Bouck.

MARRIAGE PROTECTION BILL

FIRST READING

Bill X-1, an Act to make mental or physical unfitness an impediment to marriage.—Hon. Mr. Girroir.

ELECTRICITY AND FLUID EXPORTATION BILL

SECOND READING

Hon. Mr. TANNER moved the second reading of Bill 15, an Act to amend the Electricity and Fluid Exportation Act (Exportation of Electric Power).

Hon. Mr. DANIEL: Is there any explanation of what the Bill means?

Hon. Mr. TANNER: Yes, I shall be glad to give an explanation. The Bill, which has come down from the other House, deals with the exportation of power. Under the present law, as I understand it, it is necessary to have a license for the exportation of power; but under this Bill the approval of Parliament is required before power can be exported. I understand that the Bill comes down to this House with the full approval of the Government, which it had last year also.

Right Hon. Mr. GRAHAM: The license at present is issued by the Department of Trade and Commerce.

Hon. Mr. TANNER: Yes.

Hon. Mr. DANDURAND: I may say that I have received no memorandum concerning this Bill. I accept the statement of my honourable friend. If before the third reading of the Bill I receive any information, I shall bring it before the House.

Hon. Mr. TANNER: I presume that, of course, the Bill will go to Committee.

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

PRIVATE BILLS

SECOND READINGS

Right Hon. Mr. GRAHAM moved the second reading of Bill 16, an Act respecting the Sun Life Assurance Company of Canada.

He said: Honourable gentlemen, this Bill has been the cause of a good deal of discussion in the press and by the public. Last year a somewhat similar bill was either not reached in the House of Commons or not passed there. What the press called the objectionable features of the Bill were those referring to the issue of new stock. But the Bill has been passed by the other House on

the condition that the question of the issuing of new stock shall be referred to the Court. I think that if the Committee go carefully through the remainder of the Bill they will find there is nothing objectionable in it, and that it relates merely to matters of concern to the company.

Hon. W. B. WILLOUGHBY: The other provisions are all purely with regard to internal management, are they?

Right Hon. Mr. GRAHAM: I think they all concern internal management.

Right Hon. Sir GEORGE E. FOSTER: Just what is it that the Court is to decide?

Right Hon. Mr. GRAHAN: The company asks for power to issue new stock and increase its capitalization. The reason stated by the company in making this request is its desire to enable the Canadian shareholders to retain control. There has been a good deal of discussion about giving the company that power, as some people feared that it was desired principally for the benefit of the shareholders of the Sun Life Assurance Company rather than the public. That matter, with the consent of the Superintendent of Insurance, who objected to the Bill in its original form, has been referred to the Court for a decision as to—I do not know what the proper legal term would be—but as to the wisdom of the issuing of this new stock by the company.

Hon. Mr. WILLOUGHBY: As to the company's power to do so, is it not?

Right Hon. Mr. GRAHAM: As to the power and the wisdom, I understand.

Right Hon. Sir. GEORGE E. FOSTER: Has the Court authority to say whether a company shall or shall not issue stock, outside of the powers which are given to the company by Parliament? Surely the Court cannot be asked to decide as to the advisability of an issue of stock, because that would be beyond the powers of a court.

Hon. Mr. DANDURAND: I happen to have considerable knowledge of this Bill, because I am a director of the Sun Life Assurance Company. I am told that some newspaper claiming the right to represent or defend the interests of the policy holders mentioned myself as one who, on account of being a director of the company and also a parliamentarian, might have conflicting interests in this matter. That newspaper apparently was unaware that I represent the policy holders on the Board of the company.

In pursuance of my duty on the Board I am obliged to look after the interests of the policy holders; so that in protecting their rights in Parliament I am not filling a dual rôle. Having made this personal explanation, perhaps I may now be permitted to answer my right honourable friend.

The Sun Life Assurance Company, when originally organized, obtained the right to issue stock to the amount of $4,000,000. Later on, through an amendment to its charter, Parliament divided that capital into two parts, and set $2,000,000 as the limit of capitalization for the life insurance portion of its business, and the other $2,000,000 as the maximum capital for all its other branches of insurance, covering half a dozen activities, in which the company might engage. Subsequently another amendment was made to the charter, whereby the company dispensed with the right to handle anything but life insurance. The question has arisen now whether these amendments have limited the company's capitalization to $2,000,000. The company contends that its right to issue stock up to $4,000,000 has never been abrogated. I surmise—I do not know definitely, having been absent when the Bill was under consideration in another place—that it is the question of the right of the company to issue stock up to $4,000,000 which will be submitted to the Court.

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

Bill 17, an Act respecting the Quebec Railway Light and Power Company.—Hon. Mr. Paradis.

Bill 19, an Act to incorporate the Railway Employees Casualty Insurance Company.—Hon. Mr. Robertson.

Bill 21, an Act to incorporate the National-Liverpool Insurance Company.—Hon. Mr. Casgrain.

Bill 23, an Act respecting certain patent application of Stanley W. Hayes.—Hon. Mr. Haydon.

Bill 27, an Act to incorporate Barclays Bank (Canada).—Hon. G. G. Foster.

Bill 28, An Act respecting the Pension Fund Society of the Bank of Montreal, the Molsons Bank Pension Fund, and the Merchants' Bank of Canada Pension Fund.—Hon. Smeaton White.

Bill 29, an Act respecting a certain patent of Catelli Macaroni Products Corporation, Limited.—Hon. Mr. Belcourt.

Bill 30, an Act respecting the Protective Association of Canada.—Hon. Mr. Pope.

Bill 31, an Act to incorporate the Wawanesa Mutual Insurance Company.—Hon. Mr. Horsey.

Bill 32, an Act to incorporate the Wapiti Insurance Company.—Hon. Mr. Horsey.

Bill 35, an Act to incorporate the Ukrainian Greek Orthodox Church of Canada.—Right Hon. George P. Graham.

The Senate adjourned until Tuesday, April 9, at 8 p.m.

THE SENATE

Tuesday, April 9, 1929.

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

Prayers and routine proceedings.

PRIVATE BILLS

FIRST READINGS

Bill 20, an Act respecting the Bell Telephone Company of Canada.—Hon. Mr. Black.

Bill 62, an Act respecting the Esquimalt and Nanaimo Railway Company.—Hon. Mr. Barnard.

Bill 78, an Act respecting a certain patent of Zebulum Colvin Ketchum.—Hon. Mr. Haydon.

CIVIL SERVICE BILL (PRIVATE SECRETARIES)

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 7, an Act to amend the Civil Service Act (Private Secretaries).

He said: Honourable gentlemen, this is a Bill which deals with the private secretaries of the Ministers, and the Leader of the Opposition. There are two amendments. One brings under the operation of the Act the private secretary of the Leader of the Opposition, and the object of the second is to limit the placing of secretaries when the Ministers, or other members of the Government, or Leader of the Opposition, for whom they are acting, cease to be such.

Heretofore a Minister could replace a secretary every twelve months, and was entitled, under the Act, to have him enter the Civil Service under certain conditions. This will deprive the Ministers of that right. They will be able to place their secretaries only when they themselves retire.

Hon. Mr. WILLOUGHBY: And only one secretary.

Hon. Mr. DANDURAND: One.

Hon. Mr. McMEANS: What becomes of the secretary after the Minister retires?

Hon. Mr. DANDURAND: He is taken care of under the old Act, and under this Act as well. I move the second reading of the Bill.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Robinson in the Chair.

On Section 1—Private secretaries, appointment:

Hon. Mr. DANDURAND: I desire to move an amendment to section 1. Honourable gentlemen will notice that section 60 of the Civil Service Act is repealed, and replaced by a new one. The first subsection reads as follows:

60. (1) Any person may be appointed by a minister of the Crown or other member of the Government or by the Leader of the Opposition to be his private secretary.

In subsection 2 the words "other member of the Government" are not repeated, and I move to add these words, so that this subsection will read:

(2) If such person holds a permanent position in the civil service he may be paid an additional salary not exceeding six hundred dollars a year whilst so acting; but if he does not hold a permanent position in the civil service, he may be paid such salary as the Governor in Council may prescribe, and in the event of the Minister—

Then I add "or other member of the Government"—the words that are in the first subsection, but not repeated here—

—or the Leader of the Opposition for whom he is acting as secretary, ceasing to be a minister

Then I add "or member of the Government"—

—or to be the Leader of the Opposition, as the case may be, the said secretary shall thereupon be appointed to a permanent position in the public service classified not lower than that of chief clerk, provided that the said secretary has been acting as such for a period of not less than one year.

I suggest the insertion of those words, "other member of the Government," because the Department of Justice has drawn my attention to the fact that they cover the case of a member of the Government who is not a Minister, and the Solicitor General is in such a position.

Hon. Mr. DANIEL: He is the only one, is he not?

Hon. Mr. WILLOUGHBY: The only object you have in view is to provide for him?

Hon. Mr. DANDURAND: Yes. I will pass to my honourable friend the opinion of the Department of Justice on this point.

The amendment was agreed to, and section 1 as amended was agreed to.

The preamble and the title were agreed to.

The Bill was reported as amended.

CANADIAN NATIONAL RAILWAYS PENSION BILL

SECOND READING

Right Hon. GEORGE P. GRAHAM moved the second reading of Bill 2, an Act to amend The Grand Trunk Act, 1906-7, with respect to pensions.

He said: Honourable gentlemen, a few moments ago I moved that the Order relating to Bill 3 be discharged and placed on the Order Paper for to-morrow. There are two reasons for that, the chief one being that Bills 2 and 3, the Pension Bill and the Provident Fund Bill, should be discussed concurrently. I now move the second reading of Bill 2 in order to get it into Committee of the Whole, so that we may discuss it with the other enactment concerning the railway employees.

The object of the present Bill is to enable the Canadian National Railway System to provide a pension which is now payable by the Grand Trunk under the old Grand Trunk Act of 1906-7. It will affect some 83,000 employees. When the amalgamation took place it was found that while the Grand Trunk had a pension system, the Canadian Northern had none. The Government Railways had a Provident Fund, and conducted what is really a contributory system. This is a new proposition, to bring under the Pension Act now in existence all the employees who are not under the Provident Fund. It is in line, practically, with the systems in force on the Canadian Pacific, the New York Central, and many other leading lines. It differs from the Provident Fund in the fact that the employees do not contribute, but the money in its entirety is contributed by the company itself.

In Bill No. 3, which is about to be considered in Committee of the Whole, provision is made to give the Governor in Council power to shut the door of the Provident Fund to any new employees or new applicants; to maintain the rights as they exist to-day of all those who are now under the Provident Fund Act, but to allow no others to come under it. The new Act, equivalent to the plan which was in existence in the old Grand Trunk, will place all new employees on an equal footing.

Several questions may arise concerning those who are now under the Provident Fund.

I may say the Bill will not affect them unless they wish to be affected. They may retire from the Provident Fund if they wish, and come under this, or they may remain under the Provident Fund, the Government and the railway protecting all their rights.

Of course these are not the only funds of the railway employees, for they have organizations providing insurance and sick benefits, but those are conducted by the men alone, the railways contributing only a small amount.

Under the old Provident Fund Act, passed in 1907, the employees of the Government railways contributed one and a half per cent of their wages. The Government, under the Act, was to contribute an amount equal to that contribution by the men, but not to exceed $50,000 a year. As a matter of fact the contributions were soon found to be insufficient, and year after year larger amounts were voted by the Government to protect the men, whose contribution did not come anywhere near paying half of the amount required to carry on the fund.

I was going to suggest that in order to put the two Bills on a parity, I might be allowed to move the second reading of the present Bill and move that it be referred to Committee of the Whole to-morrow, so that the two Bills may then be discussed together. In the absence of the honourable member from Welland (Hon. G. D. Robertson) I would not like to go any further.

Hon. Mr. WILLOUGHBY: I know the honourable gentleman from Welland is very much interested in these Bills. He has perhaps more technical knowledge on the subject than anybody else in the House. If it will be permissible to discuss in Committee not only the details, but also the principle of the Bill, I am content to let the motion go.

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

MILITIA PENSION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 33, an Act to amend the Militia Pension Act.

He said: Honourable gentlemen, this Bill deals with the computation of pensions on the compulsory retirement of certain officers. I shall give further explanations in Committee of the Whole.

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

Hon. Mr. DANDURAND moved that the Senate go into Committee on the Bill.

Hon. L. McMEANS: I should be glad if the honourable leader of the Government would consent to the matter standing over. I have a very long communication with reference to these Militia pensions. I would like to lay it before the House, but have not brought it here to-night.

Hon. Mr. DANDURAND: To-morrow?

Hon. Mr. McMEANS: Yes.

The motion as amended was agreed to.

TECHNICAL EDUCATION EXTENSION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 34, an Act to amend the Technical Education Act.

He said: Honourable gentlemen, the purpose of this amendment is to clarify the existing Act, which, by section 8, authorizes the carrying forward of certain unexpended portions of the appropriations provided for therein, and to permit the carrying forward, for the purposes of the Act, of all the unexpended portions of these appropriations for a limited period of five years.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Copp in the Chair.

On section 1—short title:

Hon. W. B. WILLOUGHBY: Will the honourable leader of the Government explain what the position of the Government is now with reference to the Technical Education Act?

Hon. Mr. DANDURAND: As far as my memory goes, the Act was coming to an end some time this summer, and there was considerable pressure from the various provinces for an extension of it. Section 8 provides for the extension of the Act with regard to that portion of the $10,000,000 which was not distributed to the provinces. The Act is practically extended, therefore, for five years. The amendment reads as follows:

> Any portion of the ten million dollars appropriated under this Act which may remain unexpended at the expiration of the fiscal year ending the thirty-first day of March, one thousand nine hundred and twenty-nine, whether previously carried forward or not, shall be carried forward and remain available according to its apportionment for the purposes of this Act during any one or more of the five succeeding fiscal years, and no portion of the said ten million dollars shall be paid to any province after the thirty-first day of March, one thousand nine hundred and thirty-four.

As a matter of fact, in reading the Bill I see that the Act ended on the 31st of March last; so that the Bill practically provides for reviving and continuing the Act for the next five years, with regard to all that portion of the $10,000,000 which has not been distributed.

Hon. Mr. WILLOUGHBY: There is one interesting thing that the public, and perhaps this House, would like to know, and that is whether it is the intention of the Government to continue the Act otherwise than to exhaust the moneys that were appropriated for the purposes of the Act and are now lying in the exchequer. The press of the country has published repeatedly statements concerning the unwillingness of the Government to continue to aid technical education. This Bill provides not for the creation of a new fund, but simply for the distribution of moneys already appropriated. It is a kind of bouquet placed on the grave of financial assistance to the provinces for this purpose. I do not speak with any special knowledge of the subject, but I think there are a great many people in the country who feel that the Government should continue to give this financial help over a long period of years in the future; and I should like to know if the honourable leader of the Government is in a position to state what the Government's intentions are. I think the demand for technical education will grow, rather than diminish, with the increasing industrialization of Canada. Perhaps it would not be too much to ask what the Government intend to do not only during the next five years, but after that time. It seems to me it would be of advantage to the provinces, and to all who are interested in this question, to have some definite information as to what the policy of the Government will be on this issue five years from now, if they can forecast so far in advance—provided, of course, they are in power then, which I do not expect will be the case.

Right Hon. G. P. GRAHAM: And if they were not in power, what would be your policy?

Hon. Mr. WILLOUGHBY: My individual policy would be to wait. That is as far as I can go.

Hon. Mr. DANDURAND: I think I have a fair knowledge of what has been the consensus of opinion in Council when the matter has come up, and I have a vague idea that

the Prime Minister has expressed the Government's policy on the subject. I would suggest that the third reading be not taken until to-morrow, so that I may be able to give an official answer to my honourable friend.

Hon. J. W. DANIEL: Could the honourable leader of the Government give us any information as to the extent to which individual provinces have taken advantage of the appropriation of $10,000,000? What provinces have been assisted, and to what extent, out of the fund of $10,000,000 up to the present time? Has any province received the total amount to which it was entitled? I should like to know something about these points, so as to be able to vote intelligently on the question.

Hon. Mr. DANDURAND: I thought we might adopt the Bill in Committee now, and on the third reading I could produce the information which my honourable friend desires.

Section 1 was agreed to.

Section 2, the preamble and the title were agreed to.

The Bill was reported without amendment.

PRIVATE BILLS

SECOND READINGS

Bill 18, an Act to incorporate Canadian Re-Insurance Corporation.—Hon. Mr. Webster.

Bill 41, an Act respecting the Canadian Pacific Railway Company.—Hon. Mr. Harmer.

Bill 64, an Act respecting Chartered Trust and Executor Company.—Hon. Mr. Spence.

DIVORCE BILLS

SECOND READINGS

Bill E, an Act for the relief of William Henry Blackwell.

Bill F, an Act for the relief of Ernest Carl Bouck.

Bill G, an Act for the relief of Antoine Joseph Bourdon.

Bill H, an Act for the relief of Edna Louise Brown.

Bill I, an Act for the relief of Calvert Mitchell Carruthers.

Bill J, an Act for the relief of Alla Chretter.

Bill K, an Act for the relief of Marjorie Grace Coleman.

Bill L, an Act for the relief of Edward George Croucher.

Bill M, an Act for the relief of James Ross Curry.

Bill N, an Act for the relief of Frederick Davenport.

Bill O, an Act for the relief of Mabel Lorene De Clute.

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Bill Y, an Act for the relief of William Greig Green.

Bill Z, an Act for the relief of Mary Melvina Guerin.

Bill A1, an Act for the relief of Elsie Alice Hervey.

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Bill M1, an Act for the relief of Emily Munnings.

Bill N1, an Act for the relief of Alfred Rescorl.

Bill O1, an Act for the relief of Clarence Percy Shields.

Bill P1, an Act for the relief of Edyth May Shields.

Bill Q1, an Act for the relief of Thomas Southwood.

Bill R1, an Act for the relief of Florence Velma Strachan.

Bill S1, an Act for the relief of Arthur James Taylor.

Bill T1, an Act for the relief of John William Telfer.

Bill U1, an Act for the relief of Lera Ethel Vallance.

Bill V1, an Act for the relief of Naomi Pauline Wilson.

Bill W1, an Act for the relief of Frederick Rutherfoord Zoopi.

FIRST READINGS

Hon. Mr. COPP, Acting Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill Y1, an Act for the relief of Myrtle Virginia Maulson.

Bill Z1, an Act for the relief of Claude Le Cheminant.

Bill A2, an Act for the relief of Dora Taylor.

Bill B2, an Act for the relief of Alice Gladys Barkey.

Bill C2, an Act for the relief of Helen Awrey.

Bill D2, an Act for the relief of James Lynham.

Bill E2, an Act for the relief of Harry Freeman Switzer.

Bill F2, an Act for the relief of Bessie Stephen Lee.

Bill G2, an Act for the relief of Nanette Coffey.

Bill H2, an Act for the relief of James Graham McCreadie.

Bill I2, an Act for the relief of Stephen Dymon.

Bill J2, an Act for the relief of Irene Sagar.

Bill K2, an Act for the relief of Clifford Wilson.

Bill L2, an Act for the relief of James Clayton Powell.

Bill M2, an Act for the relief of Mina Thompson.

Bill N2, an Act for the relief of Clare Doutre Walters Bertram.

Bill O2, an Act for the relief of Margaret Duffield.

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

THE SENATE

Wednesday, April 10, 1929.

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

Prayers and routine proceedings.

PRIVATE BILLS

THIRD READING

Bill 16, an Act respecting the Sun Life Assurance Company of Canada.—Right Hon. Mr. Graham.

FIRST READINGS

Bill P2, an Act respecting Central Finance Corporation.—Hon. Mr. McGuire.

Bill Q2, an Act respecting the Dominion Fire Insurance Company.—Hon. Mr. Spence.

Bill R2, an Act respecting a certain patent of Cobb Connector Company.—Hon. Mr. Haydon.

RAILWAY EMPLOYEES' WAGES

STATEMENT ON ATTITUDE OF PREVIOUS GOVERNMENT

Hon. G. D. ROBERTSON rose in accordance with the following notice:

That he will call the attention of the Senate to certain matters affecting railway employees in Canada.

He said: Honourable gentlemen, it is not my intention to discuss at length the subject referred to on the Order Paper, but I desire to call the attention of the House to a statement that appeared in the press, on the 19th of March, I think, concerning railway employees and the attitude and action of a previous Government towards them. That published statement was so greatly at variance with the facts that I felt constrained to correct it.

I regret that I have not the clipping before me, but, as I recall the statement, it was supposed to be the utterance of a Minister of the Crown, and was to the effect that about the last act of the Government in power in 1921 was to reduce the wages of railway employees in Canada by $50,000,000 a year. Both Ottawa newspapers carried the same report; so apparently the speaker was correctly reported and there is no reason to criticize the press.

I want to state to the House and to the country, because many complaints have come to me in connection with the matter, that the statement was wholly inaccurate. No such thing ever occurred. The Government referred to never interfered in any way with the compensation of railway employees in Canada, except in 1918, when it co-operated towards securing a substantial increase in wages. That was a war period, when the cost of living was rising rapidly. In the summer of that year an increase aggregating $52,000,000 annually in the wages of railway employees became effective and operative through the action and instrumentality of the Government.

Hon. Mr. DANDURAND: That was based on—

Hon. Mr. ROBERTSON: On General Order 27, commonly known as the McAdoo Award in the United States.

Hon. Mr. DANDURAND: Raising them to the level of the McAdoo Award.

Hon. Mr. ROBERTSON: Yes. In 1920 there was a further increase in wages, both in Canada and the United States, based on the rise in the cost of living since 1918. But in 1921 the cost of living in both countries was on the downward trend; by July of that year there was a drop of about 35 points. Railway employees in this country and in the States were then asked by their employers, not by the Government, to accept a reduction in wages of 12½ per cent, which was a little less than one-half of the decrease there had been in the cost of living from 1920. Those lower wages went into effect in the United States on the 1st day of July, 1921, and the railways in Canada proposed to make their reductions effective on the same date; but it was pointed out to them by the Department of Labour, of which I happened to be the administrator at that time, that under our law certain notice had to be given before the drop could become effective. The railways recognized that, and served the necessary notice upon their employees, and this resulted in postponing the decrease in wages until the 16th of July. The net result of the Government's action in causing this delay in the reduction of wages for two weeks was a saving to the railway employees of a little over $1,000,000, because the total decrease was $28,000,000 a year, or a little more than $2,000,000 a month.

I felt that so grave an exaggeration of facts, purporting to have come from so reliable a source as a Minister of the Crown, ought not to be permitted to go uncontradicted, and the ten million people in Canada be led to believe that the statement was true. The very opposite was true, because the Government of that day assisted in getting reasonable wages for the railway employees; it followed a policy that was adopted in the United States at that time, and gave the railway companies compensation that enabled them to grant increases in wages to the extent of $52,000,000 a year. As I have stated, there was a considerable reduction in the cost of living in 1921, and in October of that year the railway employees in Canada agreed of their own free will to the decrease that the railways had put into effect in July. I think it is quite improper for anyone to come along now, years afterwards, and charge the Government of that time with having brought about reductions in the wages of railway employees, when the fact is that it was through the action of the government that the employees benefited to the large extent I have mentioned.

I am only referring to the statement that the newspapers attributed to the Minister. Honourable gentlemen may of course review the record for themselves and ascertain just what statement was made in another place.

CIVIL SERVICE BILL (PRIVATE SECRETARIES)

THIRD READING

Bill 7, an Act to amend the Civil Service Act (Private Secretaries).—Hon. Mr. Dandurand.

CANADIAN NATIONAL RAILWAYS PENSION BILL

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Graham, the Senate went into Committee on Bill 2, an Act to amend the Grand Trunk Act, 1906-7, with respect to pensions.

Hon. Mr. Beaubien in the Chair.

The Bill was reported without amendment.

THIRD READING

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

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

INTERCOLONIAL EMPLOYEES' PROVIDENT FUND BILL

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Graham, the Senate went into Committee on Bill 3, an Act to further amend the Intercolonial and Prince Edward Island Railway Employees' Provident Fund Act.

Hon. Mr. McLennan in the Chair.

Section 1 was agreed to.

On section 2—closing fund:

Hon. G. D. ROBERTSON: Mr. Chairman, when this Bill was before the Senate prior to the Easter recess I made a rew remarks concerning the discontinuance of the principle of employees contributing to the pension fund, as the present law provides. I rise, not to criticize this Bill at all, or to oppose it in any way, but rather to express again the opinion that pensions on the contributory principle are highly desirable in any industry, and are preferable to pensions that are provided entirely by the employers.

In reference to Bill 2, that we have just passed, I had a feeling that it might be wise to make it clear, by a provision inserted therein, that if at any time in the future the Canadian railways management and em-

ployees should agree that a contributory pension scheme ought to be launched, such legislation would permit of that being done without having to be submitted to Parliament; but after a careful perusal of that Bill I think it is quite clear that section 4, respecting the rules and regulations to be enacted by the parties, leaves the gate wide enough open to permit of any action of that sort being taken if thought desirable.

However, I do not want to let the opportunity pass without again expressing the hope that as time passes the Canadian National Railways and their employees may see fit to arrange a real, solid, stable and sensible pension scheme on a contributory basis, and thereby set an example that may be followed by many other industries in Canada. In my opinion nothing more surely tends to better understanding and a stronger spirit of co-operation between employers and employees than such a scheme, in which the parties are mutually interested. The employees feel that they are part owners of the pension fund and should contribute to it, and that it will be sufficient to guarantee them against want in their old age. Such a scheme would be of substantial benefit in regard to the standard of service that the employers receive, and would also minimize industrial difficulties and controversies that arise from time to time. Therefore I think the contributory pension scheme ought not to be lost sight of. I trust that the time will come when the management and the employees of this great national system will decide to undertake this plan. When that time comes, I hope Parliament may remember that we discussed it to-day, and felt that Bill 2 was broad enough in its provisions to permit employers and employees to make such an arrangement by mutual consent, without referring it to Parliament for further consideration.

Right Hon. GEORGE P. GRAHAM: Honourable gentlemen, I may say that I endorse what my honourable friend from Welland has just said. I have been discussing that same idea in my own business. My manager and myself are strongly of the view that a contributory scheme is the better one for securing mutual understanding. The old saying is true, that where a man's treasure is, there is his heart also, and the person who does not contribute has not the same interest as one who does.

I think it was in 1922, at the amalgamation of the various entities into the Canadian National, that I appointed a committee to work out a scheme. They met several times, both representatives of the men and of the road, but they did not arrive at an agreement; at least they did not present one to me, although I was constant in my demand that the men who had come in from the Canadian Northern should have some pension scheme; for only those coming from the old Grand Trunk were entitled to pension on retirement. As a result of this intiative, I think, my successor kept pressing for some pension scheme that could be adopted for the benefit largely of employees who had been on the Canadian Northern, and this plan was finally agreed on.

Speaking personally, and not for the Government, I hope that the time will arrive when the parties can come to some agreement for a contributory scheme, because with the honourable member for Welland I believe that in the long run it is the better principle on which to work.

Section 2 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

MILITIA PENSION BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 33, an Act to amend the Militia Pension Act.

Hon. Mr. Gordon in the Chair.

The Bill was reported without amendment.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

DIVORCE BILLS

THIRD READINGS

Bill E, an Act for the relief of Effie Margaret Hill.

Bill F, an Act for the relief of Frederick Rutherfoord Zoppi.

Bill G, an Act for the relief of Lera Ethel Vallance.

Bill H, an Act for the relief of Minerva Elliott.

Bill I, an Act for the relief of Naomi Pauline Wilson.

Bill J, an Act for the relief of Harry Babington Millward.

Bill K, an Act for the relief of Frances Gwendolyn Snow Lott.

Bill L, an Act for the relief of Edward George Croucher.

Bill M, an Act for the relief of Elsie Alice Hervey.

Bill N, an Act for the relief of Edyth May Shields.

Bill O, an Act for the relief of Mary Melvina Guerin.

Bill P, an Act for the relief of Calvert Mitchell Carruthers.

Bill Q, an Act for the relief of Hunter Wilbert Faulkner.

Bill R, an Act for the relief of Marion Ruth Laidman.

Bill S, an Act for the relief of William Henry Blackwell.

Bill T, an Act for the relief of Mabel Lorene De Clute.

Bill U, an Act for the relief of Isabell Leach.

Bill V, an Act for the relief of Emily Munnings.

Bill W, an Act for the relief of Constance Mary Kearns.

Bill X, an Act for the relief of Alfred Rescorl.

Bill Y, an Act for the relief of Clarence Percy Shields.

Bill Z, an Act for the relief of Isabella Einboden.

Bill A1, an Act for the relief of John William Telfer.

Bill B1, an Act for the relief of Thomas Southwood.

Bill C1, an Act for the relief of James Ross Curry.

Bill D1, an Act for the relief of Edna Louise Brown.

Bill E1, an Act for the relief of Frederick Davenport.

Bill F1, an Act for the relief of William Greig Green.

Bill G1, an Act for the relief of Antoine Joseph Bourdon.

Bill H1, an Act for the relief of Arnold Whitchurch Little.

Bill I1, an Act for the relief of Arthur James Taylor.

Bill J1, an Act for the relief of Alla Chretter.

Bill K1, an Act for the relief of Wallace Evered Gillespie.

Bill L1, an Act for the relief of Marjorie Grace Coleman.

Bill M1, an Act for the relief of Bessie Ruth Glass.

Bill N1, an Act for the relief of Janet Gee.

Bill O1, an Act for the relief of Sylvester Wilfred Kerr.

Bill P1, an Act for the relief of Florence May Forbes.

Bill Q1, an Act for the relief of Florence Velma Strachan.

Bill R1, an Act for the relief of William Ernest Foulkes.

Bill S1, an Act for the relief of Edith Marie McFarlane.

Bill T1, an Act for the relief of William Henry Laverty.

Bill U1, an Act for the relief of Sophia Love.

Bill V1, an Act for the relief of Cleoniki Paleologou Drakoulas.

Bill W1, an Act for the relief of Ernest Carl Bouck.

MARRIAGE PROTECTION BILL

SECOND READING

Hon. Mr. DONNELLY moved the second reading of Bill X1, an Act to make mental or physical unfitness an impediment to marriage.

He said: Honourable gentlemen, the honourable senator in whose name this Bill stands (Hon. Mr. Girroir) has been obliged to leave the Chamber. Before doing so he asked me to state on his behalf that the Bill is drafted in accordance with the evidence taken last year before the Committee on Public Health, and to move that it be read a second time, and be referred to the Committee on Public Health.

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

PRIVATE BILL

FIRST READING

Bill 79, an Act respecting a certain patent of Jean Baptiste Hurteau.—Hon. G. V. White.

Hon. Mr. WHITE moved that the Bill be placed on the Orders of the Day for second reading on Friday next.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, in connection with this and other private bills introduced by various members, my attention has been called by an old parliamentarian to a practice which I think would be much better than the existing one. All these uncontested private bills have been going through on the mere motion, duly seconded, without any explanation being given to the House of the nature of the bills, or anything appearing in the record. I rise, not to oppose the introduction or passage of any private bill, but to say that I think it is desirable that the sponsor of a private bill should give a brief and succinct explanation of what is proposed by it.

Hon. Mr. DANDURAND: Of course the honourable gentleman is speaking generally. The motion before us is to fix the second reading of this Bill for Friday next, and I suppose the honourable gentleman's remarks apply to the second reading stage.

Hon. Mr. WILLOUGHBY: Absolutely to the second reading. This is an intimation of my point of view, and I think the friendly nods of others show their agreement.

Right Hon. Mr. GRAHAM: To have a record.

Hon. Mr. WILLOUGHBY: Yes.

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

THE SENATE

Thursday, April 11, 1929.

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

Prayers and routine proceedings.

INTERNATIONAL ARBITRATION AND NATIONAL MINORITIES

INQUIRY AND DISCUSSION

Right Hon. Sir GEORGE E. FOSTER rose in accordance with the following notice:

That he will draw the attention of the Government to certain matters respecting international arbitration and the treatment of national minorities under the covenant of the League of Nations and inquire as to what action the Government of Canada has taken or proposes to take in relation thereto, and will move for the production of all correspondence with the British Government in connection with the adhesion of Canada to the reciprocal clause of the protocol of the Permanent Court of International Justice.

He said: Honourable gentlemen, the significance of the action which was taken by this House on the 15th of February, and by the other House on the 19th of February, is the only reason which I have for asking the attention of this Chamber for a few moments this afternoon to some observations in the way of comment upon the Peace Treaty, or the Peace Pact, as we generally call it, and other matters in connection with the work of the League of Nations, and whilst in some respects my remarks may seem to be a little critical, happily they are entirely unpartisan. In Canada, as in Great Britain and some other countries, upon this great question of world peace, parties are not divided, and the leaders of all parties concerned in the administration of public affairs are equally strong and consistent in their support.

Sometimes I doubt whether I myself have had a proper appreciation of the significance of so outstanding a fact as that which was demonstrated on the 15th and the 19th of February in the two Chambers of this Parliament. It is an outstanding fact in the history of this young nation, and it is an outstanding fact in the history of the world. I also doubt whether we have all of us, myself included, really analyzed the Pact itself so as to perceive its true significance. The thought which comes to our minds when we speak of it is that it is a condemnation of war, and that idea rather overshadows and obscures the equally dominant fact brought into notice in the second article of the Pact, which, to my mind, is far the more important of the two. It will not harm us to read them.

Article 1: The High Contracting parties solemnly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.

It is something for us as individuals, after consideration, to condemn a certain course of conduct, and to say that we condemn it; but I think we must all confess that in our individual experience we sometimes condemn a line of conduct, but do not renounce it. The nations of the world, on casting their eye back over the history of humanity from its earliest stages, and seeing that during that whole long history it has been the international practice, regarded by every nation as a right, to obtain its objectives and settle disputes by the arbitrament of war, have to-day come to a different conclusion and said, "We condemn that international practice which has existed from the earliest times until the present day." There is significance in that fact, but it is still more to the point that they, after having condemned the practice, renounce it for all future time. Having concluded that the international practice has been wrong, they not only denounce it, but they also say, "For the future we renounce that method, and will not have recourse to it."

That is a very inclusive and pregnant declaration, but it is only a declaration, and if it stopped there the Pact would indeed be little more than a gesture, though it is always a refreshing and strengthening element for a man or a nation to come to a conclusion on a principle or line of conduct.

Now we come to the second part of the pact, and I will read that:

The High Contracting Parties agree that the settlement or solution of all disputes or conflicts, of whatever nature, or of whatever origin they may be—

No language could be more inclusive.

—which may arise among them, shall never be sought except by pacific means.

Which, put in the affirmative, is: "shall always be sought by pacific means." Therefore this second article of the pact is to my mind practical and important, and an indispensable part of an enunciation or undertaking which is meant to be practical in results.

The first part is simply a declaration with reference to what has been a course of international conduct: it is a renunciation of that course for the future. The second part is really an agreement or contract: having condemned and renounced war as an international agency, we now pledge ourselves and make a contract with one another that henceforth we, as nations, will never have recourse to war to settle our difficulties, but will settle them by pacific means.

Do we grasp the full significance of the fact that Canada, having made that statement, has now established the fundamental basis of her international policy for all her future years? We are a few millions now, we shall be tens of millions hereafter, and at some time or other we may be hundreds of millions, but however far we go, there is the national road of international policy on which we have placed our feet firmly, and along which we have made up our minds to travel.

That is not merely a contract undertaken by Canada with the United States, though I have found some people have that idea of it because of the precedent negotiations. Nor is it a contract made by Canada with France and the United States. We have to rise to the idea that it is an agreement, a contract, which has been made by Canada with practically every other nation of the world; that with each of them we have joined hands and pledged our faith that, whatever differences may arise between us, we will seek the solution of them, not by war, but only by pacific means.

That is a far-reaching international understanding. In nature it is like the understanding that my friend Mr. Graham and myself have as nationals of Canada. Suppose that our estates, small as they are, conjoin, and that difficulties arise between him and myself as to certain markings of our line fences and other conditions. It is a great thing for Mr. Graham and myself to know that, whatever happens, we are not going to fight about it. That conviction is ingrown in us, because it has been established in practice and custom on the plane to which humanity has attained in social and national affairs, and it helps us to settle our difficulties. The other assurance that we have is this: I hold my right, my friend holds his, and we know that if we cannot agree there are means and methods provided by which we may determine the question according to the rules of equity, justice and fair-play between man and man.

That is the sort of relationship that Canada is to have for the future with other nations in the world. We know that whatever happens in the way of dispute or difference, we are not going to fight about it, but must settle it by pacific means, and consequently the settlement becomes so much easier. These are thoughts which, if we allow our minds to rest upon them, have within them a power, a tendency and an impulse to make us look upon this thing not as a mere gesture but as something very real, very vital, and tremendously important in Canadian history, and in the history of the world.

Another thing that I think we have a right, as proponents and supporters of the League of Nations, to take into account, for our comfort, is the fact that this Pact itself, with all the support given to it, is in direct line with the work of the League of Nations itself. A much smaller number of people than are now supporting the League undertook ten or twelve years ago this magnificent and wonderful plan of regulating international affairs by peace methods and according to the rules of justice, and not by force, by war, by slaughter, and by intolerable expenditures. There was less faith in the world then with reference to the outcome of the proposal than there is now, and for the initial years it has been uphill work to maintain our own confidence and enlarge the area of confidence and support among those about us. To-day this Pact comes as an absolute vindication of the principles and work of the League of Nations itself, which in ten toilsome years has built up an organization acknowledged throughout the world as an indispensable piece of machinery for international relations and for the peace of the world.

It is also our privilege to recite the fresh support being gradually evolved for the principles of the League of Nations and the principles embodied in the Pact itself. The facts are encouraging, and it is our duty to think of them and use them for our encouragement.

Take the United States of America itself. A new President has been installed. We keep in mind Harding, Coolidge and Hoover, and in the course of the two past presidencies and the one now commenced there is traversed pretty nearly the historic lifetime of the League of Nations. In Mr. Hoover's inaugural there are some points that I wish to emphasize. Recollect that because of party

difference, and perhaps lack of sagacious tact, the League of Nations at its inception was faced by opposition in the United States of America which without doubt prevented that country from ratifying the treaties and at that time entering the World Court of the League of Nations. There followed a time when the United States Senate, on the recommendation of Mr. Harding, and afterwards of President Coolidge, made a move towards an entry into the World Court, as I shall call it, and with certain reservations, five in number, the Senate passed a resolution authorizing the Government to enter the World Court if those reservations were complied with. All the reservations except one-half of the fifth were fully accepted. With reference to that one-half of the fifth it was felt that it struck so closely at the efficacious working of the League of Nations through its Court that it could not be complied with; but a proposition in answer to that was framed and sent as a communication to the United States Senate. That was in 1926, and the net result of all of it was that the United States were granted four of the reservations and one-half of the fifth that they placed in their resolution; and with reference to the latter half of the fifth, the offer was made to put them in a position of exact equality with every member of the League who undertook to share its responsibilities and its workings. From 1926 until a very late date that communication was not even answered or acknowledged, and about two years ago President Coolidge, in a speech that he made somewhere in a western city, declared that no further action would be taken by him with reference to the matter, and that the entrance of the United States into the World Court was practically a dead issue.

In President Hoover's inaugural address I find this:

> First, with reference to the Pact itself, the recent treaty for the renunciation of war as an instrument of national policy sets an advanced standard in our conception of the relation of nations. Its acceptance would pave the way to a greater limitation of armaments, the offer of which we sincerely extend to the world.

That is an expression of good-will—of a disposition to carry on negotiations with reference to the diminution of armaments in the spirit of good-will and of international amity.

President Hoover then alludes to the World Court, and makes a most significant statement in connection therewith. After remarking that a World Court was the desire and policy of American statesmen for many years, he says this with reference to that Court:

> No more potent instrumentality for this purpose has ever been conceived, and no other is practicable of establishment. The reservations placed upon our adherence should not be misinterpreted. The United States seeks by those reservations no special privilege or advantage, but only to clarify our relations to advisory opinions and other matters which are subsidiary to the major purposes of the Court. A way should and, I believe, will be found by which we may take our proper place in a movement so fundamental to the progress of peace.

We could scarcely ask for a more candid and complete statement of approval than that which we have here from the executive head of the United States.

Since then, Mr. Kellogg has opened negotiations with the nations signatory to the Covenant of the League of Nations, and with the Secretary of the League, and has suggested in effect a further conference or further negotiations with a view to the entry of the United States into the World Court. Mr. Root has functioned in Geneva on the mission for which he was chosen by the League of Nations, which was to revise the articles of the World Court; but he has also submitted a plan or scheme by which the differences between the United States and the signatories to the League of Nations might be overcome, and the United States thus enter into that Court. Not only has this proposal been approved by the jurists appointed to revise the articles of the World Court, but it has also met with the unanimous approval of the Geneva authorities of the League. It has been amended in a degree by the British representatives, and the amendment has been acceded to by Mr. Root. The matter is now before the government of the United States for consideration. I regard that as a great move forward in support both of the League and of the Pact by the great nation to the south of us.

But the United States, within the last few months, has made another advance, which we may not have noticed. As we all know, a Pan-American Association has existed for some years and has been very fertile in resolutions of good-will, if not in the practical application of those principles upon which it has based its resolutions. But at the sixth and latest meeting of the Pan-American Association, in Havana, definite steps were taken in a forward movement. It was decided there to renounce war as an instrument in the settlement of international disputes among the republics of South and North America; and a resolution was passed authorizing the calling of a convention to meet in Washington shortly afterwards, to prepare two draft treaties for submission to all the republics. One of these draft treaties was to govern the handling of all juridical disputes, whatever they might be, that might

arise between any of these republics; and the other provided for conciliation and arbitration and settlement of all disputes that were not juridical.

That convention met in Washington in December and January last, and two draft treaties, founded on the principles that I have named, were unanimously agreed to by the representatives of twenty American republics, including the United States of America. Both these pacts were signed without any reservation whatever by the representatives of the United States, Mr. Kellogg and Mr. Hughes, and have been sent to the Governments of the other republics for their consideration and probable ratification. That is, the United States itself, a great nation, has subscribed to the principle laid down in the compulsory clause of the World Court of the League of Nations, that matters coming within the defined category of juridical disputes are to be compulsorily arbitrated; and that all other disputes are to be settled by pacific methods of conciliation and arbitration, rather than through the agency of force. That should be noted by ourselves—by Canada.

Further, there is a strong point in the action of Russia. Here is the United States, not a member of the League of Nations, and yonder is Russia, a great power of 160 millions of people, which not only has never joined the League of Nations but rather has been strongly adverse to it. But Russia was among the first to sign the Kellogg-Briand Pact; and, moreover, it has actually agreed with Poland and Roumania to apply that Pact, in all its terms and fullness, to their relations one with the other. That agreement is now in force.

Let us take these subsidiary supporting evidences of the trend in world thought as to international relationships, and get from them the comfort that is legitimately ours. All this, to my mind, simply emphasizes what is nothing more nor less than a world revolution in the viewpoint on this subject. What I hinted at in the beginning of my observations now becomes still more plain, that a practice which has existed through all precedent history and has always had international sanction has been reviewed, condemned and denounced, and a new practice substituted therefor. Under the old system it was always the undoubted, absolute, unlimited sovereign right of any nation to make war against another nation in the settlement of their disputes, and according to international comity no other nation had any business at all to interfere. Nor, in the case of nations that were anything like equals was there ever, as a rule, interference. That doctrine has been discarded, and in its place there has been substituted the new principle of the community of national interests in international affairs, with the consequent elimination of the old and absolute sovereign right to employ war.

Now, we must conform and adapt ourselves to this new principle of international usage. I have stated the plain facts. Do we understand them so, or are we playing with words? Do we get down to the real vitality of the business, or are we satisfied with a gesture? Each of us must ask himself that question. Every nation is now and will hereafter be putting that question to itself and formulating its administrative policy in conformity with the answer thereto.

So there comes to us this question, which I have been leading up to: what shall be our next step? Have we finished yet? Is there yet more to do? Have we within us the spirit and the conviction to lead us to follow in the line of the principle to which we have all subscribed and to work it out in the practical application of our policies?

How natural it all is! What a great epic in reality is the story of humanity's upward progress to this point now attained! How many centuries have gone to it, how many ages have passed, neither you nor I can calculate; but the fact is apparent that through the individual, through the family, through the tribe, through the nation, and so on through the family of nations, there has been a steady evolution from lower to higher and upward planes. That evolution has come about logically, reasonably, and naturally, as well. The individual with the individual, the corporation with the corporation, now settle all their disputes, not as in old times by force and cabal, but by the principles of justice translated into law, and machinery provided for carrying it out.

We see how this operates in provincial affairs. Manitoba, Saskatchewan, British Columbia, and the other provinces, have certain rights, as they believe. They press for their rights; they do not fight for them. It is quite understood that by processes of conference and of law their rights can be established and vindicated. The same principle is operative in our Imperial affairs. When Quebec and Newfoundland made conflicting claims regarding their respective boundaries, neither had an intention, nor even a thought, that they would fight about it; it was conference, and the judicial machinery, that settled the whole business in the end.

The same principle holds in the larger sphere of our Imperial affairs. Have we rights that we wish to vindicate? There is no

revolution. There is no war. But there is negotiation, which may at times become somewhat heated, but which results in the parties getting their rights by pacific means.

How natural, after humanity has travelled so far forward in the peaceful settlement of disputes, that it should at last carry the principles of conciliation and arbitration to the final sphere of international relationships, modifying the old practices, and perfecting the machinery with which all disputes shall be settled by the principles of justice, equity and good-will rather than by the antiquated methods of force of arms and slaughter. Is not that a natural thing? Aye, is it not an inescapable evolution? It is the inevitable, the irresistible growth of humanity from century to century, from age to age, from the lower to the higher. It may be delayed, but it cannot be resisted if humanity is to triumph in the end. My strongest basis of confidence and hope in this new thing is that it has the urge of the ages behind it, and that the powers of immortal forces are attracted toward it.

But in our nation—our Canada, our United States, our Great Britain—notwithstanding all that has been gained in peaceful relationships, in equity, justice, law, and machinery for their execution, we still have bandits, murderers, burglars; we even have organized and commercialized criminality. Yet nobody, because of these disturbances and exceptions, would wish to overthrow the principle which was so long fought for and at last attained. So in the international plane there may be minor wars; there will be difficulties and troubles, some of them tremendously acute; and for many years any doubter may be able to get up on his two legs and say: "Notwithstanding your League of Nations and your pacts of peace, see what is going on. Look at Mexico; look at China; look here and there and everywhere." But that is all by the way, and no argument at all against the forward trend and the main point.

Now, what are the next steps that we should take? Here I must restrict myself somewhat, partly because of lack of information; and it may be that I shall give utterance to a little quiet, brotherly criticism for a course which is or is not being pursued. What are the next steps? If I have not pressed the argument, I think honourable gentlemen will be able to press it home, that we cannot stay where we are. Is it not plain that we are to go forward? And we are to go forward in doing what? In moulding the sentiment of Canada, in shaping the policy of the administration of Canada so that it shall not be antagonistic to the great principles which underlie the League of Nations and the Peace Pact, but shall be in accordance therewith. I think no one will dispute that dictum. I think that if we are true to ourselves and are not simply using words and gestures, but have the root of the matter in us, as I believe we have, we must follow such a course.

What are the next steps that Canada has to take? We must disillusionize ourselves in a great many ways. I cannot look forward one hundred years, nor even fifty years, and see the world with these immense departments organized and conducted for the sole purpose of waging war. We cannot proceed towards disillusionment by leaps and bounds, and dispense suddenly with a system which is the growth of centuries upon centuries, but gradually that adaptation of measures and policies to the principles of the Pact and of the League of Nations will result in the complete reorganization of our naval and military departmental work, our public affairs, our national expenditures, and the lines of endeavour in which we are enlisting thousands of our citizens for a whole lifetime of effort and energy. That will come about gradually, but come it must, and begin it should at the very present moment and not a minute later.

As the League of Nations is not a party matter and is not established in the interest purely of one class against another, but is designed to function for the benefit of all classes, I think it is a fair thing to suggest that the Government, dispensing with partisan motives for the time being, and actuated solely by the desire to benefit the whole country, should take some action in helping to inform the Canadian people of what this all means, and the methods by which it is proposed to carry out the purposes and aims of the League of Nations and the Peace Pact. When you give twenty millions of dollars a year for military purposes, and several millions besides for naval and other war purposes, it is only fair that something should be done to inform our people, who are woefully lacking in real understanding of what this all means, and to change their mentality from a war to a peace mentality.

Leaving that for the moment, I think that a secondary step should be taken by Canada to carry on the good work nationally, and that we should avail ourselves of all the possibilities presented to us by the Pact and by the League of Nations. What I say with reference to our own country is equally pertinent to every other country in the world. Probably there is not a country in the wide world in which someone is not now making a plea similar to the one I am making here.

Now, what have we? Canada is ten years old in the League, and yet she has not pronounced her adherence to the compulsory clause of the Protocol of the Tribunal of International Justice. Is it because the Canadian Government as at present constituted are opposed to it? I think I have read, if I have not heard their utterances, that they are all in favour of that step. Why is it not taken? Is there any good reason why we should not take it? Twenty-nine nations of the world have already taken the step, amongst them Germany and France and other very important nations. Why not Canada? I have just told you that the United States of America, a power of 120,000,000 of people with tremendous interests at stake, have already affirmed their adherence to that principle as far as the republics of North and South America are concerned. If the United States can, without reserve, take that step in combination with nations such as are to be found in the continents of North and South America, surely Canada might trust herself in reference to that matter to a court of which she approves and in which she has undoubted confidence.

I shall be told that Canada has not done so because Great Britain has not done so. I would like, in certain instances, to see Canada set a good example to Great Britain. But I do not take it that Great Britain has ever set down her foot and said: "Canada, I do not want you to enter that court under the compulsory clause." Great Britain has not done so; Great Britain will not do so; no thought is further from her mind than that. All that has been done is this, that the representatives of the Dominions overseas and of the Commonwealth have agreed tacitly, and probably openly, that no one should take that step without giving information to or consulting with the others.

What has been done? I observe that my honourable friend (Hon. Mr. Dandurand) has been giving notice at the Council of the League of Nations at Geneva that he—that is the Government of Canada, the country of Canada—is going to move an important motion touching a most delicate and important problem. I wonder if my honourable friend would not have electrified the nations belonging to the League, and perhaps of the world, and have given hope and comfort and confidence, if he had made the simple announcement at that or a preceding meeting, or if the Prime Minister had made it at the Geneva Assembly, that Canada proposed to sign that compulsory clause and come under the obligation to submit juridical questions to the World Court in conformity with other nations. I venture to prophesy that if Canada had done that she would have been followed by other members of the Empire. I venture to go a little further, and to say that it would not have been long before Great Britain herself would have given her assent, more especially now that the principle has been adopted and put into treaty form by the United States of America. So I should say that the next step for Canada would be to make use of the possibilities that are open to her along lines that have been long canvassed, and behind which Canada stands without any doubt at all.

Once you have adopted the Pact, to say nothing of the League of Nations, it becomes your duty to formulate the machinery which is necessary in order to work out specific methods. I cannot do better than to give you a quotation from Charles Evans Hughes, who was one of the signers of the Pan-American draft treaty for the compulsory arbitration of juridical disputes. Speaking of the Pact, he says:

> The promise to seek peaceful settlement is a barren form of words unless it embraces the establishment and the use of facilities of conciliation and arbitration. To that undertaking our Government must be deemed to be committed.

That seems to be a deduction which does not admit of contradiction.

Now I have said about all that I have to say with the exception of a few remarks with reference to the Minority Treaties. I know my honourable friend will take what I say in the spirit in which it is offered. I confess that a little shiver went through my bones when the notice was given, not here, but elsewhere, that the next step Canada intended to take was to intermix with the question of the minorities—one of the most explosive, delicate and tremendously important of all the problems that the nations composing the League of Nations have to solve. I asked myself why that intimation of what was contemplated should be given as from Canada without some intimation being given to Canada itself. The first I heard of it, and I think the first that was heard of it by any of us, was when the news was put upon the wires that the honourable gentleman had filed a motion on this subject. I asked myself: Why the haste? As the next step to be taken by Canada, was it a step by a member of the Council on his own individual responsibility? But no step like that could be taken unless Canada immediately took the place of her representative and became intimately connected with

the motion, so that the person of the representative would be lost in the background. Well, if it were a step taken by the Government itself, which in this case is acting not as a party Government, but for Canada as a whole, why was it that when there was ample time neither the House of Commons nor the Senate was advised, so that it might make helpful suggestions, or at least be seized of the information?

Then I asked myself another question—and information on all these points will be given to me by my honourable friend: was the other member of the Empire who is a member of the Council consulted, and was it in agreement as to the step which was to be taken? After all, we are touchy. If Great Britain, without giving us full information, and without full consultation, does anything in a matter of this kind, which is so vital, so important, so extremely delicate, what then? I think there is something to be said in reference to that.

When my honourable friend gives me the information asked for we shall have another opportunity of forming our judgment. For my part, I have formed no judgment up to the present time; and I am not disposed to form a hasty judgment in this matter. It may be that the very best thing has been done in the very best manner; at the same time I feel that I must make these few observations.

Furthermore, we have in Canada the League of Nations Society, a body of able and disinterested men and women from all provinces and all parts of the Dominion. That body was in annual session. My honourable friend was here, and had that project in his mind. It would have been the fair thing for him to place it before that Society to secure their opinion upon it, for after all, none of us can become too wise by gathering counsel from all possible sources.

Now, having said practically all that I want to say, I will end with the observation that if my remarks have any effect I hope it will be along the lines of making us sit down to seriously consider this question. We have not done that. There are throughout Canada, and in this House and in the other House, many good people who have not really considered the obligations that we have undertaken, or the opportunities which lie at our threshold. We must do that in order to be true to ourselves and true to the world in which we as a nation are now taking so honourable and forward a part.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, I rise simply to ask the right honourable gentleman (Right Hon. Sir George E. Foster) a few questions. We have been so charmed by his eloquence that it is really a pity to spoil the love feast. The right honourable gentleman talks of peace. Surely he must have been asleep for the last few years, or else he has not been reading the papers. He talks, for instance, of the Kellogg Pact, which was written probably by Mr. Aristide Briand, and handed around by Secretary Kellogg of the United States. What if everybody did sign it? Why not? "Do you want war?" Everybody said no. Nobody wants war. Mr. Kellogg might just as well have gone around and asked, "Would you like to have nice weather?" Everybody would be in favour of nice weather.

But a question that I want to ask the right honourable gentleman, who seems to have spent the last ten years of his life on the League of Nations, is this: Why did Mr. Kellogg and Mr. Briand together prepare an instrument and have everybody sign it? The League of Nations has been carrying on at tremendous expense for the last ten years. Why was this not signed by the League? I am putting that question to the right honourable gentleman, but perhaps someone else may answer it.

The right honourable gentleman speaks of twenty-nine nations, but there is no such number as twenty-nine; there are only eight nations, and the other states exist by the goodwill of those eight. He says the Germans signed for peace. Of course they would sign for peace, because they have been disarmed, and until they get up an army they will be all for peace; everybody knows that. But what does the right honourable gentleman think about the "scrap of paper"? Surely he remembers that. And there will be more scraps of paper, likely. What is the importance of all these instruments? There is only one effective instrument, and that is might. That is the only thing that rules, and has ruled since the world began, and will rule as long as the world lasts; there is no doubt about that. The "scrap of paper" seems now to be forgotten and people are taking the signature of Germany seriously when they know that that nation in the last war repudiated what it signed. What guarantee have we that the Germans have changed their mentality? Why should there be any difference now? Here is a nation that has been set on war since the year 800, from the time of the old German Empire. There is where the wars have nearly always originated. There is where the Huns came from. They are a warlike people, and they will remain a warlike people as long as any of them are left.

Now, in regard to the great republic to the south, what is the honest answer about the Kellogg Pact? Mr. Coolidge wants thirteen new cruisers. Does that look like peace?

Right Hon. Sir GEORGE E. FOSTER: Fifteen.

Hon. Mr. CASGRAIN: All right, fifteen new cruisers. I wanted to be conservative. Only yesterday we were reading about other instruments of war. The illustrated papers are filled with pictures of the biggest guns, up to 18 inches, whereas even the Queen Elizabeth during the last war had only 16-inch guns. Does that look like peace? It is pleasant to hear to-day that nobody wants war, but why sing these songs of peace when nations are arming? It is like a man walking along beside you with a weapon in his hand, and saying, "I am your friend," while he sharpens his dagger or loads his revolver.

Now about England. It seems that Article 10 of the League of Nations covenant was desired so that England might be called upon to police the world. But it costs the taxpayers of England immense sums to keep up the navy, and why should it be placed at the beck and call of nations that have no navies, and do not want to pay for navies? Why should we have to police the whole world except for ourselves? That Article 10 is still in the League agreement. I remember that one of the most distinguished Canadians, the late Sir Lomer Gouin, tried to have an interpretation placed on it and that went through the various stages at the League until it got to the last hurdle, and then it fell down. It had to be passed unanimously, but it was blocked by—whom do you think? The Shah of Persia. He would not agree to it, and all the work went for nothing.

The right honourable gentleman spoke of the Pan-American Union. Of course that Union works. I visited one place where they had at one time a chair from Canada, presented by a gentleman who had visited Canada and enjoyed the hospitality of Quebec, including the Quebec Liquor Commission, and he was inviting us to join. I said to him, "You had better go and ask the parent of this nation—ask England, because we are not free to make any alliances like that." So the chair has been removed from its offices there. But this Pan-American Union has the American fleet behind it, and the American power. When there was trouble lately between Bolivia and Paraguay the League of Nations spent a scandalous amount in telegrams, but nobody took any notice of them. The representatives of the two countries went to Washington, and left the League of Nations to attend to its own business. Everybody knows that.

The right honourable gentleman talks of international courts, and so on. Will he tell me how such a court can be effective without a sheriff? Who would be the sheriff of your international court? The right honourable gentleman has been saying that in our private affairs we now go to court; we do not fight, as we did in old times. But why do we not fight? Because there is a sheriff behind the decisions of the judge, and the sheriff can take a man and put him into prison. But this international court would never be able to do anything while anybody wanted to make war.

The right honourable gentleman spoke of Russia, but Soviet Russia will sign anything. They signed a statement that they owed so much money to France, many millions, but they repudiated that. Has the right honourable gentleman any confidence in the signature of any of those Bolshevics? The Soviet Russians, just like the Germans, would sign anything if it suited them, and if it did not suit them they would not sign.

Another question that we might consider in regard to peace is, why are there more men under arms now than there were before the great war? Why is the world spending more money than it did before the great war, in spite of the League of Nations? The League is a very fine place for gentlemen to meet and have a good time, and I dare say they are sincere—they mean what they say, but after all we have to learn by experience. When the right honourable gentleman says that no nation would interfere, surely he should remember history. What does it say about the Holy Alliance, whose members all agreed that they would do this and do that? The first thing they knew they were fighting among themselves. What succeeded that? The European concert, which declared that one nation could not do this or that if another nation said, "Don't do it, or we will go to war." Yet a war could be started at any time. I remember Napoleon III sending his half-brother, the Duc de Morny, to find out some way of making war with Austria. Any excuse was good enough to go to war.

If war breaks out do honourable gentlemen suppose that any court is going to end it? No. When war breaks out or when the King of England declares war, he declares it not only for himself but for the whole

Empire, and whether we will or not, we cannot keep out of it by mere choice; we must be in it.

Within a year there was trouble in Egypt. England wanted to prevent Egypt from passing certain measures. A part of the British fleet was soon at Malta, and what happened? How long did it take those warships to come in front of Alexandria and play their guns on that city? Then the Egyptians put up both hands and promised they would not pass those laws. Everybody knows that if it had not been for the British fleet the Egyptians would not have given in at that time. It is sad to say, but every person of experience knows there is only one law after all, and it is the law of the survival of the fittest.

Right Hon. Sir GEORGE E. FOSTER: The honourable gentleman has asked me one question, and spoken of two or three other questions which I did not quite catch. The one I did catch was this: "Why has not the League of Nations signed the Pact?" Well, my honourable friend knows that every nation that belongs to the League has entered into this Treaty, nation for nation and nation with nation, all with each, and each with all. I think that is a sufficient answer to that question.

As to the general assertion that might has always ruled and always will rule, I think that can be assented to provided that there be a different definition for might from that which my honourable friend particularly has in his mind. There is the might of moral right; there is the might of justice; there is the might of the world's conscience—conviction along certain lines of principles which lead it to oppose war. I do not think that any lengthened argument would be effective with my honourable friend, and consequently it would be a work of supererogation as far as he is concerned; and I do not think it is necessary with those who have heard my honourable friend, because they will find the answer in their own hearts.

Hon. Mr. DANDURAND: Honourable gentlemen, I have listened with considerable interest to the very able deliverance of my right honourable friend (Right Hon. Sir George E. Foster). He has closed his remarks with a request for replies to questions which I would like to answer now. He has stated that all the nations who signed the Kellogg Treaty have bound themselves to find other means than war for the settlement of their difficulties, and of course this bespeaks arbitration. My right honourable friend has quite rightly said that our task is not over. There is such a thing as developing what is implied, and even quite clearly written, in the Kellogg Pact. I re-echo that affirmation. I stressed that point when I moved the ratification of the Pact in this Chamber.

The right honourable gentleman asks what Canada has done towards arbitration, since this will be the only alternative offered the world for the settlement of international differences; and he especially pointed to the optional clause for the compulsory settlement of juridical questions by the International Court at the Hague.

The right honourable gentleman knows that at the Imperial Conference of 1926 the members of that Conference bound themselves not to adhere to that clause without further consultation. I was not present at that Conference, but I followed very closely the developments which took place at the League of Nations and I know that this resolution embodies the viewpoint of the Foreign Office. It was adopted unanimously, for the reasons given by the British Government at the time. Now, the right honourable the Prime Minister has stated what is the policy of Canada in this matter. I will cite his words because they are an expression of the policy of the Government. Answering a question similar to that of my right honourable friend, he said lately:

> My hon. friend will recall that during the last imperial conference a desire was expressed on the part of the governments assembled there that no one part of the British Empire should formally accept the optional clause without giving to the other parts of the empire an opportunity of discussing that particular subject. We have advised the other parts of the empire that in our opinion Canada should sign the optional clause, and we are at present receiving communications from other parts of the empire in reference thereto. We are carrying out our undertaking at the conference not to sign formally until there has been an opportunity for discussion, but we have made known that it is our desire to sign the optional clause.

Now my right honourable friend will understand on what lines the Government is proceeding presently.

Right Hon. Sir GEORGE E. FOSTER: It would be advantageous if my honourable friend could append, just there in his remarks, the resolution that was passed by the Imperial Conference. It would help us to see the two in juxtaposition.

Hon. Mr. DANDURAND: I have not before me the resolution itself, but I think my right honourable friend as well as the Prime Minister has given the essential part of that resolution. I have said that some good reason was given at the time for the adoption of that resolution, and the right

honourable gentleman may rest assured that there is some valid reason, which explains and justifies the present delay.

I might remind my right honourable friend that in March, 1924, Canada informed the League of Nations that it could not adhere to the Protocol, but declared that it was considering favourably the advisability of adhering to the optional clause. The Government has not changed its mind on that subject, and although it had agreed to suspend action the right honourable the Prime Minister, speaking for the Cabinet, declared that Canada was proceeding towards that goal.

My right honourable friend has asked why Canada, or the Government, either in this House or the other, had not expressed its intention of moving for a modification of the procedure applied to the disposal of complaints of minorities before the Council. The reason appeared to the Government to be a simple one. The notice given by the representative of Canada at Lugano in December last bore exclusively on the question of procedure, which question had already come before the Council in various forms since 1920. That same question had also been frequently discussed before the Assembly. My right honourable friend knows that Canada's representation in the Council is due to the will of the Assembly; Canada must draw its inspiration from the Assembly. At its last reunion, in September, 1928, that same question raised quite an important debate. Some suggestion was made that there should be a permanent committee on minorities. It seemed clear, from the discussion which took place, that no unanimity could be obtained for such a proposition. So the Canadian delegate, who had had eighteen months' experience in the Council, and had been for the same length of time a member of the Committee of three which had charge of the examination of complaints from minorities, felt that he should bring before the Council some suggestions for the reform of the procedure followed.

It is reckoned that before the war there were some 100 millions of people outside their national ethnical groups throughout Europe, mostly under German, Austro-Hungarian, and Russian rule; and that as a result of the war there were liberated from foreign rule some 80 millions of people, composed of Poles, Jugo-Slavs, Roumanians, the peoples in the newly-formed republics along the Baltic, and French, Italians, and others. But it seems to be commonly recognized that there are to-day from 20 to 25 millions of people who are still minorities in Europe. A very great many became minorities because of geographical reasons, and unfortunately in some instances because of strategical and economic reasons which had to be taken into consideration when the various treaties were signed after the war, in and around Paris. Some of those minorities who recently were dominating have become dominated. When the Allies were drawing lines through countries and changing frontiers, they felt that when a million or two of people were being detached from their ethnical groups and put under foreign rule, some protection of their civil rights, their religious tenets and their language should be granted.

Fourteen countries have accepted clauses in the treaties which create them or which increase their possessions. These clauses are called the Minority Treaties. There are, in fact, five or six clauses that have been included in these various treaties. The countries under Minority Treaties are Austria, Hungary, Bulgaria, Turkey, Poland, Czecho-Slovakia, Roumania, Jugo-Slavia and Greece; likewise Finland for the Aaland Islands, Esthonia, Latvia, Lithuania and Albania accepted these minority clauses when they adhered to the League. Upper Silesia, which has been divided between Germany and Poland, has a special convention concerning the German minority on the Polish side and the Polish minority on the German side. That convention was signed in May, 1922. Although there are in Germany a large number of people who form ethnical minority groups, these minority clauses were not imposed upon her, because she was losing instead of gaining population. But Germany accepted the special convention of 1922 which governs Upper Silesia and which assures certain rights to the Polish minority in the German portion of Upper Silesia, for a term of fifteen years.

It will be interesting to note the rights which have been guaranteed to minorities. The rights of nationals of a country who belong to racial, religious or linguistic minorities, although not expressed in exactly the same terms in every treaty, are mainly the following:

Equality in the eye of the law, that is to say, equality as regards civil and political rights, and in particular as regards admission to public services; free use of the mother-tongue in private and commercial intercourse, in regard to religion, the press and publications, and also at public meetings and in the courts of law; the right to establish at their own expense charitable, religious, social or educational institutions; in towns and districts in which the minority constitutes a considerable proportion of the population, instruction in the primary schools of the State shall be given in the lan-

guage of that minority, and the minority shall be assured an equitable share in the sums provided by the State and municipal budgets for educational, religious or charitable purposes.

I must remind this Chamber that the treaties concerning those minorities were not entered into by the respective Governments and their nationals, but were treaties that the Governments of those nations entered into with the Allies. So that the claim is made by those nations that the minorities are not parties to the treaties with their governments, and that the latter are obligated only to the Allies or the powers with whom they made the agreement.

Hon. N. A. BELCOURT: And not to their own nationals?

Hon. Mr. DANDURAND: And not to their nationals.

Here is the clause which governs the matter:

The country concerned—

(Each treaty contains here the name of the country concerned.)

—agrees that the stipulations in the articles in question, so far as they affect persons belonging to racial, religious or linguistic minorities, constitute obligations of international concern and shall be placed under the guarantee of the League of Nations. . .

The country concerned agrees that any member of the Council of the League of Nations shall have the right to bring to the attention of the Council any infraction or danger of infraction of these provisions, and the Council may thereupon take such action and give such instructions as it may deem proper and effective in the circumstances.

This has been interpreted by the nations that are thus obligated as giving no rights to the minorities to appear before the Council and complain of the violation of any of the rights which were guaranteed to them. Those nations from the outset said that these minority clauses were restrictive of their sovereignty, and were not being applied to the world at large. They claimed that these enactments should be interpreted restrictively. They contended that no minority could claim the right to go before the Council with its grievance, but that any individual in that minority could give the necessary information to any member of the Council who would be willing to assume the responsibility of informing the Council of the violation of a Treaty obligation.

Under those conditions no complaints could reach the Council. But the Assembly, which meets once a year for a month at Geneva, intervened. As a result of the discussion in the Assembly the Council decided that the minorities could individually, like any individual throughout the world, send an information to the Secretary of the League to the effect that a violation of a minority right had taken place or was impending. That information, under the procedure, would be distributed to the members of the Council and would at the same time be sent to the government of the country that was charged with the violation; and the President of the Council would call upon two of his colleagues in the Council to examine with him the information and the observations which came from the government concerned.

That procedure has been functioning for the last six or seven years. I may say that it has functioned with the consent of Poland and Czecho-Slovakia, who officially notified the Secretariat that they were agreeable to it although according to their interpretation it went beyond the terms of the clause of the Treaty which I have read. This complaint or information would be examined by a committee of three. That committee of three was not to decide anything, but simply to receive that information and examine the observations by the government concerned; and the three members, or any one of them, could decide that there was sufficient cause for a grievance to be laid before the Council. The minority that had brought the information or complaint had nothing more to do before the Council. It was notified that the document had been received, but it was not told that the Secretary had felt that it was receivable, nor that anything was taking place with regard to it.

These committees of three—and I may say that I have sat on many of them, and am just now on three or four—examine the information of the minority and the observations of the government. The observations of the government are not transmitted to the complainant. It is true that the committee may ask for supplementary information from the government, but honourable gentlemen will realize the state of mind of those minorities who have sent petitions and who remain in total ignorance of what has been done, except in cases where the action of the committee of three has brought about a change in the situation complained of. Since 1921 there has not been from these committees of three a single report to the Council stating that there is matter for investigation. So those minorities have been, from the beginning, in the dark as to what has taken place. They have sent in their petitions, but they do not know whether they have been received. Because of the procedure which they know to exist, they may surmise that their complaint has been communicated to the government. The government may or may not have

answered. If it has, they do not know. The committee of three, after examining the documents, comes to the conclusion that there is nothing to be done, or makes discreet and conciliatory suggestions to the government.

Now I may affirm that in and out of Council and in the Assembly there is a feeling that the findings or the action of the committees of three should be given some publicity. There is no doubt that in some instances some effective action has been taken, by way of correspondence with the government, to relieve the situation of the minority.

Hon. Mr. WILLOUGHBY: What happened when the minority or a member of the minority complained? The government answered that?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. WILLOUGHBY: That answer is not communicated to the minority at all?

Hon. Mr. DANDURAND: No.

Hon. Mr. WILLOUGHBY: What is the effect of it?

Hon. Mr. DANDURAND: The committee, with that incomplete and unsatisfactory dossier or record, does the best it can in the matter, but if this answer of the government seems plausible it must accept it.

The Canadian Resolution asked for more information and for some publicity. In the discussion which followed, it seemed to be generally admitted that some modification of the procedure was necessary in order to give publicity as to the action taken by the Council following the investigation of a complaint.

Hon. Mr. BELCOURT: Would it not be a proper suggestion to make to the Council or the League that an opportunity should be given to a minority to reply to the case as put by its government? Would not that be the simplest and most justifiable way of removing a very serious obstacle?

Hon. Mr. DANDURAND: The answer given is that countries that have Minority Treaties are not before the Council as parties to a trial between one of their nationals and themselves, and they claim that they can only be brought before the Council by a member of the Council who will assume the responsibility of denouncing another state for a violation of its treaty obligations. The suggestion of my honourable friend naturally arises in the mind of everyone. But it must be realized that the Council has decided that the minorities have no juridical status, have no legal personality entitling them to appear before the Council.

Hon. Mr. BELCOURT: Would it not be proper to give them a juridical position either before the Council or before the League, so that they could explain their grievance?

Hon. Mr. DANDURAND: That can be done only through a modification of the text of the Treaties. The Council of the League has more than once affirmed the principle that minorities have not a legal status which allows them to appear before the Council.

In order fully to inform this Chamber on this matter I suggest that the Canadian Resolution be added to the explanation I have just given.

Right Hon. Sir GEORGE E. FOSTER: And in addition to that it would be of advantage if we could have the discussions which took place upon the resolution.

Hon. Mr. DANDURAND: I have but a summary of that discussion.

Right Hon. Sir GEORGE E. FOSTER: That would not be very long, and I think it would help us very much to see it.

Hon. Mr. DANDURAND: I am quite willing if it is the wish of the House.

Right Hon. Sir GEORGE E. FOSTER: That would give us a real appreciation of the views of the members of the Council, and would enlarge our information. After we get that we might take half an hour or an hour some day and go over it as it appears to us then. What we are all for is the best.

Hon. Mr. DANDURAND: Yes.

I may add that the notice I gave at Lugano would have perhaps created some interest among the nations that have those treaty obligations, and among the minorities that are complaining that their grievances are treated with indifference by the Council. The Canadian Resolution would have been examined in an atmosphere of greater calm and serenity as a simple attempt at improving the procedure in force, if, towards the end of that sitting, an incident had not happened which set all the chancelleries in Europe in a state of nervousness. The Minister of Foreign Affairs of Poland attacked with vehemence the activities of the German minority in Polish Upper Silesia, and roused to a considerable degree the temper of the German Minister of Foreign Affairs, Dr. Stresemann, who pounded the table and answered with considerable heat the onslaught of the Minister of Foreign Affairs of Poland. He said he had intended bringing up the whole question of minorities at a future session of the Council, and that in the March session he

would proceed to examine into the rights of minorities and would see it through. This extraordinary scene and conflict between these two fiery antagonists created a formidable excitement throughout Europe. The press naturally made much of it, and it was under those conditions that in March last the meeting opened with the Canadian Resolution, which had for its sole object the modification of the procedure applied to complaints of minorities. It was most interesting to witness the tense interest of all the people present, not so much in the Canadian Resolution as in the words which were to fall from the lips of the Minister of Foreign Affairs of Germany. Those who were in search of strong emotions were somewhat disappointed. Anger is a bad counsellor. The Minister of Foreign Affairs of Germany had promptly recovered his temper and had prepared a very interesting paper on the problems affecting minorities and on the obligations of the Council towards them. He was followed by the Minister of Foreign Affairs of Poland, who likewise adopted a more conciliatory tone. Then followed Sir Austen Chamberlain, Mr. Briand and Mr. Procopé, from Finland. Their remarks were mostly an answer to the Minister of Foreign Affairs of Germany, and in the course of their remarks they claimed that the committees of three had been doing some good work without being given any credit for it, because of the secrecy with which their operations were being conducted. Both Sir Austen Chamberlain and Mr. Briand declared that on the question of publicity something should be done to improve the present situation. The debate was closed by a reply from the Canadian delegate. The ambassador of Japan, who is the rapporteur on minorities, presented the next day the resolution which appears at the end of the discussion.

[Following are the reports of the discussion which took place at the Fifty-fourth Session of the Council of the League of Nations at Geneva on March 6, 1929:

2375. Protection of Minorities: Procedure applicable to Minorities Petitions.

Mr. Dandurand submitted the following memorandum[1]:

"The Council has more than once considered the procedure to be followed in the discharge of the duties entrusted to it by the treaties with respect to the protection of minorities.

"It may be well to re-examine this question in the light of experience.

"In interpreting these treaties, the Council has laid down that the minorities have no legal personality enabling them to submit their complaints direct to the Council, but that all that they can do is to forward individually to the Members of the Council information on the basis of which one or more of those Members can refer the complaint to the Council in their own names.

"This view was based on the following text:

"'[The country concerned] agrees that the stipulations in the articles [in question], so far as they affect persons belonging to racial, religious or linguistic minorities, constitute obligations of international concern and shall be placed under the guarantee of the League of Nations... [The country concerned] agrees that any Member of the Council of the League of Nations shall have the right to bring to the attention of the Council any infraction, or any danger of infraction, of any of these obligations, and that the Council may thereupon take such action and give such direction as it may deem proper and effective in the circumstances.'

"Had this narrow interpretation of the treaties been in no way modified, it would have been the duty of every Member either to forward the information automatically to the Council or to make a preliminary enquiry on his own account.

"Before a Member can act, he must necessarily receive information from the complainant. All the Members of the Council may receive the same complaint, in which case they are all equally obliged to ascertain whether it is well founded.

"The Council took the view that the duty of each Member became the duty of the Council as a whole, and agreed that the information should be received by the Secretariat, and that a Committee of Three should be set up to examine the allegations made. The Secretary-General, in a note submitted to the Council on June 10th, 1926, [2] explains the relations between the petitioner on the one hand and the Secretariat and the Council on the other. The substance of this note is set forth below.

"The Secretariat gives an entirely formal acknowledgment of receipt of the petition, and does not state whether it has been held to be receivable. If the petition is held by the Secretariat to be receivable, it is communicated to the interested Government for observations, and is circulated to all the Members of the Council. The President then calls upon two of his colleagues to examine the documents with him. If the question is then referred to the Council by the Committee of Three, all the documents relating to the case are accessible to the public; but, if this procedure is not followed, the petitioner is not informed of the contents of the observations of the interested Government on his petition, either by the Committee of Three or by the Secretariat. If the Minorities Committee (the Committee of Three) does not refer the question to the Council, the matter rests there, and the Secretariat does not inform the petitioner of the result of his petition.

"This procedure has not given satisfaction to the minorities, which never cease protesting through all the channels at their disposal. Although the method has yielded good results, it leaves the minority under the impression that its case has not been heard and that it is being victimised by the inaction or indifference of the Council. The minority complains, but is left ignorant what action, if any, has been taken on its representations. Its complaint is generally referred to its Government, but the latter's reply is never communicated to the minority.

[1] Document C.51 (1). M. 36 (1). 1929. I.

[2] See Minutes of the Fortieth Session of the Council, Annex 885.

"Quite possibly in nine cases out of ten the complainant is in error; but, as this is not made clear to him, he preserves his grievance and loudly proclaims his discontent. That is not what the framers of the minorities treaties intended. Their object was to calm the atmosphere and establish harmony in the newly constituted or reconstituted States.

"The Assembly and the Council have accepted the trust of enforcing the minority rights which are embodied in certain treaties.

"M. Briand, as President of the Council, expressed the feeling of all his colleagues when he said last December that the interests and rights of minorities were sacred and would never be disregarded.

"The treaties do, indeed, lay down that every Member of the Council shall have the right 'to bring to the attention of the Council any infraction or any danger of infraction'; but what Government will be willing to conduct an enquiry in the territory of another State? And why should one Government do so rather than another? Which country is in the best position to know what is going on beyond its frontiers? Surely the neighbour whose former nationals the complainants probably are. Along most of the frontiers in Europe there is an intermixture of races. Is it in the interests of the League that such interference should occur? Was it not intended to entrust the Council with the duty of preventing any interference by a foreign Government?

"In more than one quarter the establishment of a permanent Minorities Committee has been advocated, but I propose to put before you a different solution.

"Whatever anyone may have said or thought, minorities will not cease to exist in any country where they form a considerable group. They will permanently retain their language and religion without their loyalty being in the least impaired. The problems caused by their presence in the nation will decline in importance and will ultimately be settled in so far as a benevolent and generous spirit is forthcoming to settle them. This is the only means by which national unity will be achieved—not in the assimilation, but in the diversity of races and cultures.

"These minorities owe to their countries and Governments duties which they should hold as sacred as their rights.

"It is on the basis of the obligations and rights of the citizen in the State that I desire to put before the Council another formula for dealing with minority complaints. This procedure has been suggested to me largely by a memorandum from the delegation of the Polish Government dated August 22nd, 1923.[1]

"The treaties have given the minorities a right to appeal to the Council, but it was not their object, and should not be their effect, to loosen the bonds which unite all nationals to the State. Not one of the signatories of those treaties can have intended to allow a complainant to appeal to an international tribunal before laying his complaint before his own Government.

"This is the assertion made in the Polish proposal. It is asked that every individual or collective petition from persons belonging to racial, religious or linguistic minorities should be submitted to the League through the interested Government.

"The arguments given in favour of this view are formulated in the following terms:

"'1. Any action taken by the local administrative authority by which persons belonging to minorities may regard their rights as being infringed would be immediatly made known to the local authority, which would thus be enabled to satisfy without delay the legitimate grievances of the persons concerned.

"'2. The minorities would have an assurance that the central authority would not fail to consider their position, and they would not seek to obtain support from any foreign Government, but would take up a loyal attitude to the State.

"'3. The Polish Government is, moreover, of opinion that by this procedure the number of petitions to be forwarded to the Council would be reduced to a minimum, in view of the fact that every Government could directly satisfy the reasonable demands of petitioners.'

"The consideration of these petitions concerns all Members of the Council in an equal degree.

"The reproach has been levelled against the Committee of Three that it is the only section of the Council that considers these complaints. It has also been criticised because it could not give sufficient time to their consideration and had not sufficient evidence before it.

"The Netherlands representative, M. Beelaerts van Blokland, is not the only one who has observed that the delegates to the Council, being too much absorbed in their work, are frequently obliged to send substitutes to the sessions of these Committees of Three, which sit simultaneously with the Council. The composition of these Committees varies constantly, and their members gain only a sketchy and casual knowledge of the questions with which they are called upon to deal.

"For all these reasons I suggest that minority complaints should be referred to a Committee of the Council which will meet for that special purpose. The delegates to the Council will be able to appoint substitutes, as was done in virtue of the resolution proposed by M. Benes in October 1924, whereby the Council went into Committee to draw up the programme of the preparatory work for a Conference for the reduction of armaments.

"The procedure I propose will have the advantage of bringing the minorities into closer touch with their Governments, leading to a settlement of many difficulties, and dispelling many misunderstandings by ordinary normal methods.

"The number of disputes submitted to the Council will decline, and the files sent in will be more complete, because the parties will have exchanged their views as regards both the facts and the law.

"The Council will probably wish to form this Sub-Committee in such a way that its members may be able to specialize on minorities questions.

"I have the honour to move the following resolution:

"'Petitions concerning racial, religious or linguistic minorities, whether individual or collective, of a country which has signed a Minorities Treaty, and originating either in that State or outside it, must be addressed to the Government concerned, with the request that it forward them to the Secretariat of the League of Nations within thirty days of receipt if the Government does not feel it desirable to reply to the petitioners direct.

"'If the Government fails to satisfy the complainants, the latter, having received its reply,

[1] See Official Journal, September 1923, page 1071.

must give their reasons for maintaing their claims, and may at the same time request the Government concerned to forward all the correspondence which has been exchanged to the Secretariat of the League of Nations within thirty days of receipt of their final reply.

"'The Government must comply with this request and inform the petitioners that it has done so. It will at the same time communicate to them any additional observations it may think fit to add to the file.

"'If, within forty days following their request that their complaints and the whole of the file be forwarded to the Secretariat, the petitioners do not receive notice that this has been done, they may themselves forward to the Secretariat of the League duplicates of the documents forming the file, or simply their complaint alone, should they have received no reply from the Government.

"'In an exceptional case of extreme urgency, the petitioners may, in addressing their petition to the Government concerned, inform that Government that a copy of the petition has been addressed at the same time to the Secretary-General. The latter may take the steps laid down in the procedure now in force for urgent cases.

"'In order to be considered by the Council, such petitions must conform to the following conditions:

"'(a) They must concern the protection of minorities as provided in the treaties;

"'(b) In particular, they must not be presented in the form of a demand for the rupture of the political ties between the minority in question and the State of which it forms part;

"'(c) They must not come from an anonymous or insufficiently specified source;

"'(d) They must be expressed without violence of language;

"'(e) They must contain information or state facts which have not recently formed the subject of a petition to the Council.

"'Should the Government concerned contest for any reason the receivability of a petition, the Secretary-General will lay the question of receivability before the Committee of the Council, as constituted below, which may, if it thinks fit, appoint a Sub-Committee to make a preliminary examination of this question.

"'To examine these petitions and the documents accompanying them, as described above, the Council decides to form a Committee, composed of all the members of the Council or their substitutes.

"'Special meetings of this Committee will be held on dates to be fixed by the Committee itself.

"'In investigating those petitions, the Committee of the Council may, if it thinks fit, refer the question to the Council, which will deal with it in such manner and will give such directions as may seem proper and effectual in the circumstances of the case.

"'If neither the Committee of the Council nor any member of the Committee makes a report to the Council, the Committee shall decide in what cases and under what conditions a public communication shall be made.'

"The procedure I am proposing to the Council does not in any way modify the principles already laid down.

"I am well aware that certain countries which have by treaty accepted the Council's intervention in the treatment of minorities are inclined towards a restrictive application of this right, since they regard it as an encroachment upon their sovereignty vis-à-vis the other nations.

"These countries should not forget that they have thus contributed to the establishment in the world of new customs which will be regarded as an honour to the twentieth century.

"I need only recall the rivalries which arose when the ecclesiastical principalities in Germany were being secularised and when their partition was being discussed on the basis of the amounts paid by the tax-payers. In 1802, the peoples had only the right to toil, and not the right to think. Are not the signatories of the minorities treaties obliged at least morally, to respect the same principles, and were not these principles unanimously accepted by the Assembly in 1922?"

With regard to the resolution proposed by M. Benes in 1924 whereby the Council went into Committee to draw up the programme of the preparatory work for a Conference for the Reduction of Armaments (see above), Mr. Dandurand observed that, if he were not mistaken, this general Committee of the Council had included other experts and that it had sat for more than two years.

He added that, in submitting these proposals to the Council, he had been actuated by a sense of justice and by a desire to do his duty towards the League of Nations.

In many countries, public opinion was uneasy and confidence was shaken. Without doubt, the League had in the past accomplished good work, but the atmosphere of mystery and of silence in which minorities petitions were investigated encouraged the belief that the League was not carrying out fully the obligations incumbent upon it.

To dispel all doubts and to remove any semblance of justification for fears which had been so often expressed, Canada was endeavouring, in a spirit of complete disinterestedness, to contribute to the solution of the minority problem.

In conclusion, he wished to emphasise the importance he attached to enlarging the Committee of Three. He did not propose that its powers should be extended, for he appreciated the fact that a Member could not be bound to lay a complaint before the Council. He felt, however, that the least which the minorities were entitled to expect from the Council was that all its Members should be in a position to acquaint themselves with the facts.

Dr. Stresemann: Mr. President,—During this year, the League of Nations will bring to a close the first ten years of its work. Looking back over this period, it is impossible to apply to the time which has elapsed since the war the same standard as applied to other epochs. The changes which have shaken the lives of States and of peoples have been so profound, and evolution in the social sphere within the boundaries of every State has been so great, that the events of these ten years have given rise to problems which at other periods of the world's history would have required a whole generation in which to develop. It would be taking up too much of your time to retrace the entire history of this post-war epoch, and to explain all that it has meant in the life of the peoples of the world. As regards, however, the question with which we are dealing today, some currents of opinion have become apparent in the League of Nations which show us that the question is being asked within the

League itself, as well as outside, whether the ideas of the founders of the League are still viewed in the same light as when they were first expressed.

During the course of the last session of the Assembly, it could be inferred from the speeches of some delegates that the moment had come in the development of the activity of the League when it would be useful to look back on the manner in which the problem of minorities had so far been treated. On the basis of experience gained, we must, therefore, try to discover whether those organisations of the League whose duty it is to carry out this great and important task are moving in the right direction, or whether it is advisable to take fresh decisions in regard to certain aspects of the problem.

Since these suggestions were first made at the Assembly in September last, they have taken a more definite form in the very important proposals which the representative of Canada has set forth in his interesting memorandum and which he has explained in the speech to which you have just listened. I myself felt some doubt, and asked myself whether we were not running the risk of inadequately putting into practice an idea of very great importance. This preoccupation led me to state, at the last session of the Council, that it would be desirable to examine the question of principle as regards the attitude which the League of Nations has adopted towards minorities. It is not my intention here to emphasise the fate and conditions of life of certain minorities in any particular country, for the present discussion concerns the principle involved. What is important for me is to describe the situation resulting from the treaties and declarations in force, from the guarantee entrusted to the League of Nations and from the rights and duties which the League must exercise and fulfil as the result of such a guarantee.

It is unnecessary to ask which is the primary and which is the secondary of the two aspects of the question—procedure or principle. The procedure and the details connected with it naturally reflect the attitude which the League of Nations has adopted towards the principle. Further, any attitude adopted towards the principle obviously implies the possession of the means necessary to achieve in practice the object in view in order that the noble idea, instead of being lost, may be firmly based on reality, and that those peoples who have been so often deceived in their hopes should not be forced to adopt an attitude of disillusionment or scepticism and, perhaps ultimately, of despair. Is it not the duty therefore of the League of Nations to show mankind at large that the life of peoples is subject to evolution, and that there is a forward movement which neither resignation nor pessimism can hinder? Do not forget that this resignation, this pessimism, is never more strong than when there is a flagrant contradiction between the promise and the performance.

As a matter of fact, the problem of minorities usually comes before Members of the Council merely in the form of questions of detail and of the particular wishes of a special group of persons which, at first sight, seem only to be of secondary importance, and which perhaps only affect the lives of a small number of human beings. Comparison with the other general duties of the League of Nations might give rise to the impression that the Council had to occupy a disproportionate amount of its time in dealing with matters which should be settled by some less authoritative organisation. There is in this danger, which I might describe as psychological, which can only be eliminated if the Council realises to the full that, even in the most insignificant cases, it is faced with symptons or with the effects of a situation of great importance from the international point of view. My colleagues on the Council will probably agree with me when I say that the examination of special cases must always be based on the great and fundamental ideas, in virtue of which the contractual stipulations in force have been included in the international statute of law, and in virtue of which the guarantee of the League of Nations has been established.

I cannot better describe these fundamental ideas and their essential importance in connection with the present structure of Europe than by referring to the Note submitted in 1919, of which you are all aware, and in which the representatives of the Allied and Associated Powers stated clearly and definitely the motives and objects of the first convention concerning minorities. The minority system, the Note states, is a necessary consequence constituting an essential part of the new system governing international relations inaugurated by the establishment of the League of Nations. Under the old system, the guarantee that regulations of this nature would be enforced was vested in the Great Powers. Experience has shown—I am still quoting from the Note—that this was not feasible in practice. For that reason, in the new system the guarantee was vested in the League of Nations. To-day, the Powers are faced with an entirely new situation, and experience has shown that new provisions are necessary. The territories ceded by the terms of the Treaties of Peace—I am still quoting from the Note—include numerous populations speaking languages and belonging to races different from that of the people with whom they were incorporated. Long years of fierce hostility had caused the most serious divisions between various races. These populations would more easily become reconciled to their new situation if they knew from the beginning that they would receive the necessary protection and guarantees against any danger of unjust treatment or of oppression. The mere knowledge of the existence of such guarantees would materially aid that reconciliation which was universally desired.

I have merely to add to this quotation from the Note a passage from the report submitted to the Council in 1920 by its Rapporteur—a report which forms the basis of the entire procedure which the League applies to minorities —to show clearly that the meaning and object of the great responsibility entrusted to the League had at that period been fully understood in its essential points. That report defined the guarantee as one which necessarily maintained intact the provisions relating to minorities and as one which imposed upon the League the duty of ensuring that the regulations concerning the protection of minorities are invariably applied.

When I remember these fundamental principles and contrast them with actual practice, I cannot but feel that theory and practice have not always walked hand in hand. In any case, we cannot forget the undoubted fact that this impression is dominant in the minds of the minorities themselves, and that as a

result they have grave fears as to the future of their civilization. It is easily understood that the disappointment which they have had to endure has expressed itself in strong criticism of the organizations of the League. This is not the first time that such criticism has led to long discussion within the League itself. It appears, however, that every effort made to remedy the existing shortcomings has encountered basic objections which might cause public opinion to believe that the League desires to deviate from the principle which forms the basis of the protection of minorities.

I cannot refrain at this point from referring to the statement made by a former Rapporteur to the Council in 1925. That statement had a considerable effect, as did also the Council's discussion which followed it. In that statement, and in the discussion, certain fundamental views are to be found regarding the object of the provisions for the protection of minorities and the guarantee exercised by the League of Nations. These views can be interpreted as meaning that such provisions are intended to some extent to cover a kind of transition period before the final disappearance of minorities as such—that is to say, to cover the period up to the time when the minorities would be absorbed by the majority of the population of the State to which they belonged. If these declarations were really interpreted in some way as a theory of assimilation—as certain observations made at later sessions of the Council might lead me to believe—I, at any rate, should be compelled energetically to oppose such a view. A theory of this kind is contrary to the idea—which was definitely put forward when the new system was instituted—that the protection afforded to minorities is of a permanent nature and not merely something which covers a transition period instituted in order to overcome temporary difficulties.

In this connection, another point of principle arises. At the moment, the existing procedure is confined to dealing with petitions addressed to the League. No institution or procedure exists, apart from petitions, for putting into operation, in a general manner, the guarantee entrusted to the League. There can, however, be no doubt that that guarantee cannot be limited to settling concrete cases in which the actual or threatened violation of the rights of minorities has been brought to the knowledge of the League of Nations.

The fundamental report of 1920 to which I have already referred explicitly states that it is the duty of the League of Nations to assure itself that the provisions for the protection of minorities are constantly applied. This idea has perhaps also inspired certain suggestions for the establishment of a Permanent Minorities Committee. It seems to me in any case necessary to take into account the way in which the League of Nations may keep itself continuously informed as to the situation of minorities.

The provisions for the protection of minorities imply a duty which it is neither impossible nor beneath the dignity of a Sovereign State to fulfil. The fact of belonging to a minority and the special position resulting from that fact are certainly in no way incompatible with the accomplishment of the duties of a loyal citizen towards his State. This being so, it equally follows that the interest taken by a country in the minorities of another country, an interest which may take the form of an appeal to the guarantee of the League of Nations, cannot be regarded as an inadmissible political interference with the domestic affairs of a foreign Power.

I am well aware of the political considerations which are urged against the ideas which I have just developed. It is said, for example, that the rights of minorities may have the effect of supporting a movement which is directed against the integrity of the State and that it may lead to an irredentist agitation. Frankly, I do not think that we have in the present century established a condition of affairs which is eternal, and that idea is very clearly expressed in the Covenant of the League of Nations. These, however, are considerations which have nothing to do with the question of minorities to which our attention is now devoted. It is quite a mistake to say that, in supporting the rights and the educational liberties of minorities, use is being made of a weapon with which to break up States. The peace between nations will be all the more stable in proportion as the appeal of minorities threatened in their cultural life is more widely reflected in the public opinion of the world. Anyone who works in defence of the rights of a man to his mother tongue, and of the maintenance of his race and religion, without prejudice to nations or frontiers, is working at the same time for the maintenance of peace, and not with a view to provoking excitement and violence. States composed of several races and cultures, sometimes of recent creation, will lose nothing of their importance or prestige by offering an example in this field. I would point as an example to the fortunate country in which we are at present meeting, where, in spite of differences of race, language and religion, love of a common country, which has become rooted for many centuries among the people, has never been disturbed.

What methods must the League of Nations adopt, in conformity with existing treaties and guarantees, in order to attain the object which we have in mind?

I have already referred to the necessity of forming a clear idea of the way in which the guarantee may be realized even outside the sphere of petitions.

As regards the treatment of petitions themselves, Mr. Dandurand's memorandum emphasizes that the procedure followed by the Council, the essential point of which is the institution of Committees of Three, gives rise among the petitioning minorities to the impression that their grievances are not heard and that they are the victims of the inactivity or indifference of the Council. This impression is due to the fact that the minorities learn nothing of the steps taken to deal with their complaints and more particularly remain ignorant of the attitude adopted by their own Governments. This is one of the principal shortcomings of which the minorities have unanimously complained for a long while. The means by which Mr. Dandurand endeavours to overcome this difficulty are extremely interesting and deserve our most careful attention. I should be happy to contribute to a settlement of this question by explaining in outline my own ideas on this matter. Those ideas point in the same direction as Mr. Dandurand's.

At the time of their institution, the Committees of Three were entrusted with the task of facilitating, on behalf of the members of

the Council, the carrying out of their duties and rights towards minorities. By means of the work of the Committees, the members of the Council were to be enabled to decide whether there was or was not good reason for acquainting the Council with an infraction or danger of infraction of any provision for the protection of minorities. In practice, the system has worked in such a way that the whole procedure has been confined to a discussion within the Committees, and those members of the Council which were not represented on the Committees were not informed of what was taking place. It seems to me that one of the logical consequences of the reason for which the Committees were appointed was that, in any case, the Committees would submit the result of their work to the Council in order that the latter might really decide whether it desired to proceed with the matter or not. Moreover, some means must be found of keeping the minorities informed of what is being done with their petition during this phase of the procedure. If it is not considered possible to communicate directly to the minorities the result of the examination which takes place in the Committees, the object in view might, without disadvantage, be achieved by giving a greater publicity to the procedure as a whole. It might, for example, be considered whether it is not desirable to annex to the annual report submitted to the Assembly on the work of the Council a summary of all the petitions received and dealt with by the Committees. The publication in the Official Journal of the League of Nations of the reports submitted to the members of the Council to which I have just referred might also be contemplated.

It would, moreover, be extremely useful, in my opinion, to hasten the procedure before the Committees. It is true that it would be difficult in the majority of cases to call these Committees between the sessions of the Council. It might, however, be possible to hasten the settlement of petitions during the period between the sessions of the Council by subjecting them to a preliminary examination which would be entrusted to representatives of the principal delegates.

It seems to me necessary, moreover, to consider whether the work of the Committees might not be rendered more effective if the Committees were not only to get into touch with the Governments of the countries of the minorities in question but were also able to ask the authorized representatives of the minorities themselves, or other competent experts, to furnish them with complementary information in cases where the Committees might think it useful to do so.

It has on previous occasions been urged in objection to such proposals, which contemplate participation of the minority in this procedure, that such participation, beyond what is contemplated in the treaties and declarations in force, would set on foot a controversial procedure as between the minority and its Government. Whatever value may be attributed to that objection, it cannot be applied to a simple request for information which would be made on the initiative of the Committees.

The representative of Canada desires that the Committees should be enlarged and modified so that all the Members of the Council might be represented on them. I think it is essential to follow up this idea. In any case, the possibility should be considered of strengthening the Committees of Three, perhaps according to the degree and importance attached to each particular case. In this respect it is, in my opinion, necessary to consider again the decision taken by the Council in 1925, in accordance with which the participation of the Members of the Council in the Committees is subordinated to certain definite conditions. I am well aware that I am touching on what certain people may consider a delicate point. I think, however, that I am serving the cause which we all have at heart by expressing my views frankly. The reasons underlying the decision of the Council are apparently based on the idea that certain Members of the Council, owing to their relations with certain minorities—relations which are defined by the decision in question—cannot always be regarded as absolutely impartial, and any appearance of a lack of impartiality must be avoided. If I had taken part in the discussions which led to this decision, I should have opposed it, even though I fully realize the importance of the reasons on which it was based. Without desiring to insist on the fact that the competence and knowledge of the Members of the Council in question might be of the greatest use, it seems to me, in principle, inadmissible to deny to Governments which are thought worthy to be permanent or temporary Members of the Council confidence in their impartiality. I think that in many cases the participation of the Members of the Council at present excluded would contribute essentially in helping the Council in the discharge of the high mission entrusted to it under the provisions for the protection of minorities, which consists in removing misgivings which are politically dangerous and in establishing peaceful relations between the countries concerned.

Why should we not trust in the discretion of the President of the Council for the appointment of the Members whom he desires to see participating in each special case in the Committees, which are entrusted with the previous examination of minorities questions? This seems to be all the more necessary, as the votes of the Members of the Council who would eventually be excluded retain in every case a decisive importance in dealing with the question in the Council itself.

I think it, moreover, my duty to remind you of another scheme to which I briefly referred and which played a certain part in the discusions of the last session of the Assembly, namely, the establishment of a Permanent Minorities Committee. This idea is of so much importance that it needs to be carefully examined. Only a study of the questions of detail bound up with the carrying out of the scheme and, in particular, a study of the competence of such a body in relation to the work of the Council itself will enable us to take a decision in this matter.

Whatever may be the form which we give in future to this procedure, we are all aware that even a system of regulation which seems to offer every imaginable technical perfection will only be of service if it is governed by a clear and precise conception of the object for which the guarantee of the League of Nations was designed and of the spirit which should inspire the carrying into effect of that guarantee.

The conditions which I have just laid down lead me to the following conclusions: That

which I desire to attain and which I recommend to the serious examination of the Council is, first, a careful study of the existing possibilities for an improvement of the procedure applied to petitions. Secondly, I would ask that the participation of certain interested nations should be considered instead of their exclusion as hitherto. Thirdly, it is necessary to examine in what way the League of Nations can accomplish its duties as a guarantor outside the sphere of petitions. Finally, I think it of importance that the principles of the guarantee assumed by the League of Nations should be elucidated in the spirit which I have just indicated. I quite realize that this is too great and too important a task for us to be able to settle it finally during the present session of the Council. We must, however, make a beginning with this task. It seems to me that the best way of dealing with it would be the appointment of a special committee of inquiry. The committee should be composed with a view to giving it the authority and competence necessary for its object. It should afford the possibility of giving due weight to all the aspects of the problem. If we give sufficiently precise instructions to such a committee it will certainly be able, within a reasonable period, to achieve results which may constitute a useful basis for the final discussions upon which we shall subsequently have to embark.

Fears have been expressed on the part of public opinion that these discussions may inaugurate a conflict between two opposed theses within the League of Nations. I do not share that view. The League of Nations would be untrue to its purpose if it abandoned the principles which formerly guided it, when it accepted the task of guaranteeing the rights of minorities. I was glad to note that the representative of France, at the December session of the Council, impressively and solemnly endorsed the principles which govern the protection of minorities. I would add that I do not admit in this question any distinction between interested and disinterested nations. The problem with which we are dealing is a problem which necessarily concerns the League of Nations as a whole. If we review history, we shall see that there is in the life of nations a perpetual change in their relations. On many occasions dominion exercised by one nation has been followed by a period in which the members of its race and civilization have been subject to the sovereignty of a foreign State. It may be said that history endeavours to prove the truth of the saying of Goethe, who puts men, States and nations on their guard against the inconstancy of fortune. If I understand rightly the idea which inspired the creation of the League of Nations and the guarantees which the League has assumed for the protection of minorities, I should say that it consists precisely in the desire to relieve the strain quite naturally produced by new situations, and to effect this by a just treatment extending to men of another race, religion and language. The ideal towards which humanity is tending is the assurance of peace for all time, even though we may not share the belief that humanity will ever attain this ideal. We must do our utmost to create conditions favourable to such a peace. One of these conditions is a peace between the various national civilizations. More effectively than by definite engagements and undertakings, peace for all time may be assured by a regime of justice towards all those who claim the vital and elementary right which is theirs to speak their own language and to safeguard their faith and their souls.

The discussion was adjourned to the next meeting.

2376. Protection of Minorities (continuation of the discussion).

M. Zaleski.—Mr. President, Gentlemen,—Before discussing the proposals of Mr. Dandurand and of Dr. Stresemann, I wish to make some preliminary observations.

As you are aware, no provision was made in the minorities treaties for the application of the procedure in its present form. It is a procedure outside those treaties, established as an act of grace in the interests of minorities by common and voluntary agreement between the Council and the States which have signed minorities treaties.

It follows, therefore, that this procedure has been drawn up by the Council in agreement with the States which have signed minorities treaties, and that without the assent of those States such a procedure could not and would not have been put into operation.

Is it necessary for me once more to remind you that the States which have signed minorities treaties have, on numerous occasions and again quite recently, stated that it was impossible for them to agree to any change in the system at present in force which would impose fresh obligations solely upon those States?

Since the idea that the minorities treaties should be a general obligation is at the moment encountering serious obstacles, and since the point of view of the States which have signed minorities treaties is well known, I think—without giving any of the many other reasons in support of what I have said—that the object of the discussion which is now taking place must, if it is not to be purely of academic interest, be to discover whether the proposals just made are in the nature of a new procedure, which will modify the existing obligations accepted by the States bound by the minorities treaties to which I have referred. In reading the report of the Committee of Jurists which was submitted to us this morning, I find the statement that the Committee is of opinion that the proposal (that is to say, the proposal of Mr. Dandurand) goes, in certain respects, beyond the present scope of the minorities treaties and declarations.

Consequently, I have the honour to ask you to appoint a Rapporteur who, with the aid of two of our colleagues, shall study this question and shall submit a report to the Council as soon as he is in a position to do so.

It is of set purpose that I have confined myself to making these few remarks, abstaining from any long comment upon the question of minorities in general. We are all deeply convinced that the defence of the legitimate interests of minorities is an act of justice. Despite the numerous difficulties and threatening complications connected with the matter, the minority States have invariably directed all their efforts towards conciliation and agreement, and they have given most convincing proof of this by several times adopting a procedure which made it possible to apply more easily and more efficiently the minorities treaties of 1919.

Nevertheless, allow me to remind you that the best way to help minorities is not to claim on their behalf ever wider privileges and more and more complete guarantees, but to try to make use of what already exists by endeavouring in every way to realize the main object of the treaties—that is to say, to harmonize and to conciliate opposing interests and to grant to minorities such satisfaction as is legitimate and compatible with the interests of the State.

If we really desire the good of the minorities, we must try to do something that is useful, practicable and attainable. In examining a minorities question, we must not forget the possible effect on the feelings of the majority in the State, for it is only with their agreement that we can give useful and effective aid to the minorities.

The continuous action which has to be taken as a result of the complaints, more or less justifiable, excites public opinion and makes it sometimes less favourable towards the acceptance of the solutions demanded by the minority.

The advertisement which some wish to give to the examination of any minority complaint, the publicity which it is desired to give to any documents connected with the procedure being applied, may sometimes lead to an undesirable reaction in public opinion and obscure the main object of the minorities treaties, which is to achieve peace and concord among the various elements of the population.

May I make one last observation? I am aware that criticism of the present system is widespread, but I think this is due to the fact that the public in general only sees the negative side. It does not pay any heed to the positive solutions already achieved. Public opinion allows itself to be stirred by a more or less justified complaint, but it forgets that the number of persons making a complaint is infinitely small compared with the great mass which finds nothing of which to complain in the present situation.

Do not let us forget the magnitude of the task hitherto accomplished. Do not let us be hypnotised by certain details which are open to criticism. Before criticizing the present system, let us compare the situation of the minorities, not with something which is ideal and therefore impossible to realize in practice, but with the situation of those minorities before the war.

These are the considerations which have led me to confine myself at this moment to putting forward the proposal which I have the honour to submit to you.

M. Titulesco.—In the name of the Royal Government of Roumania, I have the honour fully to associate myself with the statements made by the Polish representative, and with his proposal to appoint a Rapporteur chosen by the Council and assisted by two of our colleagues to study the question whether the suggestions made to us do or do not exceed the obligations existing in virtue of the minorities treaties.

I reserve my right to speak again at a suitable moment, in order to make any observations which may seem to me to be necessary.

Sir Austen Chamberlain.—Mr. President and Gentlemen,—I desire in the first place to express my sense of the opportuneness of the initiative taken by the representative of Canada and the representative of Germany in opening a public and general discussion upon this question, and I hope that the result of our discussion will be useful to the countries concerned, to the minorities for whose protection these treaties were signed, and to the Council itself in the general discharge of its duty.

None of us can be unaware of the many currents of criticism which have arisen in respect sometimes of the action of the Council, more often in respect of its alleged inaction, in the matter of the protection of minorities. I have had some experience of the work of the Committees of Three to which reference has so often been made. It is important to remember that the Committee of Three is a Committee which varies constantly in its membership. It is not composed of three Members of the Council, or of three States which have been chosen for all time, to examine these petitions, but it is composed of the President and two members whom he associates with himself for the examination of a particular petition or petitions presented on the occasion of any one of our sessions.

I would ask you, in the first place, to consider the position of the Council itself, and in consequence of its Committee of Three, in relation to these matters. We are not dealing in this case with the general provisions of the Covenant of the League of Nations. We are not acting in pursuance of any article of the Covenant. The responsibilities which we are to discharge, the rights which we enjoy, whether they be greater or less, originate from the minorities treaties themselves, and the Council has no power to vary those treaties or to go outside the limits which they indicate.

The treaties contemplate that it should be the friendly right of any State Member of the Council to draw the attention of the Council to what it might consider to be an infraction of any of the minorities treaties. That was an invidious, a thankless, task to impose upon the individual States Members of the Council. We have not yet reached such a solidarity in international affairs that any of us welcome even the most friendly intervention of another nation in what we consider to be our domestic affairs, and there was inevitably some danger lest an individual intervention by a particular Power calling attention to what it considered an infraction by another Power of a minority treaty should create disturbance, produce ill-will, even embitter the relations between the State which felt it its duty to bring the matter to the notice of the Council and the State of whose action it complained.

It might be feared, and I think the Council did fear, that this task was so great and so invidious that individual States Members of the Council might be unwilling to discharge it, and that, if we relied upon such individual initiative and on that alone, we might fail to watch over the treaties as it was intended that we should do.

The Council, therefore, with the assent of the minorities States, made the arrangement which is embodied in the examination of these petitions and complaints by the Committee of Three; that is to say, instead of leaving it to each individual State Member of the Council to satisfy itself whether or not a condition had arisen which necessitated it individually to draw the attention of the Council to the matter, three Members of the Council, chosen from time to time among our ranks, would undertake the

duty of examining each petition, and if those members thought that it was necessary to bring a matter before the Council, they would jointly call the attention of the Council to it. By this means the dangers, the difficulties, and the invidiousness of the individual intervention of a particular State would be avoided.

It should be noted, however, that, though the Committee of Three gives to the Council the satisfaction of knowing that every petition is carefully examined, that Committee can neither by its action nor by its inaction deprive any other member of the Council of the inherent right to take the initiative if he thinks fit to do so. The Committee of Three may see no ground for action of any kind after examining a certain petition. Nevertheless, it is within the right of every member of the Council, if he feels that he can assume that responsibility, to bring that same petition to the direct notice of the Council, even though it has been rejected by the Committee. Similarly, in cases where the Committee of Three has either noted that satisfaction has been given to as much of the demand of the petitioners as it thinks reasonable, or where this result has been obtained by its own negotiations, so that it does not bring the petition to the notice of the Council, it is yet the right of every member of the Council, if he feels it compatible with the responsibility which he owes to that body, to declare himself to be dissatisfied with those private negotiations, and to bring the matter before the Council itself.

I think that the very fact that no member of the Council has thought it necessary to bring to the notice of the Council a petition which has not been brought before it by the Committee of Three is the justification before the Council and before the world of the care, the attention and the scrupulous fairness and sense of justice with which the Committee of Three, however constituted, has discharged the responsible duties placed upon it. I must say in this connection that those Committees have been singularly aided by that Section of the Secretariat which has been specially charged with the study of these questions. I have heard it said that the Committees decide upon insufficient information, that they have not the means of testing the allegations that are made or the reply which is offered. I do not believe that such criticisms would bear the test of careful examination, if indeed it were possible to examine such a question. The information which individual members of the Council may derive from their own particular sources is supplemented by the information collected by the Secretariat, and I at any rate, as a member of the Council, desire to declare my deep obligation to the Minorities Section of the Secretariat, and to M. Colban, who for so many years, and until quite recently, was at its head.

I believe, therefore, that, in the main, the work has been well done. I believe that, in the main, the purpose for which the minority treaties were signed has been attained. I do not say that satisfaction has always been given. A petitioner whose petition is rejected is seldom satisfied; a Government whose action is criticized is not likely to be wholly content; but I believe that any impartial person having access to our proceedings would be satisfied that they have not merely been conducted with scrupulous fairness and with a great desire to see justice done, but that we have in fact achieved in large measure those purposes for which this system was initiated.

I should be curious to know, and perhaps it may be ascertained in such an inquiry as has been suggested, what number and what proportion of the petitions have been rejected in toto by the Committee, what proportion has been settled before they became the subject of inquiry by the Committee owing to the fact that the attention of the Government was called to a grievance by the presentation of the petition and its communication to the Committee, and in what further proportion either in the Committee or as a result of its work some arrangement has been reached between the parties concerned. I think that the two last cases, the petitions to which satisfaction is actually given by the Government before they come up for examination by the Committee and those to which satisfaction is obtained by the Committee, would cover, in the opinion of any impartial person, practically every case of solid grievance.

I do not want to say that the Committees have never made a mistake. It is not in human nature never to err. But I hope it will be remembered that the Committees have to consider the permanent interests both of the minorities and of the State, and the most permanent and the most important interest of both is that they should learn to live together in peace and amity, and that the need for recourse to petitions to the Council and for the intervention of the Council should in time cease because they settle their grievances between themselves and without the intervention of the Council.

I repeat, I do not pretend that we have never made a mistake. Neither do I wish for a moment to assert that our procedure is necessarily perfect or final. Two difficulties have been mentioned which I think are of some consequence and for which I should be glad to see a remedy found if that were possible.

First of all, there is a complete lack of information at the present time as to what, in fact, are the results of the examinations by the Committees of Three. Certainly, there are some dangers in connection with publicity against which we must be on our guard. There is the danger lest we should inflame passion where it is our duty to assuage it. There is the danger lest, in an excited state of public opinion in the locality in question, we should render the position of the petitioners more difficult and even expose them to danger. Above all, we must be on our guard against making more difficult the settlement of disputes and the removal of grievances. The secrecy of our deliberations in the Committee of Three has at any rate had this advantage: that a Government could make a concession without any fear that in doing so it was lowering its dignity or authority in the face of nationals of its own State. It could make voluntarily, in the confidence of that confessional, confessions and undertakings which it could present thereafter to its own executive or legislative authorities as acts proceeding from its own volition, not dictated by any external authority and therefore more easily commended to a national opinion which was perhaps somewhat excited.

I have mentioned these dangers which surround any effort to make public our proceedings or even the results of our proceedings. Nevertheless, I hope it may be found possible to give a greater publicity in future than has

been given in the past, because I believe that by this means a great deal of misapprehension will be removed. A great deal of uneasiness will be allayed and the stability of good feeling will be more assured.

The other defect in our present system of which we at this table must all be conscious is the delay which often takes place before a final decision is reached regarding some complaint which we have been called upon to investigate. It is not easy to see how our procedure can be made much more rapid. Time must be given for the Government concerned to make its observations. Time must be given for the examination of the petition and of the reply; supplementary information is often required, and that again takes time to procure. But if we can find a way of expediting our procedure, at any rate in the simpler cases, I think that this will be an advantage and recognized as such by everyone.

Dr. Stresemann, in the course of the very interesting statement which he made this morning, referred to a previous discussion of this question at the Council table. It was a discussion initiated by our former colleague, M. de Mello-Franco, who had taken the trouble to make a careful study of what I may call the history, not merely of the minorities treaties, but of minorities, and he submitted the result of his study and his reflections for the information of his colleagues. Dr. Stresemann referred to a passage in that declaration in which M. de Mello-Franco spoke of the purpose which underlay the minority treaties and which had inspired their promoters and founders. Dr. Stresemann did not himself quote the passage, but I think I know the one to which he referred, and I propose to read it. I have permitted myself to retranslate the original French text because the English translation happens in this case not to be quite accurate. M. de Mello-Franco said:

"It seems to me obvious that those who conceived this system of protection did not dream of creating within certain States a group of inhabitants who would regard themselves as permanent strangers to the organic life of the country. On the contrary, they wished the elements of the population contained in such a group to enjoy a status of legal protection which might ensure respect for the inviolability of the person in all its aspects and which might gradually prepare the way for conditions necessary for the establishment of a complete national unit."

In the subsequent discussion, I called attention to these words, which appeared to me admirably to express the purpose of the treaties and the nature of the charge committed to the Council. I used in the discussion a word which was not quite appropriate:

"The object of the minority treaties, and of the Council in discharging its duties under them, was, as M. de Mello-Franco had said, to secure for the minorities that measure of protection and justice which would gradually prepare them to be merged in the national community to which they belonged."

The word "merged" was unhappily chosen. I did not mean for one moment to suggest that it was intended that the cultural characteristics of the minority population should be submerged or abolished. I did intend to indicate, and I hold that this is vital, that the purpose of the treaties was to make conditions in the minority countries such that the minorities could be and were loyal members of the nations to which they belonged.

Dr. Stresemann feared that M. de Mello-Franco and I regarded the treaties as purely transitional, whereas they are in their nature permanent. I recognize their permanency, but I cherish the hope, as I indicated at the beginning of my observations, that the need for having recourse to the Council will not be permanent, because in course of time the relations between the minorities and the States to which they belong will take on a character that renders any application to this body unnecessary and undesirable.

As I conceive it, the authors of these treaties argued in this way. As a result of the treaties of peace, large populations have been restored to nations belonging to the same race as themselves. Owing to these measures, certain minorities of other races were inevitably transferred to a new allegiance. In the past the oppression of a minority has been the occasion of great international bitterness. It has sometimes been the cause of war. It was felt that this new transfer of minorities should not become a source of oppression, and therefore a danger to the peace of the world in the future, and the minorities were therefore guaranteed certain rights which were expressed in the treaties. Those rights were to be under the protection of the Council, and each Member State of the Council was given the right, as a friendly act, to call the attention of the Council to anything which that State considered to be an infraction of the treaty.

The duty so conferred upon the Council is, as your predecessor M. Briand so solemnly observed, when he closed our last session, a sacred duty which the Council will never neglect. That affirmation cannot be made too strong, but there is something correlative to it which needs to be said. If the Government of a minority State owes definite obligations to the minority, so does that minority owe loyal allegiance to the State of which it now forms a part. The rights which it derives from the minority treaty are based upon the allegiance which it owes to the State of which it forms a part, and the rights of the minority cannot be separated from its obligations. The Council, when considering the one, must take into account also the other.

In this connection I regret one allusion, I think unnecessary for his purposes, which was made by the representative of Germany in his speech this morning. He remarked that finality was not human and that history taught us that change was apt to occur in human institutions, and he referred to Article 19 of the Covenant. Appeal can be made to Article 19 of the Covenant under the conditions named whenever the occasion arises. But to cite Article 19 in connection with the minority treaties can only make trouble. The article is not germane to the discussion on which we have embarked to-day. The Council will, I am confident, continue to do all that it can to protect the rights guaranteed to the minorities by these treaties, but it will expect the minorities who appeal to these rights to come to it with clean hands, able to show that they have behaved loyally to the country of which they are a part and have borne true allegiance to the Government to which they are subject.

I agree with the representative of Germany and with others who have spoken that this is

too large a subject and raises too many delicate questions to be dismissed in a single Council discussion, however prolonged. I support the proposal made from more than one quarter that a Rapporteur shall be appointed and that, with the aid of colleagues, if such be his wish, he shall undertake a careful study of the whole question. I hope that to him and to his colleagues there may be left the widest latitude. I am thinking here of what the representative of Roumania said. This Committee would no doubt clearly distinguish in any report which it made between what is comprised in the treaties and that which is outside the treaties and to which the minority countries have already assented or which may require their assent before it can operate in the future. I hope that the enquiry which is to be conducted will be of the widest possible character and will give to this Council, and through this Council to the world at large, the fullest information both as to our obligations and their limits, as to our procedure and its results in the past and as to any suggestions for the improvement of that procedure which can be made for the future.

That is all that I wish to say at the present time. On particular issues of one kind or another I would wish to reserve my opinion until the Committee has reported so that I may have the benefit of the information that it will supply and of the judgment which it will make.

M. Procopé.—I wish to make some very short and modest observations concerning this serious and important matter.

The fact that the question of minorities in general, and in particular the procedure applicable to petitions based on the treaties, has once more been brought before the Council has been welcomed with great satisfaction not only in the countries interested, but also in those which have no direct interest in the problem. This question assuredly affects the League as a whole; it affects both those Members of the League who have undertaken engagements towards minorities and those who, as is the case with my own country, have no obligations under this head.

In the admirable speech to which reference has been made several times to-day, and by which the President of the last session, M. Briand, closed the discussions at Lugano, he referred to the rights of minorities as "sacred", and recalled the duties of the League and of the Council in their respect. Those words have had a wide echo throughout the world.

The protection of minorities and the corresponding duties which fall upon the Council undoubtedly constitute one of the most important aspects of the work of the League. Their duties are based directly on one of the fundamental principles underlying the whole work of the League, that is, to ensure the maintenance of justice in the relations between peoples. The question is, on the other hand, very complex, and cannot be settled rigidly and according to formula. That which in certain circumstances might be regarded as a great step forward may in other circumstances give rise to an unfortunate situation.

The question must, therefore, be studied while taking account of the existing possibilities, of the practical requirements, and, above all, of the other fundamental principle of the League, which is to contribute to the good understanding and co-operation between nations.

It is not my intention to begin a detailed study of this question at the moment. We have listened to the admirable statements of the representatives of Germany and Great Britain. We have also before us the scheme proposed by Mr. Dandurand, and we have heard a number of very interesting observations and objections put forward by our Polish colleague. I think the Council has been a little frightened at the thought of entering upon a discussion on procedure. It has been said that the treaties merely lay down certain principles, that we should not go beyond those principles, and, above all, that the result of our work must not be to extend the engagements already undertaken by the States. I fully understand this point of view. Once admitted, however, it must not prevent us from trying to set up the best possible procedure in existing circumstances. If principles have been laid down by the treaties, if general lines for our guidance have been embodied in those treaties, we must find a procedure capable of putting them into practice, otherwise the principles will remain a dead letter.

The scheme of Mr. Dandurand has only been before us for some days. It would certainly be rash to give any opinion on the new system suggested by the representative of Canada until it has been studied in greater detail. I think that our colleague has not put forward this system as a definite proposal, but rather as a basis of discussion.

After having made these reservations, may I say that, in my view, this scheme contains in certain respects great advantages and makes considerable progress possible? The scheme is based on three fundamental principles. In the first place, greater publicity must be afforded. Secondly, the preparatory study of petitions must be reorganized. Finally, a rule must be adopted to the effect that any minority petitions must in the future be forwarded to the League through the Government concerned, which will thereby have the opportunity, if it so desires, to change the situation of which the petitioners complain, and so prevent the question from being brought before the organs of the League.

The proposal to ensure a certain degree of publicity, so far as is practical and advisable, and the proposal to reorganize the present system for the preparatory study of minorities petitions, seem to me to deserve further study. I think that the third proposal, namely, that the petitions should be forwarded to the Secretariat through the Government concerned —a principle suggested some years ago by Poland—has advantages in certain respects. Nevertheless, this must not be laid down as an exclusive rule. The representative of Canada has also taken account of this point of view. He has mentioned in his revised proposal cases of extreme urgency and cases which can constitute an exception. In that case, however, we must determine who is to decide whether a case is exceptional or of extreme urgency. This is a rather difficult point to settle.

I think that it is impossible to reach a definite decision on these various schemes, suggestions and observations during the present discussion. I agree with the proposal that a Committee of the Council should be appointed with instructions to study the suggestions made during this debate and prepare, if it thinks fit, a more detailed program of action.

I would, however, make one small observation. The proposal has been made that a Rapporteur should be appointed. If, however, my memory is correct, the representative of Japan was appointed Rapporteur last autumn for all questions concerning minorities.

Dr. Stresemann—May I make some remarks in regard to the observations made a moment ago by the representative of Great Britain, which were addressed to me personally?

Sir Austen Chamberlain began by saying that a discussion on minorities problems might be of great value. I entirely agree with him and, moreover, I think that the discussion which we have had to-day has already proved its value.

Sir Austen Chamberlain next referred to discussions in the Council which took place on this problem in 1925 and he alluded to the observations then made by M. de Mello-Franco and himself. It was those observations that I had in mind when I said in my speech this morning that, if I had been on the Council at that time, I should have had to state opposite views.

I was glad to hear Sir Austen Chamberlain say that the English text of his statement might have given rise to misunderstanding, that he did not wish to maintain that the races and civilizations composing the minorities must merge their race and civilization in those of the majority with which they have been incorporated, but that he had merely expressed the hope that, although the system of protection would be permanent, a day would come when it would be no longer necessary to apply that system because there would no longer be any grievances. He had, indeed, merely wished to emphasize the fact that the greatest loyalty was necessary on the part of minorities towards their Governments. On this point we are in full agreement. I, too, expressed the same views in my own speech.

I would make a second observation. Sir Austen Chamberlain in his speech stated that I expressed certain undesirable opinions in my speech this morning—opinions which might lead us away from the end we are trying to attain. I am sure that Sir Austen could not have made any such criticism of my speech had I been able to submit the exact text of it to him. May I recall, once more, what I said?

I pointed out that it was wrong to allege that those who favour the rights of minorities were at the head of a movement against the integrity of the State to which those minorities belonged and that they were provoking an irredentist agitation. I continued by saying that the condition of affairs established in our century was not eternal, but I added at once that these are considerations which have nothing to do with the question of minorities to which our attention is now devoted. It is quite a mistake to say that, in supporting the rights and the educational liberties of minorities, use is being made of a weapon with which to break up States. The peace between nations will be all the more stable in proportion as the appeal of minorities threatened in their cultural life is more widely reflected in the public opinion of the world.

I am, then, in substance, in agreement with what we have just heard from Sir Austen Chamberlain. He said that the moment will soon come when it will no longer be necessary to have recourse to the Council in so far as minorities are concerned. I am glad to note that we are in agreement at the end of this little controversy. Further, I willingly agree with what has been said on the value of the discussion on which we are about to enter in regard to the question of minorities.

Sir Austen Chamberlain.—I am grateful to Dr. Stresemann for his explanations.

I suppose there is no Empire which contains more minorities than the British Empire, and indeed there are many parts of the British Empire where the Briton by race, and still more the Englishman, is in the minority. I have never thought that you could merge a Scotsman and an Englishman, or an Englishman and a Scotsman, and it has never occurred to either a Scotsman or an Englishman that we cannot preserve our own distinct characteristics and our own cultural qualifications without ceasing to be loyal members of the country and the Empire to which we both belong.

All that I venture to insist is that the obligations of the State to the minority are the counterpart of the obligations of the minority to the State. The two obligations are reciprocal; they cannot be considered apart, and those who come to the Council for redress of their grievances ought to come, like the pleader in a Court of Law, with clean hands, if they desire justice by this tribunal.

M. Briand.—Mr. President, you will understand that at the point which this discussion has reached, and in view of the very natural wish to reach a conclusion, at least so far as we are able to do this at the present moment, I shall not be so indiscreet as to inflict upon you a speech embodying the doctrine on the question of minorities. I merely wish to emphasize certain considerations, and I have all the more right to do so as several speakers who have taken part in this discussion have quoted words which I used, both at the last session of the Assembly of the League of Nations and more recently at the last session of the Council. I said—and I do not withdraw the expression—that the right of minorities is a sacred right. I still persist in thinking that this is so, and, now that we have heard the views of those members of the Council who have spoken, I do not think that there is any difference of opinion on this point.

It may be useful to declare publicly—since reference has been made to justice it is only natural that we should endeavour to do justice to ourselves—that, as regards the protection of minorities, the League of Nations has never at any moment tried to evade its obligation or, perhaps I should say, its sacred duty. The League of Nations, however, must be taken as it is, and as it has been created. It is called upon to deal with difficulties which are inherent both in the nature of things and also in the peculiarities of its constitution, which is by no means a simple one.

The League of Nations, by its composition and its rules, is obliged to place above every other consideration a respect for national sovereignty. That is the principle which governs the League, though I do not propose to discuss it. Sometimes it is a good principle, because it affords a safeguard against certain improvised schemes which may be dangerous. Sometimes it is a hampering principle, because it makes it necessary to seek for compromises in an endeavour to reach peace and good understanding which must be unanimously secured. We are, however, face to face with the necessity of respecting this principle, and we must all bow to that necessity and never allow it to be ignored. As we are dealing with minorities,

it will suffice to read Article 12 of the Minorities Treaty with Poland and the corresponding articles of the other treaties and to recall all the discussions to which those articles have given rise, in order to realise that the governing preoccupation in dealing with such matters has been to combine the protection of minorities with respect for the sovereignty of nations. This, therefore, is the problem before us. This is the real difficulty which runs counter to what I may call the ideal that we seek.

We have listened to a most interesting debate between Dr. Stresemann and Sir Austen Chamberlain. Our German colleague described to us this morning in a very fine philosophical disquisition, of great interest and distinction, the full force of his great ideal.

This afternoon, in another speech, Sir Austen Chamberlain, who has been associated with the League of Nations somewhat longer than Dr. Stresemann, and who has on occasion encountered certain practical difficulties, tried to reconcile his own ideals with certain misgivings aroused by Dr. Stresemann's ideal. It is my belief that this controversy has led us slowly but surely to realise the sad reality of our normal position which compels us to view matters not from the point of view of the absolute but from that unhappy condition of relativity to which we are condemned.

In dealing with minorities, I feel compelled to take up my position in the sphere of reality. I do not wish to consider whether circumstances are more or less permanent, whether, indeed, they are eternal or of short duration. I think that in dealing with nations it is not a bad thing to let them believe in the idea of eternity. It is an excellent idea; it enables them to acquire a certain vitality. It is a guarantee of permanency and at the same time a stimulus to activity. Such eternal dispensations after all adjust themselves in time, and other eternities may take the place of the eternities of to-day. That, however, is not the business of the League of Nations, which has many other things to do.

Judging from his speech of this morning, Dr. Stresemann seems to have an excellent opinion of men and of the objectivity of their minds, and I congratulate him sincerely on his belief. Though the practice of politics rather spoils the freshness of our belief in man and makes us drop some of our illusions at a fairly early stage, a statesman cannot be reproached if he succeeds in retaining some of them. Men, however, are men, and, even though they are dealing with a text or a treaty embodying noble and generous aspirations, they nevertheless retain their nature. It is evident that Dr. Stresemann and we ourselves are taking up a position superior to certain contingencies. It is not less evident that we are inclined to consider the question of minorities in all its nobility, and that our minds turn towards solutions which are purely objective. If the problem depended solely on us, we should be certain of solving it in a satisfactory way.

Unfortunately, independently of us life goes on, and I shall cause no surprise when I say that, in the majority of countries, there are a certain number of people—rather too large a number— who have what I should call a hateful inclination towards politics. In order to satisfy this singular but very common taste, they do not hesitate to look about them for anything which may serve their interests. In achieving political combinations, they certainly know how to apply an objective intelligence of the most active description. When they perceive in certain newly constituted countries which have absorbed various ethnical elements, signs of misgiving, depression, rancour, or discontent, and when the idea occurs to them to use these feelings for the purpose of starting political activities of interest to themselves, they do not hesitate to do so. These things will happen. It is only necessary to read certain articles and pamphlets to be convinced of it. There is only one step between this and quietly turning to your own use the taste for propaganda which is so common in political circles, and a keen politician does not hesitate to take it. He takes it with astonishing rapidity and at once seizes upon these minorities. He is no doubt animated by the most respectable sentiments, but, instead of asking these minorities to view the situation calmly and to do their utmost to show that they are reasonable, he prefers to use words of bitterness which are liable to trouble or excite their minds.

We are at present living in an environment of understanding and peace. Our lives depend entirely upon the existence and the permanence of that state of peace. In all the problems with which we are dealing we must endeavour to maintain the peace, and that is not always an easy thing to do. We must, however, work to this end and I may say that we have succeeded; that is one of the achievements which make the League of Nations seem rather a miraculous institution. Nevertheless, the task must not be made too difficult for us, and if the respectable sentiments of the minorities are used as a lever—to use the words of Dr. Stresemann, and of myself at the last Assembly—in order to shake the position of the Governments, disturb their authority and national strength; if attempts are made, as they have been made, gradually to associate all these minorities in order to create general discontent and continual grievance; and if these efforts meet with success, I do not think they will bring about an atmosphere of peace. What then will be the position? We cannot help having some misgivings on this matter, for it cannot be denied that certain efforts are being made in the direction I have indicated. There have been quite recently examples of them and it is our duty to speak frankly to the minorities in terms which they must be brought to understand.

I have listened with the greatest interest to the little controversy which has taken place on the use of a certain word between Dr. Stresemann and Sir Austen Chamberlain. The question at issue was how the racial or other elements may tend to be merged or to disappear within the nation to which they belong or how, on the contrary, they may preserve their identity. It is in no way to the interest of a country that any element of its population which has its own value and its own characteristics should disappear, and a great country which realises its own strength does not endeavour to bring about any such disappearance. It does not try to reduce its population to a uniform level. On the contrary, the strength of a country consists in assimilating various elements of its population without letting them lose their own characteristics and qualities. It is in this way that a country develops and acquires its full strength which enables it to expand. Those who only think of reducing a country to one uniform pattern by suppressing the individual characteristics of each of the elements of its

population are doomed to many reverses. Before the war, many such mistakes were made. That was a period in which regard for minorities did not exactly flourish, and it may be said that, if that regard has since developed, it is thanks to the League and to the fact that the League has done nothing to bring about its disappearance. The League must do nothing to hinder that respect for minorities from developing further, since it is a noble and worthy sentiment.

That, however, is not the real problem. The real problem is, while ensuring that the minorities shall preserve their language, culture, religion and traditions, to keep them as a kind of small family within the larger family, not with the object of weakening the larger family, but with the object of harmonising all its constituent elements with those of the country as a whole. The process at which we should aim is not the disturbance of the minorities but a kind of assimilation which will tend to the greatness of the nation as a whole without in any way diminishing the importance of the smaller family. That is how I understand the problem of minorities.

In order that this problem may always be presented and solved on these lines, it is essential not to create in these minorities what I may call the spirit of controversy and subversion. It is essential that they should not be placed in opposition to the nation with which they are called upon to live, and it is in their own interest to avoid such opposition. When controversies such as those to which I have referred become too acute, when they become too irritating and exasperating, when they give rise to unrest, the nation which is affected by those controversies will in the last resort take measures to defend itself, and those measures are always rather drastic. I do not see how it can benefit minorities to be led into such dangerous paths. It is to their interest that these difficulties should be settled directly between themselves and the State of which they are citizens.

When I look at Europe, which has been profoundly disturbed by the war, I find that in certain countries minorities have not only ended by settling down comfortably, but that they are even participating in the public life of those countries, as a result of continual contact and closer relations between the different ethnical elements. These minorities are forming the habit of pleading their own causes directly in appropriate terms with the Governments on which they depend and they regard it as a great achievement when a dispute is settled without any intermediary. I consider that the Council of the League should also consider it a sign of success when they do not hear anything of the difficulties which may arise between a State and its minorities, for in such cases these difficulties are being settled as they arise. An agreement has somewhere been achieved and this procedure is in harmony with the rhythm and progress of the League of Nations.

I will now venture to refer to another question. I have constantly heard complaints made against the unfortunate Committees of Three. The composition of those Committees is never the same, so that they can accept criticism without being overburdened by it, since their duties are transitory. I have myself been a member of those Committees, like every other Member of the Council. I therefore accept my share of the criticisms which have been made.

It is said that the Committees of Three have been deaf to all complaints from the minorities; that they have not considered their grievances, but have consigned their claims to the waste-paper-basket, and have never done any work. Is that the reputation which the Committees of Three ought to enjoy in the eyes of the public? Since we are speaking of justice, such a reputation does not do justice to the Committees. If that reputation had been deserved during the last ten years, there would have been a regular revolt of public opinion in the countries concerned against the Committees. The fact that no such forcible protest has been made shows that, in reality, the Committees have, by working quietly and behind the scenes, solved a crowd of questions. But what greater fault can be found in any piece of work than that it has been done in secret?

I see, for example, that, during 1928 alone, the Committees of Three dealt with twenty-three petitions, which were judged to be receivable, coming from eight countries. These Committees of Three held forty-four meetings to examine these petitions, a fact which sufficiently shows their zeal for work and indicates that they do not deserve such ingratitude. The Committees have settled most of these questions in various ways, but in any case they have settled them. The fact that they have been engaged in this work shows that the question of minorities during the year 1928 was not neglected. By all means by improving the procedure let us try to do better. If that is possible, well and good. Care should be taken, however, in seeking this procedure not to create a supernational jurisdiction before which groups of citizens, more or less excited by the means which I have mentioned, come to plead their case instead of going to their Governments. Such a position would not help the consolidation of nations. If the claims of the minorities assume too great proportions, the work of the Council of the League, already excessive, will become impossible.

I do not draw from these considerations any negative conclusion. I merely say that in dealing with this question, it is obviously necessary to convey a very clear impression that the League of Nations desires to fulfil its task and to perform its duty. It must, however, be careful not to adopt a procedure which will have the effect of creating centres of discontent and discord within itself. One is convinced in reading Article 12 of the first Treaty of Minorities, that those who created a right for minorities found it extremely difficult to discover a suitable means of giving effect to that right. There is the right itself, there is the use to be made of the right, and, close at hand, there is the abuse of the right; there is only one step between the use and the abuse. Evidently those who drafted the article were inspired with a noble ideal, were anxious, having created nations, to ensure them life and permanence; and, having conferred upon them national sovereignty, to do nothing which might impair that sovereignty, while, at the same time, they desired to protect the minorities. The difficulty of the question of procedure arises from these considerations. It is impossible to do anything serious without agreement, and without ensuring the co-operation of the countries concerned, or, in other words, those who are responsible for the minorities. It is essential for us to achieve such an understanding. I was very

glad to hear the representatives of Poland and Roumania express a wish that the Council should clear its mind on the subject by means of a report, as complete as possible, concerning the present situation. It has been suggested that a Rapporteur should be appointed, and two members of the Council associated with him. That is a matter of small importance. We already have a Rapporteur with whom we are well acquainted and in whom we have every reason to place the utmost confidence—M. Adatci. I would suggest that M. Adatci, alone or with the assistance of other members of the Council associated with him for the purpose, should draw up a report which may enable us to adopt a satisfactory procedure. I cordially support his proposal, subject to the reservations which I have just made.

Clearly it is dangerous for the League to continue to work behind the scenes, since it is suspected of not performing its duty. I think it would be useful to adopt some means of publicity, as for example, the periodical issue to the public of a report on its work. All those precautions would, of course, be taken to which the representative of Great Britain alluded in his speech. I also think that it would be a good thing, under conditions to be determined, for the Council to be informed of the situation. It would thus be possible for the Council to intervene, if it so desired and in accordance with its undoubted right, either acting as a whole or through any one of its Members. Care should be taken, however, to avoid anything which might create controversy between what we describe as minorities and the nations of which they form a part. Above all, nothing should be done which might be interpreted as a sort of encouragement to such tendencies, which would have deplorable consequences for the League of Nations and for the minorities themselves.

Such, gentlemen, are the observations which I desired to make on this question. I apologize for having perhaps enlarged upon them rather more fully than I intended.

Mr. Dandurand.—I have no objection to the appointment of a committee to assist the representative of Japan in the investigation of the questions we have discussed to-day and of the proposal which I have made to the Council. Allow me to point out that that proposal may have seemed somewhat voluminous to those who do not know how the present procedure is applied. Let me say, however, that it is merely an attempt to consolidate all the methods used up to this moment, together with a few amendments.

The point which has struck me in regard to the manner in which the Committees of Three work—I was and still am a member of one of those Committees—is the striking inadequacy of the information at our disposal. That information takes the form of a request—I must not use the word complaint, though it means exactly the same—and such a request must necessarily contain some kind of complaint on the part of the persons who think their rights have been infringed. This information, I repeat, comprises the petition as well as the observations of the government concerned, and that is absolutely all. Obviously, the Committee of Three can ask the Government for further information. I have been a member of committees which have done so, but what appears quite extraordinary to outsiders, as well as to many representatives who have sat on these Committees of Three, is that even the person who believes that he possesses rights which have been infringed completely disappears. He has laid before the Council, through the intermediary of the Secretariat, a complaint or certain information and there the matter ends. He never knows what has happened.

The Committee of Three has before it nothing but two documents. I maintain that these obviously constitute an insufficient amount of information. Consequently, I thought that there were grounds for improving the procedure in order to obtain rather more complete information, and to notify those who have made representations in order that they may be made aware of what has happened, and that they may at least be in a position to know that some kind of body, be it the Committee of Three or a larger Committee, has studied their question. As at present they are not aware that this has been done. I have been pleased to observe that some of my colleagues have admitted that, as regards publicity, there are gaps to be filled in the present system. We are, therefore, more or less agreed on the necessity of notifying briefly the persons submitting petitions of what has happened.

In the resolution which I have proposed, I have said that the Committee might decide the cases and conditions in which publicity might be granted if no report is made to the Council —for the affair becomes public if a report is so made—or to make it possible for that Committee to eliminate groundless complaints, or complaints which are in the nature of propaganda or which are tendentious and thus only to lay before the world at large those complaints which are well founded. For that reason, I chose the form of words which is now before you and which I read this morning.

So far as the other point is concerned, which is of a certain degree of importance, and by which it will be possible for the Committee of Three to obtain satisfactory information, I have not ignored the clauses of the treaty. I am well aware that we can only act within the narrow limits of the treaty and of the procedure to which countries with minorities have consented. I have not forgotten this fact. I sought the help of some States possessing minorities treaties, and I have found elements of very great interest in the Polish proposal.

Poland has suggested that complaints should be forwarded through the Government concerned —that is to say, through the Government complained of—before they reach the League of Nations, in order that that Government may have an opportunity of settling on the spot a number of questions. I considered that to be the proper procedure, and I have adopted it. As far as those complaints are concerned which are not settled on the spot and which therefore come before the Council or the Committee of Three or a larger committee as I have proposed, I have tried to devise a scheme whereby they should be accompanied with sufficient information.

In causing a national to address himself to his Government, the dignity of that Government will not be affected, because it will have tried to convince that national that he is in the wrong or because it will have agreed that he is in the right. In those circumstances, whether the national be convinced that he is wrong or

whether he maintains his views and asks that his complaint be forwarded, the Council will be in possession of complete information. I think that in this I am following the principles laid down in the Polish proposal. The Committee of Three or a larger committee will then be able to obtain a reasonable amount of information, and most of us will not remain passive in regard to the decision to be taken.

I must confess that I have sometimes had occasion to note that the information available is not sufficient for us to turn to the person making the complaint and say: "The following reply has been received to your complaint, the facts are disputed: this particular legal argument has been put forward." In the above circumstances I have thought it best for us to ask the Government to talk the matter over with the national concerned, and from the results of that conversation we may be able to obtain further information. In any case, we shall have the dossier of the case before us.

I hope, therefore, that, if this committee be appointed, it will be in a position to study the question whether there is any means, either by following the method which I have proposed or by some other method, of obtaining more complete information to be placed at the disposal of the Committee of Three with the assent of the countries possessing minorities treaties, for I like to hope that all those countries desire, as do other members of the Council, to throw full light on questions of interest to them.

M. Adatci.—My strict duty as Rapporteur—if I really am the Rapporteur—would be to draw up immediately—for this important discussion is now at an end—a draft resolution in such terms as would satisfy the whole Council.

Gentlemen, I must confess that some hours of reflection are necessary. It is true that, from the day on which I accepted the difficult rôle of Rapporteur in this question of minorities—that is, last September—I have closely studied everything which has been written, said, examined or contemplated in regard to this part of the League's work. A few days ago I sought an opportunity of conversing with the most competent persons in this question.

This morning I entered the Council Chamber with a certain degree of apprehension. I was frightened at the size of the task entrusted to me. Nevertheless, at the end of this discussion I feel greatly strengthened, for all our colleagues, whatever may be the slight divergence of their views, have shown the greatest goodwill in seeking to achieve a harmonious cooperation of the peoples. My courage has been redoubled and I ask you, Mr. President, to allow me to study the question this evening in order that I, as Rapporteur, may be able to submit a draft resolution to the next meeting. The Council is to sit to-morrow morning, and I hope that I shall be in a position to provide a text which will give complete satisfaction and which will attain the great object of the League, whose sacred duties to minorities were defined at Lugano by the former President of the Council; those minorities, it should be remembered, exist side by side with majorities in the different countries.

It is with this object in view that I ask the President to adjourn the examination of this question to a later meeting.

The discussion was adjourned.

Hon. Mr. DANDURAND.

Following is a copy of the Resolution adopted by the Council on March 7, 1929:

(1) The Council instructs its Rapporteur to submit at the June session a report on the proposals of the Representatives of Canada and Germany, taking into account the different points raised by various Members of the Council during the discussion to which these proposals gave rise.

(2) The Council asks the Representatives of Great Britain and Spain to co-operate with the Rapporteur in drawing up this report.

(3) The Rapporteur and his colleagues may receive any observations that the Governments of States which have accepted the provisions for the protection of minorities may desire to present. Any State Member of the League of Nations may also, if it so desires, submit observations. These various observations should reach the Secretary-General before April 15th, 1929.

The Committee of Three thus constituted may receive such information and consult such persons as it considers advisable for the execution of its work.

(4) The report will be examined in the first place by the Council in Committee, which will meet for that purpose in sufficient time before the date of the next session of the Council.

(5) The Secretary-General will forward to the Governments of the States which have accepted the provisions for the protection of minorities and to the Governments of all the States Members of the League, the present Resolution, together with the Minutes of the Council meetings held on March 6th, 1929.]

This Resolution was unanimously adopted. The committee of three, composed of the Japanese ambassador to Paris, Mr. Adatci, Mr. Austen Chamberlain, and Mr. Quinonès de Leon, the Spanish ambassador to Paris, will follow the procedure indicated in the Resolution. The Council will meet in June first as a general committee, to examine the report of that committee of three, before dealing with it officially in Council. The next sitting of Council takes place in Madrid on the sixth of June next.

If the honourable gentlemen who are interested in this question will read the debates which took place at Geneva they will realize that the Canadian Resolution bore simply on the question of procedure, while the German Minister of Foreign Affairs broadened the whole subject by dealing with the rights of minorities and the duties imposed by treaties upon those countries that have signed minority treaties and upon the Council which has the task of enforcing them.

Right Hon. Sir GEORGE E. FOSTER: I beg leave to move the resolution standing in my name. I omitted to do that in opening.

Hon. Mr. DANDURAND: I would suggest that my right honourable friend content himself with the first part of his inquiry, and not move the latter part, because the right hon-

ourable gentleman asks for the production of all correspondence with the British Government in connection with the adhesion of Canada to the reciprocal clause of the protocol of the Permanent Court of International Justice, and I am informed by the right honourable the Minister for External Affairs that he could not bring this correspondence before Parliament at present.

Right Hon. Sir GEORGE E. FOSTER: It is always up to the Government to bring down such as public policy will permit. I have no objection however, under the circumstances, to eliminate the second part.

TECHNICAL EDUCATION EXTENSION BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 34, an Act to amend the Technical Education Act.

He said: As I move the third reading, I desire to give the information which was asked by my honourable friend from St. John (Hon. Mr. Daniel) as to the amounts that have been paid to the various provinces, and what sums remain due or not given to them under that grant. Prince Edward Island has received $64,000; Nova Scotia, $280,000; New Brunswick, $392,000; Quebec, $2,071,000; Ontario, $3,178,000—the full amount that comes to Ontario; Manitoba, $182,000; Saskatchewan, $142,000; Alberta, $604,000; and British Columbia, $479,000.

The amounts that would come under this Bill to the provinces that have not received their grants in toto would be:

Prince Edward Island	$133,870 01
Nova Scotia	381,840 51
New Brunswick	119,510 07
Quebec	498,193 15
Manitoba	537,402 19
Saskatchewan	705,021 80
Alberta	73,853 03
British Columbia	153,420 78

My honourable friend from Moose Jaw (Hon. Mr. Willoughby) asked me if I could inform this House as to the policy of the present Government towards the continuation for an indefinite time of grants to the provinces under that head. Of course the Government may find circumstances and conditions changed, and in the course of years to come may alter any decision, but the reasons given now for discontinuing the grant after the present amount has been expended are fairly interesting, and will perhaps commend themselves to members of this Chamber.

We all agree as to the importance of industrial and technical education, and the reason for the Government deciding upon a bounty or subsidy being voted to the provinces was that an appeal was made by the provinces for assistance to create and develop industrial and technical schools. They claimed that the preliminary outlay would be considerable and that a grant would enable them not only to develop their system, but to obtain a personnel of teachers which they could not otherwise secure at such cost as the various provinces could afford.

Hon. Mr. WILLOUGHBY: And accommodation.

Hon. Mr. DANDURAND: Accommodation, laboratories, and personnel were to be covered. I do not know what statements were made when the main grant was brought before Parliament, but it is held that it never was the intention of the Dominion to enter into the educational field, and that when this help was given to the provinces for the upbuilding and launching of a system of schools, then the provinces should maintain that system.

The Government has felt that the conditions that have obtained since the war have been such as to throw upon the Dominion finances a formidable load, from which the provinces are immune. The aftermath of war, in loans to be paid, in pensions to be met, in hospitals to be maintained, represents such a formidable outlay that the present Government has felt that the provinces could well afford to carry that part of a burden which is mainly, and I would say essentially, theirs.

But somewhat bound up with the subject of industrial training and technical education is a matter which may help the provinces in that field, and the expense of which has been accepted by the Dominion. It is the creation of a research institute and laboratories that it is not absolutely necessary to duplicate from province to province, and that may well be developed with federal funds, and at the seat of the Federal Government at Ottawa. This duty has been assumed voluntarily by the Dominion. It will be a quite costly development. Scientific research will still, to a certain degree, be part of the educational field. For the reason that I have given, that it would be very costly to the separate provinces to be obliged to develop those institutes, the Federal Government has decided to undertake that part of the work, which is of a higher order. It dominates the technical and industrial work, but it will help towards the industrial development of the country.

For these reasons I move the third reading of the Bill.

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

PRIVATE BILLS

SECOND READINGS

Bill 20, an Act respecting the Bell Telephone Company of Canada.—Hon. Smeaton White.

Bill 62, an Act respecting the Esquimalt and Nanaimo Railway Company.—Hon. Mr. Barnard.

Bill 78, an Act respecting a certain patent of Zebulum Colvin Ketchum.—Hon. Mr. Haydon.

DIVORCE BILLS

SECOND READINGS

Bill Y1, an Act for the relief of Myrtle Virginia Maulson.

Bill Z1, an Act for the relief of Claude Le Cheminant.

Bill A2, an Act for the relief of Dora Taylor.

Bill B2, an Act for the relief of Alice Gladys Barkey.

Bill C2, an Act for the relief of Helen Awrey.

Bill D2, an Act for the relief of James Lynham.

Bill E2, an Act for the relief of Harry Freeman Switzer.

Bill F2, an Act for the relief of Bessie Stephen Lee.

Bill G2, an Act for the relief of Nanette Coffey.

Bill H2, an Act for the relief of James Graham McCreadie.

Bill I2, an Act for the relief of Stephen Dymon.

Bill J2, an Act for the relief of Irene Sagar.

Bill K2, an Act for the relief of Clifford Wilson.

Bill L2, an Act for the relief of James Clayton Powell.

Bill M2, an Act for the relief of Mina Thompson.

Bill N2, an Act for the relief of Clare Doutre Walters Bertram.

Bill O2, an Act for the relief of Margaret Duffield.

FIRST READINGS

Hon. Mr. Daniel, for the Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill S2, an Act for the relief of Dorothy Madeline Hanson Campbell.

Bill T2, an Act for the relief of Frank Arthur LeNoury.

Hon. Mr. DANDURAND.

Bill U2, an Act for the relief of William Thomas Taylor.

Bill V2, an Act for the relief of Thomas Booker.

Bill W2, an Act for the relief of Marion Isabel Kemp.

Bill X2, an Act for the relief of Agnes Victoria Leader.

Bill Y2, an Act for the relief of Louisa Martha Weston.

Bill Z2, an Act for the relief of Susannah Musson Savery.

Bill A3, an Act for the relief of Elizabeth Crawford Copping.

Bill B3, an Act for the relief of Arthur Alderton.

Bill C3, an Act for the relief of Elias Abraham, otherwise known as Elie Abraham Allen.

Bill D3, an Act for the relief of Irene Mabel Usher.

Bill E3, an Act for the relief of Anna Estella DeNike.

Bill F3, an Act for the relief of Elizabeth Spain.

Bill G3, an Act for the relief of Bella Solnik.

Bill H3, an Act for the relief of Louisa Hitchman.

Bill I3, an Act for the relief of Florence Jane Sheppard.

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

THE SENATE

Friday, April 12, 1929.

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

Prayers and routine proceedings.

GOVERNMENT ADVANCES TO CANADIAN NATIONAL RAILWAYS

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What is the total amount, (a) paid or advanced by the Government, and (b) of Government guarantees, in the fiscal year 1918-19 and each year since, to and on account of the Canadian National Railways (including all lines and systems in Canada and the United States, but excepting the Intercolonial Railway)?

2. What is the total amount advanced and expended in each year for and on account of the Intercolonial Railway?

Hon. Mr. DANDURAND: Separate accounting of the revenues of the Intercolonial Railway not being available, the

information given below has been compiled on the basis of the following re-statement of the question:

What amount of money, including guarantees, has been advanced by the Government in excess of revenue for all purposes on account of the National Railways, including Canadian Northern and Grand Trunk Systems or any other railway systems and all subsidiaries in Canada and in the United States, in each year since they have been under Government control (also including the Intercolonial Railway for same period), and including both revenue and capital account in each fiscal year?

Fiscal Year	Cash Loans to Companies now included in the Canadian National System	Guaranteed Issues to Companies	Cash Payments in connection with Canadian Government Railways	Total
	$ cts.	$ cts.	$ cts.	$ cts.
1919-20	45,780,690 27	17,109,027 00	17,892,021 36	80,781,738 63
1920-21	109,662,655 36	50,000,000 00	12,331,658 71	171,994,314 07
1921-22	97,950,645 36	61,000 000 00	11,127,288 08	170,077,933 44
1922-23	77,863,936 29	.....	4,846,686 22	82,710,622 51
1923-24	23,710,616 70	72,500,000 00	521,014 79	96,731,631 49
1924-25	9,934,456 64	81,000,000 00	186,501 36	91,120,958 00
1925-26	10,000,000 00	.....	239,448 97	10,239,448 97
1926-27	10,000,000 00	.....	271,704 51	10,271,704 51
1927-28	.....	99,879,252 86	3,386,198 24	103,265,451 10
1928-29	.....	75,000,000 00	6,795,519 88	81,795,519 88
	384,903,000 62	456,488,279 86	57,598,042 12	898,989,322 60

The column, "Cash Payments in connection with Canadian Government Railways," represents direct Government appropriations or payments under statutory authority, and includes Maritime Freight Rates Act payments.

Cash loans and guarantees also include a net amount of $1,336,209.91 utilized for Canadian Government Railways' purposes to December 31, 1928.

PRIVATE BILLS

THIRD READINGS

Bill 23, an Act respecting certain patent application of Stanley W. Hayes.—Hon. Mr. Haydon.

Bill 29, an Act respecting a certain patent of Catelli Macaroni Products Corporation, Limited.—Hon. Mr. Belcourt.

Bill 35, an Act to incorporate the Ukrainian Greek Orthodox Church of Canada.—Rt. Hon. Mr. Graham.

Bill 19, an Act to incorporate the Railway Employees' Casualty Insurance Company.—Hon. Mr. Robertson.

Bill 21, an Act to incorporate the National-Liverpool Insurance Company.—Hon. Mr. Casgrain.

Bill 27, an Act to incorporate Barclays Bank (Canada).—Hon. G. G. Foster.

Bill 28, an Act respecting the Pension Fund Society of the Bank of Montreal, the Molson's Bank Pension Fund and the Merchants' Bank of Canada Pension Fund.—Hon. Smeaton White.

Bill 30, an Act respecting the Protective Association of Canada.—Hon. Mr. Pope.

Bill 31, an Act to incorporate the Wawanesa Mutual Insurance Company.—Hon. Mr. Horsey.

DIVORCE BILLS

THIRD READINGS

Bill Y1, an Act for the relief of Myrtle Virginia Maulson.

Bill Z1, an Act for the relief of Claude Le Cheminant.

Bill A2, an Act for the relief of Dora Taylor.

Bill B2, an Act for the relief of Alice Gladys Barkey.

Bill C2, an Act for the relief of Helen Awrey.

Bill D2, an Act for the relief of James Lynham.

Bill E2, an Act for the relief of Harry Freeman Switzer.

Bill F2, an Act for the relief of Bessi. Stephen Lee.

Bill G2, an Act for the relief of Nanette Coffey.

Bill H2, an Act for the relief of James Graham McCreadie.

Bill I2, an Act for the relief of Stephen Dymon.

Bill J2, an Act for the relief of Irene Sagar.

Bill K2, an Act for the relief of Clifford Wilson.

Bill L2, an Act for the relief of James Clayton Powell.

Bill M2, an Act for the relief of Mina Thompson.

Bill N2, an Act for the relief of Clare Doutre Walters Bertram.

Bill O2, an Act for the relief of Margaret Duffield.

PRIVATE BILLS

SECOND READINGS

Bill P2, an Act respecting Central Finance Corporation.—Hon. Mr. McGuire.

Bill Q2, an Act respecting the Dominion Fire Assurance Company.—Hon. Mr. Spence.

Bill R2, an Act respecting a certain patent of Cobb Connector Company.—Hon. Mr. Haydon.

Bill 79, an Act respecting a certain patent of Jean Baptiste Hurteau.—Hon. G. V. White.

The Senate adjourned until Tuesday, April 16, at 8 p.m.

THE SENATE

Tuesday, April 16, 1929.

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

Prayers and routine proceedings.

PRIVATE BILLS

FIRST READINGS

Bill 39, an Act respecting the Essex Terminal Railway Company.—Hon. Mr. Lacasse.

Bill 61, an Act respecting the Lacombe and North Western Railway Company.—Hon. Mr. Griesbach.

Bill 83, an Act respecting the Canadian Pacific Railway Company.—Hon. Mr. Harmer.

SECOND READING

Hon. Mr. HARMER moved the second reading of Bill 83, an Act respecting the Canadian Pacific Railway Company.

Hon. Mr. McMEANS: Perhaps the honourable gentleman will let us know what the Bill is, and will explain it.

Hon. Mr. HARMER: I think the Bill is self-explanatory. It makes provision for the construction of a branch line from a point at or near Lanigan in a northerly direction through or near Humboldt, thence in a northwesterly direction to Prince Albert.

I am making this motion in order to facilitate the handling of this Bill, as the general branch line programme comes before the Railway Committee on Thursday next, under Bill 41. The present Bill covers part of the company's programme of branch line extension throughout the western provinces.

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

THIRD READINGS

Bill 32, an Act to incorporate the Wapiti Insurance Company.—Hon. Mr. Horsey.

DIVORCE BILLS

SECOND READINGS

Bill S2, an Act for the relief of Dorothy Madeline Hanson Campbell.

Bill T2, an Act for the relief of Frank Arthur LeNoury.

Bill U2, an Act for the relief of William Thomas Taylor.

Bill V2, an Act for the relief of Thomas Booker.

Bill W2, an Act for the relief of Marion Isabel Kemp.

Bill X2, an Act for the relief of Agnes Victoria Leader.

Bill Y2, an Act for the relief of Louisa Martha Weston.

Bill Z2, an Act for the relief of Susannah Musson Savery.

Bill A3, an Act for the relief of Elizabeth Crawford Copping.

Bill B3, an Act for the relief of Arthur Alderton.

Bill C3, an Act for the relief of Elias Abraham, otherwise known as Elie Abraham Allen.

Bill D3, an Act for the relief of Irene Mabel Usher.

Bill E3, an Act for the relief of Anna Estella DeNike.

Bill F3, an Act for the relief of Elizabeth Spain.

Bill G3, an Act for the relief of Bella Solnik.

Bill H3, an Act for the relief of Louisa Hitchman.

Bill I3, an Act for the relief of Florence Jane Sheppard.

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

THE SENATE

Wednesday, April 17, 1929.

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

Prayers and routine proceedings.

CHIGNECTO ISTHMUS CANAL

INQUIRY AND DISCUSSION

Hon. F. B. BLACK rose in accordance with the following notice:

That he will call the attention of the Senate to the desirability of constructing a canal across the Chignecto Isthmus, thereby connecting the waters of Northumberland Straits with the Bay of Fundy, and inquire if it is the intention of the Government to undertake the construction of said canal at an early date.

He said: Honourable gentlemen, I put this inquiry on the Order Paper with a good deal of pleasure on my own part, and also in response to requests and suggestions by members of the Senate and members of the other Chamber. As you know, this proposed canal across the Chignecto Isthmus has been somewhat lengthily and thoroughly discussed in another place. Nevertheless, I desire to call the attention of the Senate to some perhaps important features of this project; and in doing so I want, first, to give you a brief outline of its history.

All honourable gentlemen, I assume, know what the project is. It is proposed to connect the waters of the Gulf of St. Lawrence, or that portion known as the Northumberland Straits, with the head waters of the Bay of Fundy. This is the oldest canal project, not only in the Dominion of Canada, but on the whole North American Continent. In passing, I may say that it relates to the earliest settled part of Canada—to what is, after all, the birthplace of this great Dominion of ours. Some honourable gentlemen may not be aware that the first white settlement in Canada was established at the head of the Bay of Fundy. Three years or more before there was a white settlement in what is now the city of Quebec, European settlers were established at the head of this Bay. The first road ever constructed in North America was in this section. Into the head waters of the Bay of Fundy was launched the first ship ever built on this continent. I might go on to enumerate many other achievements which ultimately have brought Canada into prominence and which had their inception or inauguration in this section, but I shall restrict my present remarks to a historical sketch of the canal project.

As far back as 1686 a canal across the Chignecto Isthmus was recommended in what is known as the "Memoires Generaux," written by De Villiers and submitted to the Government of France. I have here an extract from this report, reading as follows:

There are only 4 leagues to be traversed to go by land from French Bay to Baie Verte—

French Bay is now called Chignecto Bay.

—and a portage of only one league by land and water. The portage of one league may be easily cut through by a canal, since all the land is very low. In this case communication would be made between French Bay and the Straits of St. Lawrence which would shorten the way from Quebec to Port Royal by at least 200 leagues.

In other words, 600 miles.

That goes a long way back, and, as I said before, it was the first suggestion of a canal on this continent. The Government of France, during the time it was in control of this country, recognized the advantage of such a canal to local commerce, small as it was at that time.

In 1784 a report was made to the British Government by Colonel Morse, a member of the Royal Engineers, and an engineer of note. His report, while not quite as general as that made to the French Government, was in substance the same. Nothing was done during the next thirty or forty years, the somewhat disturbed period following the American War, but some time after New Brunswick had been set apart as a separate province from Nova Scotia the Government of the newer province became active in the matter. I think it was in the years 1825 and 1827 that partial surveys were made of the proposed canal, and in 1829 the Government of New Brunswick sent a delegation to Halifax to interview the Nova Scotian Government with the idea of taking joint action on the excavation and building of this canal. But all that part of the country was then financially poor, and neither province felt it had sufficient money at its command to undertake the work.

The matter was left in abeyance until the confederation of the old provinces of Canada in 1867, and at the first Session of the Federal Parliament it was taken up by our predecessors in this House. I have a copy of a report made in 1874 by the Chief Engineer of Public Works on the construction of a canal between the Gulf of St. Lawrence and the Bay of Fundy, from which I will read a brief extract:

On a memorandum, dated 8th May, 1873, from the Hon. the Minister of Public Works, reporting that in the Session of Parliament held in 1868, the Senate passed an Address praying

that copies of all documents and surveys relative to the construction of a Canal to connect the waters of the Gulf of St. Lawrence with those of the Bay of Fundy, might be procured from the Governments of Nova Scotia and New Brunswick, and submitted to the Minister of Public Works for report thereon.

In the Session of 1868 that was carried out, and the Federal Government decided to have this Chignecto Canal project investigated and reported upon. A Commission, made up of representative men of Canada and two experienced engineers, was appointed to investigate all canals then under construction, or proposed, in the Dominion, as well as the deepening of the St. Lawrence river itself. In their report they divided the canals into four classes, placing in the first division those which were vitally necessary to the development of the intercolonial trade of the country; in the second class, those that in their opinion were next in importance; and so on down the line. They considered the Baie Verte Canal—which is the Chignecto Isthmus Canal —to be one of those canals which were vitally important to the development of the trade of this country. I have here the reports of all the various commissions and engineers, in one volume, but I shall not weary you by reading them.

Right Hon. Sir GEORGE E. FOSTER: What volume is that?

Hon. Mr. BLACK: It is a special volume called "Baie Verte Canal, 1822-76." The other volume, out of which I quoted a brief extract, is a "Report of the Chief Enginer of Public Works on the construction of a canal between the Gulf of St. Lawrence and the Bay of Fundy," dated 1874.

The Canal Commission was appointed in 1871 and reported in 1873, the report reaching Parliament in the following year. I have not the time to go so fully into the history of this project as I should like, but these reports are available to honourable gentlemen, and as I go along I shall indicate the source of any extracts I read.

The report of the Commission was received by Parliament, and an item of $1,000,000 was placed in the estimates for construction of the Baie Verte Canal. I think that sum was considerably reduced later, but in any event an amount was appropriated for construction of the canal. Sir John A. Macdonald's first Ministry had been defeated and the government led by Alexander Mackenzie came into power. That government obtained in 1874 a new report, which also was favourable to the Baie Verte Canal, and which estimated the cost of construction at approximately $4,000,000. The two years following were a period of financial depression all over Canada. Hon. Alexander Mackenzie has the reputation of being perhaps more extremely economical than any other Prime Minister this country has ever had, and of not spending money unless there were available funds on hand. On account of the financial stringency he was averse to the proposed expenditure on this canal, and he therefore appointed a Commission to make a supplementary report on the advisability of going ahead with the project. I have here the full report of that Commission, which reported, I think, in 1875, and which reviewed the preceding reports that had been made on the proposed canal. They quote from the report made by the Commission appointed in 1870, as follows:

> Inseparably connected with the growth of intercolonial trade is the construction of the Baie Verte Canal. The advantages that must accrue, not merely to the Dominion as a whole, but to the commerce of the Maritime Provinces, are so clearly pointed out by the Boards of Trade of all the leading cities of Canada, and by men interested in the development of our commercial cities,—not simply merchants of St. John and other places in the locality of the proposed canal, but merchants of Hamilton, Toronto, Ottawa, Montreal and Quebec,—that it is superfluous for the Commissioners to do more than briefly refer to a few salient features of the scheme.

That Commission set out pretty closely the findings of the engineers and the Commission that preceded them, but only one member made a report against the construction of the canal. We all have heard of commissions that have been appointed for a purpose, and I think it is quite evident that the duty of this Commission was not to report on the advisability of the construction of the canal, but to find some reason why the money should not be expended at that particular time. My reason for saying that is that a brief comparison of the figures quoted in the report, as to mileage and other items, with those of earlier reports, discloses such discrepancies that it is obvious they were trying to build up a case to show why the work should not be proceeded with.

By the time that financial depression was over and another Government had come into power, another scheme had been brought up which side-tracked the canal project, and that was the construction of the Chignecto Marine Railway, so-called. The proposal was to build across this isthmus a railway which would pick up the ships on one side and transport them across to the water on the other side. Mr. Ketchum, a very able engineer, was able to influence the Government of the day to such an extent that he got a charter for a company. I shall not weary honourable

gentlemen by going into the details of that charter, and matters concerning the partial construction of that railway. All the money that was spent by the company came from English investors; the Dominion of Canada did not make any expenditure whatever. Docks were built, the roadbed was completed, the rails were in part laid, and completion of the work was within measurable distance when the British bank that had been financing the project failed, and no further funds were available. The company was working on a time charter, so to speak. They appealed to Parliament for an extension of time, and, rightly or wrongly—I am inclined to think unfairly, at all events—the then Government of Canada refused an extension to the charter. The British investors lost a large amount of money and the credit of Canada was greatly endangered in the British market as a result, and the outcome was that there was neither a ship railway nor a canal to show for it all.

Nothing has been done from that time to the present with regard to the construction of this canal. Now, it does seem to the people of Eastern Canada that action should be taken. I will point out a little later that this scheme does not affect the Maritime Provinces particularly. It would be of very great advantage, I think, to Prince Edward Island, and to the north shore of New Brunswick, but, after all, it would benefit perhaps more than anything else in Canada all that traffic originating on the St. Lawrence and going through the St. Lawrence ports by water. Although this canal was placed by the first Commission among the four or five most important canals to be built in this Dominion, yet not one dollar of Canadian money has been spent on it, whereas $272,000,000 has been expended up to date on the various canals of Canada, and towards this sum the Maritime Provinces have contributed their proportion. It does seem reasonable that we should ask that this canal be constructed for the benefit of all Canada, and that we should have now, at least, what was a part of the Confederation pact.

When I say this canal was part of the Confederation pact I want to call your attention to the fact that at the Quebec Conference, held two years before Confederation was consummated, the construction of this canal was debated, and the representatives from both New Brunswick and Nova Scotia at that Conference stressed the desirability of such construction and made the canal a more prominent feature at the time of the Confederation agreement than was the Intercolonial Railway, which later became more prominent. It was insisted that this canal should be a part of the scheme of Confederation. That it was so considered by those who met at that Conference is evidenced by the fact that at the first Session of Parliament after Confederation it was one of the first matters discussed in this Chamber.

I have briefly run over the historical points with regard to this canal. There is a great deal more that I might mention, but an honourable gentleman will follow me who is much better versed than I am on this subject, and I am quite sure he will take up a number of points that I have not touched upon.

I would like now to refer to some of the advantages to be gained by the construction of this canal—some of the benefits that would accrue to all Canada. The cutting of this canal would reduce the distance between the St. Lawrence waters and the Bay of Fundy waters by from 480 to 700 miles. It would bring the city of Montreal and the port of St. John nearer to each other by water than they are to-day by 480 or 500 miles. It would bring the north shore of New Brunswick, with its lumber, potatoes, fish and many other products that go to the New England and the West Indian markets, and to the coast of South America, approximately 400 miles nearer to its markets. The same remark would apply to all products coming out of Quebec, or any other port on the St. Lawrence, and destined for Bay of Fundy or New England ports, or the West Indies Islands. I am not giving you exact distances, because they vary from 300 to 700 miles, but the average distance for freight that goes out of the St. Lawrence river to any of those places mentioned would be shortened by about 400 miles.

What does that mean? To an ordinary tramp steamer 200 miles is a fair day's travel. The cost of operating a tramp steamer, for maintenance, insurance, wear and tear, interest on investment, etc., runs to $1,000 a day. Two days sailing would mean $2,000. Two days saved on the outward voyage and two on the inward would be equivalent to $4,000. The $2,000 saved on a cargo of sugar coming from a West Indian port to refineries at Montreal, or anywhere on the St. Lawrence river, is a very considerable saving.

Let us turn now to the trade in potatoes and in grain from Prince Edward Island to the West Indies or by water to the New England markets. These products would be two days nearer to their destination than they are to-day, and be carried at much lower freight and insurance rates. Why? Because the shipments at present must go all the way around the coast of Nova Scotia, or else

through the Gut of Canso, which is the much nearer way, and, as there is stormy weather in several months of the year, the insurance rate is higher than it would be on shipments going through this canal. Here you effect a saving in mileage, freight rate and insurance, which means a very material gain.

Then take the fruit that comes from the West Indies into Canada. It comes to-day very largely to New York by steamer, and is re-shipped in cars to Montreal, Toronto, Ottawa, and other cities of Central Canada. But with this canal all vessels carrying freight from the West Indies destined for Canada could land their cargo at the city of Montreal, without breaking bulk, and it would reach Montreal by ordinary sailing in less time than if it came to New York by sail and were then re-shipped. So you have these advantages: there is no breaking of bulk, and goods arrive in much better condition; the route is much cheaper than by rail, because the long rail haul is done away with; and the distribution in smaller quantities which is now made from New York or Boston would be made from our own ports. The goods being carried in our own bottoms, the advantages arising from whatever carrying charges there might be would accrue to Canada, and not to foreign nations, while we should get better goods, more quickly delivered, and at a cheaper rate.

I do not want to weary the House by going into too much detail. You people of Quebec and Ontario know that you are selling goods to the West Indies and to the New England States and South America in increasing quantities, and what applies to one item of commerce applies to each and every other item. The whole of Canada would derive a direct benefit, and our shipping trade would profit greatly from this shorter route.

I know that long speeches in this House are not of much advantage, and not listened to very attentively; therefore I am going to leave the economic aspect of the question when I have drawn your attention briefly to the Bay of Fundy situation. It is true that there were many products of the Maritime Provinces which could have been carried by such a route when it was first considered, and which to-day are not used. The grindstone industry was greatly stressed years ago, but to-day it is almost extinct; yet the transportation of the building stone which predominates in New Brunswick, both along the Bay of Fundy and on the north shore of New Brunswick, would be very greatly helped by this canal. Stones could be brought up here from our very excellent quarries in New Brunswick, for the construction of buildings in Montreal, Toronto and Ottawa, whereas the present freight rates are prohibitive. Before the war, in my own town and neighbourhood, there were seven quarries producing the most magnificent building stone that the country knows of. That was shipped by rail to Toronto and Montreal. I could name some of the finest buildings in both of those cities that were built of the Sackville freestone, and stone from what are called Wood Point freestone quarries. The revised freight rates now charged on all commodities constitute a very heavy item, and entirely put that stone out of the market up here; but this canal would allow that stone to re-enter this market. This would be of immense benefit to the great building program of our cities here, because they would get excellent stone at a much lower rate than they are now paying, and the improvement in that trade would revive what is almost a lost industry in the Maritime Provinces so far as export is concerned.

The same remark applies to the coal of Pictou and of the bay ports that comes up here now. With a saving of two days' freight it could be sold at a very much lower rate, and perhaps it would thus replace a considerable portion of that coal which we now buy from our neighbours across the border.

So I might go on and enumerate item after item in interprovincial commerce that would be benefited by the building of this canal. It would be a boon to all trade between the points served.

There is another item, honourable gentlemen. There is the sentimental interest, which must weigh heavily with all of us. The benefits to accrue to Canada generally might be no greater than to the Maritime Provinces and perhaps not as great as they would be to the whole trade of the St. Lawrence river, and to the trade from the West in flour, grain or what not, that is going to New England and the West Indian ports, but all would derive some benefit. This proposal, is just another of those Maritime Provinces enterprises that have been side-tracked. I do not wish to cast any reflections on the representatives of the Maritime Provinces who sat in this Parliament in times past. I think they were satisfied that they had good reasons for not pressing this project; nevertheless I think they should have pressed it. And I think it should be pressed now, because it was one of the conditions of Confederation, and was considered long before Confederation was ever thought of; because it would benefit the trade of the Maritime Provinces, as it would that of the rest of Canada; because we have looked forward to it for 67 or 69 years, and have not yet obtained

it; because we have contributed our share of the $272,000,000 that has been expended in public works on the other canal systems of Canada. For all these reasons, in addition to many others, the application of the Maritime Provinces for a further investigation of this canal, and for its construction if engineering skill to-day should say that it is feasible, should be granted.

I said "if." There was no doubt when the project was broached. No person who examines the records as they appear here and reads the finding of seven eminent engineers of that time, who reported at different periods on the feasibility of this canal, can question for a moment that when those reports were made the construction of the canal was easier than that of most canals that have been built in Canada, and its feasibility was quite as great as that of any canal that has been constructed in this Dominion.

I do not know any man, engineer or layman, who will say that the canal, with the present draught of steamships, is not as feasible now as it was then. I believe that engineering skill to-day is much greater than it was thirty, forty, or fifty years ago. Difficulties which were then insurmountable are now eliminated. I do not conceive it possible that there can be any engineering reason why that canal should not be constructed at a sufficient depth to carry the vessels of to-day at any time, and at all seasons of the year. I say at all seasons, because it is stated in one report that the canal would be available at all seasons of the year. On that point I have some doubts. I think there will be a few months in the year, possibly two and a half months, when because of ice forming in the Strait that canal will of of little benefit; but with present engineering appliances there would be no difficulty whatever in keeping the canal itself open. If the flow of water itself would not do it, there are other means that would make it very easy. But whether or not the ice in the Northumberland Strait would prevent the canal from being useful the year round is a question that the engineers themselves will have to decide.

Honourable gentlemen who sat in another Chamber twenty years ago can very well remember the arguments that were employed against the use of a car ferry between Cape Tormentine and Traverse. It was thought it could not get through the ice. But for a number of years past a steam ferry has been travelling there the year round, missing scarcely a day from year to year. Engineering skill and ingenuity have overcome that difficulty. The same line of argument that was used in those days might be used to-day to bolster up the objection that there might be two months of the year when this canal could not be used; but such arguments have not proved correct in the past, and I do not think they will prove effective in the future. Even at the very worst, even if that canal were closed three months of the year, that would be no serious objection, because, on account of the shorter route and the cheaper transportation, great benefit would accrue to interprovincial trade and to all the provinces of Canada.

Hon. HANCE J. LOGAN: Honourable gentlemen, I desire to congratulate the honourable gentleman from Westmoreland (Hon. Mr. Black) on the splendid speech which he has made on this important subject. It is a very old subject, and it received the attention of this House and this country many years ago. It is now over a hundred years since the first survey was made of this canal route by a gentleman named F. Hall, and it is nearly a hundred years since the Government of New Brunswick paid part of the expenses of another survey. Still other surveys were made as the years went on, until in 1864, at the Quebec Conference, the matter of this Chignecto Canal, then known as the Baie Verte Canal, was brought up. I hold in my hand a quotation from a speech made in this honourable House by Senator Dickey, in which he said:

> This last project of the canal was the result of an understanding at the Quebec Conference in 1864, which was the foundation for this Confederation. It was distinctly understood there that this canal should be constructed. There has been no canal in the Maritime Provinces, except a very small one in Cape Breton of a mile or two in length, and it was distinctly understood and agreed—and I am speaking in the hearing of members who know what I state is correct—in my presence (for I was one of the delegates) that this should be done.

Hon. Mr. Botsford, in the same discussion in this House, corroborated Senator Dickey's statement, as follows:

> My hon. friend from Amherst has correctly stated that one of the inducements held out by the delegates who assembled together to accomplish Confederation was the scheme that had been under discussion in the different Legislatures of the country so long, of getting a canal between the waters of the Bay of Fundy and the Straits of Northumberland. That project was held out by the conference as an inducement to New Brunswick to go for Confederation. I recollect distinctly that it had a great effect on many persons when that question came up for consideration. There was a wide difference of opinion in New Brunswick with respect to the benefit which that province would derive from Confederation, and one of the strongest arguments made by gentlemen who favoured union was, that if we obtained it, we had the pledge of the delegates that the Baie Verte canal would be constructed, and the canal has been one of the favourite projects of the people

of New Brunswick for three-quarters of a century. These circumstances ought to influence hon. members to endeavour to have that pledge carried out if possible.

Those are the serious words spoken by gentlemen who were at the Conference at Quebec.

After Confederation the building of canals became a live subject in Canada, and, as has been pointed out by my honourable friend from Westmorland (Hon. Mr. Black), a very able and competent Commission was appointed by the Government of Sir John A. Macdonald to inquire into the canal projects of Canada and to make recommendations as to the order in which they should be dug and constructed. This Canal Commission consisted of Sir Hugh Allen; C. S. Gzowski, C.E., of Toronto; D. D. Calvin, of Wolfe Island, Ontario; Pierre Garneau, of Quebec City; Alexander Jardine, of St. John, N.B.; S. L. Shannon, of Halifax, N.S.; and S. Keefer, C.E., the latter being secretary of the Commission.

It is not necessary for me to remind honourable gentlemen of this House of the great pre-eminence attained by Messrs. Gzowski and Keefer as canal engineers. They afterwards were recognized as two of the ablest canal engineers that this or any country had produced, and one of them, I believe, was knighted by the Queen.

The Commission made its report in 1871. It divided the proposed works into four classes, recommending their construction in the order named. Those in the first class, being regarded as the most important, were to be built almost at once. The report of the Commission put into the first class the following works: the Sault Ste. Marie canal; the raising of the lock walls of the Welland canal; the improvement of canals from Ottawa to Lachine; the enlargement of the Chambly canal; the deepening of the channel in the St. Lawrence river between Quebec and Montreal to 22 feet; the construction of the Baie Verte (Chignecto) canal; the enlargement of the St. Lawrence canals; and the improvement of the channel in the river St. Lawrence above Montreal, so as to provide 14 feet of water.

The gentlemen whose names I have mentioned visited every part of Canada and even went into the United States, and they secured a tremendous amount of information from Boards of Trade, Chambers of Commerce, and leading men in the various localities. They all signed the report, in which they stated:

We consider that all the works embraced under the heading of the first class are really of so great importance, so essential to the welfare and prosperity of the whole country,

that we feel some degree of embarrassment in recommending which of them should be first proceeded with, but we respectfully suggest that they should be taken in the order they are here recited, or as far as possible simultaneously.

In reference to the Baie Verte Canal they said:

The evidence submitted points out with remarkable force and unanimity the necessity of opening a highway for commerce between the Gulf of St. Lawrence and the headwaters of the Bay of Fundy through the Isthmus of Chignecto dividing them.

They further stated:

We submit the following special report on this subject by the Secretary of our Commission, Samuel Keefer, C.E., endorsed by one of our own body, both of whom are civil engineers. We think this will remove all doubts as to the practicability of the proposed undertaking.

And again:

Inseparably connected with the growth of intercolonial trade is the construction of the Baie Verte Canal. The advantages that must accrue not merely to the Dominion as a whole, but to the commerce of the Maritime Provinces, are so clearly pointed out by the Boards of Trade of all the leading cities of Canada, and by men interested in the development of our commercial interests, not simply the merchants of St. John and other places in the locality of the proposed canal, but merchants of Hamilton, Toronto, Ottawa, Montreal and Quebec, that it is superfluous for the Commissioners to do more than briefly refer to a few salient features of the scheme.

The total distance by water from Shediac through the Gut of Canso and around the coast of Nova Scotia to the Bay of Fundy as far as the commercial Capital of New Brunswick is about 600 miles and the consequence is that there is little or no direct communication between the Bay of Fundy ports and those of the River St. Lawrence. By a canal through the Isthmus the distance from Shediac to St. John will not be much more than 100 miles. This fact will show the insuperable obstacle that now exists to anything like extensive commerce between Montreal and the Bay of Fundy ports of New Brunswick and Nova Scotia, and the great impulse that must be necessarily given to trade by the opening up of a route which will shorten the distance so considerably, furnish an inland navigation from the Lakes to Boston, and consequently lessen the distance btween these points.

The fishery interests of the Gulf of St. Lawrence, both of the Island of Prince Edward and what is generally known as the North Shore of New Brunswick, will also be benefited by their being afforded a safer and shorter route not only to ports of the Bay of Fundy but also to those of the North Eastern coast of the United States.

It will enable the valuable stones of the quarries, the olive freestone of Dorchester, the gypsum of Hants and Hillsborough, the grind and scythe stones in the vicinity of Cumberland Bay, and as well the Albertite of New Brunswick, which is unsurpassed for illuminating purposes, to be transported to the Canadian market, from which it is now virtually shut out by the difficulty and cost of transit.

The chief articles of import from Ontario to the Maritime Provinces and vice versa, being bulky, the element of freight forms a large item in their value; hence any greater facility for transit tending to cheapen the cost, must be productive of a greatly increased demand.

This Canal would not only afford the desired facility for transit by rendering it unnecessary to break bulk between the points of shipment and destination, but would remove a great barrier to cheap freights by enabling owners of vessels to secure return cargoes to Ontario and Quebec, and thus build up a mutually desirable reciprocal trade, which may be increased to almost any extent.

There were a number of canals placed in the second, third and fourth classes, to be dealt with in the order named, nearly all of which have been completed. Every one of the works mentioned in the first class, with the exception of the Chignecto Canal, has been built, re-built and enlarged, and the River St. Lawrence has been deepened not only to 22 feet, but to 30 feet. At the present time 130 millions of dollars of the money of the people of Canada, including money of the people of the Maritime Provinces, are being spent upon the Welland Canal. We are not objecting to that; we believe it is for the benefit of Canada; but we do feel that we have been forgotten in the matter of canal construction. According to a report of the Department of Railways and Canals there has been a total expenditure upon canals in Canada up to March 31, 1928, of $203,385,937.72 on canal construction, $14,335,159.45 on maintenance, $26,388,046.98 on staff, and $22,719,608.65 on repairs, or a total expenditure of $266,828,752.80. Yet nearly sixty years after the findings of this very distinguished and well qualified Commission not a single sod has been turned on the Chignecto or Baie Verte Canal, and we are now here to ask that the Confederation promises and the recommendations in this report be implemented.

During the Mackenzie administration there was a sum of one million dollars unanimously voted by Parliament for the construction of this canal. The vote was repeated, and again it was unanimous, but there came a period of rather hard times throughout the whole world, and question arose as to the probable cost of this work, with the result that a Commission was appointed consisting of Hon. John Young, Montreal; Hon. W. P. Howland, Toronto; J. W. Lawrence, Esquire, Saint John, N.B.; F. Braun, Esquire, Secretary of the Department of Public Works of Canada—appointed by the Government as Secretary of the Commission—and Peter Jack, Esquire, of Halifax.

Now the peculiar thing about this Commission is that it never made a united report. The only reports filed with the Government were made by Mr. John Young, who disapproved of the building of the canal, and Mr. J. W. Lawrence, who approved of it very strongly. There is no report from Mr. Howland or Mr. Jack. Afterwards Hon. Mr. Mackenzie, speaking in the House of Commons, stated that the only way to find out what the canal would cost would be to call for tenders for the construction of the work, which he proposed to do. Before the tenders were called, however, the Mackenzie Government went out of power.

There then appeared upon the scene Mr. H. G. C. Ketchum, a very distinguished engineer, a man of very forceful character. So forceful was he that he persuaded the Government of Sir John A. Macdonald that instead of constructing the canal it would be very much cheaper and better to build a ship railway. He proposed to lift the ships by hydraulic power, and to transport them across the isthmus by railway. The Government finally agreed to grant him $150,000 a year for twenty-five years. He proceeded to England to arrange his finances, but after a considerable time he came back with a request that the Government give his company $170,000 for twenty years. The Government agreed to do this, and he returned to England and secured the backing of the house of Baring Brothers. He then proceeded with the work, but, after spending about four millions of dollars, Baring Brothers got into financial difficulties and he had to cease work. A few years later he was able to secure the financial assistance necessary, and he came back to Parliament asking for an extension of time to complete the work. There was a very serious debate in the House. I think I am right in stating that no seafaring man admitted he would allow his ship to be taken out of the water and conveyed across the isthmus by rail. Strong opposition arose, led by the late Dr. R. C. Weldon, M.P., Dean of Dalhousie Law School, and when the vote was taken it was found that the extension had been refused. The work was abandoned. Mr. Ketchum went down to Nova Scotia, and within a few years died of a broken heart, and was buried at Tidnish, within sight of one of the termini of the railway. Thus ended that lesson.

In the meantime there had been paid into the treasury of Canada over $500,000 in customs duties on very expensive machinery which was placed on the work. The trustees for the bondholders afterwards made a request for the return of this money, but it has never been returned.

The question of the building of the canal has been revived during the past year. Various Boards of Trade have passed resolutions calling upon the Government to construct it, and the Maritime Board of Trade, which is made up of delegates from various Boards of Trade in the Maritime Provinces, has unanimously passed a resolution asking the Government to make a thorough inquiry, and a survey of the route. The matter has been discussed in the House of Commons, and the Minister of Railways has promised an investigation as to the feasibility and cost of this work. I desire to press upon the Government the importance of such an investigation being a thorough one, and being undertaken at an early date. The Government might appoint a man who could give very reliable figures as to the cost of construction, but who would not know very much about tides or fogs or other dangers to navigation. I would suggest the appointment of a Commission consisting of at least three gentlemen, who could hear evidence in various parts of Canada and who would be able to come to a proper conclusion as to both the feasibility and the cost of this work.

The canal has been endorsed by many leading men. Of what importance would it be to the trade of the Dominion? In the investigation held many years ago the Board of Trade of Ottawa stated that they were decidedly of opinion that the canal was most important to the trade of Canada, and advocated a depth of sixteen feet of water on the sills of its locks.

The Board of Trade of Kingston stated:

The proposed canal seems likely to promote a large trade.

The Montreal Corn Exchange said:

It appears to be a necessary part of the canal system of the Dominion, affording a shorter route of water communication between the Bay of Fundy and the Straits of Northumberland.

The Board of Trade of Quebec looked upon the construction of the canal as a great necessity and invaluable to the entire trade of the Dominion.

Mr. Christopher Milner, an eminent citizen of Sackville, and Chairman of a Committee appointed at a public meeting there, stated:

Among other things another advantage to the Canadian trade would be a direct trade by way of the Bay of Fundy between Canada and the West Indies.

Allan Gilmour, of Ottawa, expressed the opinion that a canal at this place would be a great benefit to the trade of the Dominion generally, and the Lower Provinces in particular.

The Board of Trade of Hamilton found that—

This canal would be of great importance to the trade of the Dominion, especially to that of the Lower Provinces, looking to the improved size of the vessels on the Lakes, as the result of enlarging our canals, and which would engage in the direct trade from the Upper Provinces to the Lower Provinces.

Adam Brown, of Hamilton, said:

The construction of this canal would be one of the most useful works that could be undertaken for the general interests of the Dominion; it would reduce the cost of transportation between the productive portions of Canada on the one hand, and the consumptive portions of the Maritime Provinces on the other.

Alexander Wright referred to the opportunity of shipping coal and albertite, but contended that the cost of transit barred the extension of this business, as well as the business in freestone and grindstone. He further stated that the grindstone of the Joggins, in Cumberland, had a South and North American reputation (the quarries are in close proximity to the canal site); and referred to paints, which were then manufactured at Five Islands, in Colchester, where extensive beds of valuable baryta exist. He further referred to the trade with the West Indies, and to the trade in shooks, which could be supplied from the Gulf ports.

Hon. John Boyd, of Saint John, endorsed the statements made by Alexander Wright.

Hon. R. B. Dickey referred to the transport of flour from Ontario and Quebec to Saint John and the west of Nova Scotia, and of timber and provisions from the upper provinces and northern New Brunswick to the West Indies. The Prince Edward Island trade, the passage of Canadian and American fishing vessels to and from the northern grounds, and the return voyage with West Indian products, were also mentioned by him. He referred also to Cumberland coal, declared by Sir William Logan to be the finest coal for all purposes yet discovered on the continent, which would furnish return cargoes for vessels from the St. Lawrence.

Hon. A. R. McClellan expressed the opinion that the canal could be used in the development of a large intercolonial trade.

Senator Dickey, speaking in reference to the canal generally, said:

The navigation of the St. Lawrence has been facilitated by expensive canals. There is still a link wanting in the chain of improvements to connect the trade borne upon its waters with the important inlet between Nova Scotia and New Brunswick—in other words, the outlet for the second, if not the first, river of this continent by its natural channel through Canadian territory to the American coast.

To carry out this improvement, in advance of all others, would be a true National Policy of the Dominion. Let us first combine the Confederated Provinces by intercolonial improvement, which will benefit them all. Instead of embarking on new projects of colossal magnitude on one hand, or on the other of costly enlargement, not imperatively necessary, that would prove beyond our means, let us for the present complete the system of water communication with the St. Lawrence.

The canal, which probably would not cost more than $8,000,000, would be about eighteen or nineteen miles long, and would pass through practically level country which, except for a distance of about three-quarters of a mile, is soft material. God and nature almost made a canal. There is a question among geologists as to whether at one time water did not flow through from the Northumberland Straits to the Bay of Fundy. Parts of the country are sunken forest, where evidently there were trees in days gone by. There is, I think, a land rise of only about 25 feet in the whole distance. It will be found that everything is there to enable the building of a canal cheaply.

Objections have been raised to the canal on the ground of fogs in the Bay of Fundy, but according to evidence given before the Canal Commission by captains—and there were many of them—there is less fog and there is less danger in the Bay of Fundy than in the route via the Strait of Canso, where the fog and the dangers of southern Nova Scotia and Sable Island must be encountered.

I have no doubt that when the canal is built boats suitable for the trade will be provided. These boats will be able to sail up the present canals of Ontario, or deeper ones that may be built, and will bring from Nova Scotia to the central provinces apples from the Annapolis and Cornwallis valleys, gypsum from Hants and Albert counties, coal from the County of Cumberland, and so on. They will deliver their cargoes, without breaking bulk, into the very heart of Canada.

There has been considerable talk about developing trade between the Maritime Provinces and Ontario. We in the Maritime Provinces are spending a lot of money at the present time in keeping in Toronto a gentleman whose object is to increase this trade, and who has been doing very good work, but he is handicapped because of the freight rates between Nova Scotia or New Brunswick and Ontario. A few years ago I was discussing the freight rates on coal with the late Alexander Dick, of the Dominion Coal Company, and he told me that the rate from Sydney to Montreal was $4.80 a ton by rail, but that they were shipping by water for 60 cents. In other words, the rate by water was only one-eighth of the railway charge. If we can make direct shipment of our Maritime products by water as far west as Port Arthur and Fort William, we shall be able to bring back return cargoes for consumption in the Maritime Provinces.

I have been very much interested in this matter, and I believe that if we do justice the canal will be built. We are not asking that money be thrown away; we are not looking for charity; but we do ask that the work, which would be for the benefit of not only the Maritime Provinces but the whole of Canada, shall be carried on. We feel justified in making this request when we are contributing so much to the enormous expenditures that are being incurred in other parts of Canada for works which, I submit, are no more necessary than the Chignecto Canal.

Hon. R. DANDURAND: I am quite sure that all the members of this Chamber are indebted to the honourable gentlemen to whom we have been listening, for the information which they have furnished us on this old project of the Chignecto Canal. After hearing the history of this project, which was mooted one hundred years before the British flag was raised on the Quebec Citadel, and was frequently discussed for many years following that event, one naturally wonders why the men of our generation have heard so little of it in and out of Parliament. My theory is that up to the time when the ship railway scheme was proposed the canal project had been delayed because of the high cost of construction. I believe that the estimates reached as high a figure as $6,000,000—a very large sum for those days. We all know how difficult a problem it was to finance a number of important schemes which at the time of Confederation seemed necessary. We went on with the building of the Intercolonial Railway in order to connect the Maritime Provinces with Quebec and Ontario. The proposed Chignecto Canal was given long consideration in both Houses of Parliament. I believe that the ship railway scheme mooted in the eighties was the cause which finally prevented the construction of the canal. I will not pass judgment upon the House of Commons which refused to grant an extension of time to the company that had been organized to construct the railway, but I remember that the failure of the venture dampened the spirits of all who had been interested in it. It was the worst black eye that any public work could receive.

I came to this Chamber in January, 1898, and for some fifteen years afterwards I saw

daily at a club across the street the representatives of the English investors. During every Session up till 1910 they were here seeking compensation for the loss that had been entailed in the refusal of the House of Commons to grant an extension of time to the company to enable it to finish the work.

From the time that company failed until the present, nobody has raised a voice in Parliament in support of the Chignecto Canal. I believe that even the Maritime Provinces, although they were endeavouring to obtain better terms through the Duncan Commission, appointed in 1926, made no advocacy of this proposed canal before that Commission. If the Parliaments of the last twenty-five years have not examined this proposition, that is in my opinion due to the check it received in the early eighties, and to the fact that the Maritime Provinces from that time until the present have not advocated the building of the canal.

There apparently must be some virtue in the scheme, in view of the reports that engineers of several generations have made in favour of it. All I can add is that the present Government will start an investigation—will call for data on the cost, the feasibility, and the economic and other advantages to be derived from such a canal, and when that investigation has taken place and a report has been prepared by a Commission—which I hope may be well selected—it will be laid before Parliament.

Hon. G. D. ROBERTSON: Could my honourable friend give the House a little further information? Apparently he has devoted some thought to this matter and has a plan of action in mind. Is it correct to believe that the construction of this canal is a pledge which Canada has given to the Maritime Provinces and which remains unfulfilled, or did the construction of the Intercolonial Railway supplant this project first suggested? Were or were not the 60-foot tide in the Bay of Fundy on the one side, and the lower tide in the Northumberland Straits on the other side, regarded as serious impediments to the construction and operation of such a canal? Was or was not a ship railway a substitute experiment that was tried for the purpose of overcoming that difficulty? I think the answer to these questions might be interesting to honourable members.

Hon. Mr. DANDURAND: I imagine that the honourable gentlemen who preceded me and who brought the matter before this Chamber are able to give those details to my honourable friend. I confess in all humility that I had not been aware—or if it came to my notice I had forgotten it—that at the conference of 1864 the matter was mentioned. I see that it must have been, since witnesses who spoke in this very Chamber testified to what took place. I do not know the reasons which decided Parliament to grant a subsidy to the ship railway scheme, but those reasons must be on record in Hansard, for, as the outcome of an important debate which took place a few years afterwards, the House of Commons and Parliament felt constrained to go back upon that policy of giving a bonus, and decided not to extend the time for the construction of the railway. As to the question of the feasibility of the scheme, because of the difference in the levels of the waters on both sides, I am unable to give any information to my honourable friend.

Right Hon. Mr. GRAHAM: A great place for water-power development.

Hon. Mr. BLACK: In order that there may be no confusion on that particular point, I may say that the construction of the Intercolonial Railway had nothing to do with the construction or the lack of construction of the Baie Verte Canal. The grant for the building of the canal was made after the Intercolonial Railway was in process of construction. As a matter of fact, the Intercolonial Railway was begun, so far as that portion built in New Brunswick was concerned, before Confederation; and the construction of the Intercolonial Railway after that was the linking up of various units already built or proposed. Therefore any moneys expended on the Intercolonial Railway could in no way have anything to do with the construction or lack of construction of the canal.

As to the difference between the high tide of the Bay of Fundy and the tide of only 9 feet in the Northumberland Strait, according to the reports of the engineers who investigated the scheme, that was not considered a serious obstacle.

Hon. W. A. GRIESBACH: Did the question of power arise?

Hon. Mr. BLACK: The question of power was then in its infancy.

Hon. Mr. GRIESBACH: But now?

Hon. Mr. BLACK: That has not been gone into. The honourable gentleman (Hon. Mr. Robertson) asked another question, whether the attempted building of the ship railway did not side-track the canal project. It did side-track it. I think the Parliament of Canada at that time was hypnotized by a very able man who had this Utopian scheme in his head, and, without the backing of any

shipping people in the world, was able to convince the Federal Government that the railway should be built, and who succeeded in convincing English investors that they ought to put their money into it. The result was that the English investors lost their money and the Chignecto Canal has not been built.

DIVORCE BILLS

THIRD READINGS

Bill S2, an Act for the relief of Dorothy Madeline Hanson Campbell.

Bill T2, an Act for the relief of Frank Arthur LeNoury.

Bill U2, an Act for the relief of William Thomas Taylor.

Bill V2, an Act for the relief of Thomas Booker.

Bill W2, an Act for the relief of Marion Isabel Kemp.

Bill X2, an Act for the relief of Agnes Victoria Leader.

Bill Y2, an Act for the relief of Louisa Martha Weston.

Bill Z2, an Act for the relief of Susannah Musson Savery.

Bill A3, an Act for the relief of Elizabeth Crawford Copping.

Bill B3, an Act for the relief of Arthur Alderton.

Bill C3, an Act for the relief of Elias Abraham, otherwise known as Elie Abraham Allen.

Bill D3, an Act for the relief of Irene Mabel Usher.

Bill E3, an Act for the relief of Anna Estella DeNike.

Bill F3, an Act for the relief of Elizabeth Spain.

Bill G3, an Act for the relief of Bella Solnik.

Bill H3, an Act for the relief of Louisa Hitchman.

Bill I3, an Act for the relief of Florence Jane Sheppard.

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill J3, an Act for the refief of Claude Frederick Burgin.

Bill K3, an Act for the relief of Adèle Cawthra Rogers.

Bill L3, an Act, for the relief of Madelaine Virginia Lumsden.

Bill M3, an Act for the relief of Edgar Charles Buchanan.

Bill N3, an Act for the relief of Mary Addie Linton.

Bill O3, an Act for the relief of Maud Parker.

Bill P3, an Act for the relief of Eleanor Vair.

Bill Q3, an Act for the relief of Edna Maud James.

Bill R3, an Act for the relief of Helen Jane Sim Pittendreich.

Bill S3, an Act for the relief of Isabel Honor Gilderoy.

Bill T3, an Act for the relief of Alfred Roy Edwards.

Bill U3, an Act for the relief of Marie Rose Beffre Baer.

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

THE SENATE

Thursday, April 18, 1929.

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

Prayers and routine proceedings.

PRIVATE BILLS

FIRST READINGS

Bill W3, an Act respecting the Alliance Nationale.—Hon. Mr. Beaubien.

Bill X3, an Act to ratify and confirm the organization and the election of directors of Family Trust, and to change the name of that company to "Financial Trust Company."—Hon. Mr. L'Espérance.

THIRD READINGS

Bill 17, an Act respecting the Quebec Railway Light and Power Company.—Hon. Mr. Paradis.

Bill 41, an Act respecting the Canadian Pacific Railway Company.—Hon. Mr. Harmer.

ROOT VEGETABLES BILL

THIRD READING

Bill 5, an Act to amend the Root Vegetables Act.—Hon. Mr. Dandurand.

INVESTMENT COMPANIES BILL

FIRST READING

Bill V3, an Act respecting investment companies.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND moved that the second reading of the Bill be placed on the Orders of the Day for April 30.

He said: In making this motion I desire to inform the Senate that this Bill arises out of a discussion which took place on the

Companies Act Amendment Bill, which I introduced some time ago, and which is now before the Banking and Commerce Committee. This Bill will be printed with the necessary explanatory notes, for distribution to members of the Senate and to outside parties who are interested, and after the second reading it will reach the Banking and Commerce Committee in time to be examined and studied in conjunction with the Companies Act amendment.

Hon. Mr. WILLOUGHBY: Is it the intention to send out in advance invitations to financial institutions that may wish to be heard on the Bill?

Hon. Mr. DANDURAND: It is understood that the clerk of the Banking and Commerce Committee will distribute to honourable gentlemen, and to outside parties who are interested, more especially those who have appeared before the Committee, the verbatim report of our last meeting, accompanied by the Bill. I do not know that it is necessary to send any further notice to financial interests that will be heard, for the Banking and Commerce Committee has adjourned just for the purpose of giving them an opportunity to appear.

The motion was agreed to.

PRINCE EDWARD ISLAND SUBSIDY

INQUIRY AND DISCUSSION

Hon. J. J. HUGHES rose in accordance with the following notice:

That he will call the attention of the Senate to the actual financial condition of the Province of Prince Edward Island, and to the comparative financial position of the said Province with respect to the other Provinces of the Confederation; and inquire whether it is the intention of the Government to introduce legislation during the present session of Parliament to increase the subsidy paid to the Province of Prince Edward Island in lieu of public lands.

He said: Honourable gentlemen, in order that the case which I think I can establish may be well understood by every member of this House, I shall have to lay a foundation, and in doing so shall have to mention some things of common knowledge to every member of Parliament, and to many other persons as well. I promise, however, that I will not weary you with such commonplaces, and I promise also that I will make my general remarks as brief as possible.

The Confederacy known as Canada is composed of four landless provinces and five provinces which own their lands and natural resources, from which they derive large provincial revenues. The landless provinces are Prince Edward Island, Manitoba, Saskatchewan and Alberta. The landless provinces had to be given subsidies from the Federal treasury in lieu of public lands, to make Confederation covering the whole of Canada practicable and enduring, and this was done. When once the principle of paying subsidies in lieu of public lands was adopted, it followed that the same policy and the same plan of payment would have to be carried out in respect to all the provinces concerned, or rank injustice would be the result. This must be apparent not only to every member of Parliament, but to every man and woman in Canada.

In 1870 the Government of the day bought the territory known as Rupert's Land from the Hudson's Bay Company, and in the same year the Province of Manitoba was established. The money paid to the Hudson's Bay Company, together with the cost of surveying the lands and policing the territory, and other incidental expenses, became a charge on the public revenues of Canada. When Manitoba became a province she did not get the ownership of the lands and natural resources within her boundaries. The Crown in Canada retained them and gave to every man who would take up a homestead in Manitoba 160 acres of land free. Under these circumstances Manitoba had to get certain subsidies from the Federal treasury to enable her to set up housekeeping and meet the necessary expenses, but none of these subsidies was earmarked as a payment in lieu of public lands.

In 1873 Prince Edward Island came into the Confederacy. She had no public lands, and never had any. Many years before that time the Crown in England gave them all away to a few favourites in the Old Country. If the Crown in Canada had bought out the English proprietors in the same way that it bought the western lands, and had given homesteads to the settlers in Prince Edward Island free, it would have pursued, in principle, in respect to that province, the course followed in the case of Manitoba, but it did not do this. The Federal Government gave to Prince Edward Island a subsidy in lieu of public lands of $45,000 a year, and agreed to loan the Provincial Government any sum up to $800,000 it might wish to borrow to buy out the proprietors, upon which sum five per cent interest would be charged, and deducted from this subsidy. This borrowing power was exercised by the Province to the amount of $782,402.33, which reduced the subsidy in lieu of public lands to less than $6,000 a year, or say six cents per head of the population.

In 1882 Manitoba claimed and received a subsidy of $45,000 a year in lieu of public lands, which was more than 72 cents per head of her population. Discrimination against

Prince Edward Island was then started, and it has been continued and at frequent intervals increased ever since, as I shall abundantly prove. In 1885 Manitoba claimed and was granted, in lieu of public lands, a subsidy of $100,000 a year, equal to more than 92 cents per head of her population. The discrimination against Prince Edward Island was thus increased. In 1905 Saskatchewan and Alberta were formed into provinces. Each received in lieu of public lands a subsidy of $375,000, or $1.50 per head on an assumed population of 250,000, but in the case of Alberta the assumed population was much greater than the actual. This subsidy was to be increased to these provinces as their population would increase. Each of these provinces received also, in lieu of public lands, the capital sum of $468,750. Both Manitoba and Prince Edward Island were now discriminated against, but Prince Edward Island enormously so.

In 1912 Manitoba demanded to be put on an equality with Saskatchewan and Alberta, and her demand was granted, because it was manifestly just; and, more than that, her increased subsidies were dated back to 1908.

Prince Edward Island still remains where she was in 1873, receiving six cents per head of her population. It would be hard to find in the history of the modern world a more pronounced example of discrimination, and the results are what might have been expected. Prince Edward Island has now reached what might be termed almost a crisis in her history. Notwithstanding economy in every department of the Government service, and the levying of all the local taxation the people can bear, we cannot make ends meet. We are going deeper into debt all the time, and the past year our total expenditure exceeded our total revenue by nearly $200,000. This is a serious matter for so small a province, and if the Dominion were in a similar financial position it would mean a deficit of over one hundred millions of dollars.

Our population is dwindling all the time, while the population of every other province in the Dominion is increasing, and the worst feature of this situation is that the percentage of our young people who have not yet reached the earning period of their lives, and the percentage of the old people who have passed the earning period of their lives, are much greater than in the other provinces. Additional local taxation is therefore out of the question. With our present revenue we cannot make anything like adequate provision for the sick and the poor amongst us. We cannot think of introducing the old age pension scheme, which several of the other provinces have adopted or are adopting. We cannot pay our school teachers salaries that will at all compare with the salaries which the men and women in the teaching profession in the other provinces receive. The consequence is that our educational system was on the eve of disorganization—perhaps disruption—lately, and a crisis was narrowly averted. Our teachers threatened to resign in a body if their salaries were not increased. Under these circumstances, would it be unreasonable for us to ask, and expect, that we be immediately put upon an equality with the other landless provinces in the matter of subsidies? Surely not.

Now allow me to compute what that would mean. The other provinces are receiving $1.50 per head of their population, in lieu of public lands. We receive six cents per head—a difference of $1.44. Some of the other provinces received their subsidy on an assumed population greater than the actual at the start. At one time our population was over 109,000; it is now less than 100,000. We think the decline in numbers has been caused, in part at least, by the discrimination from which we have suffered since we entered the Union. Would it be fair first to treat us with injustice and then to punish us for all time for the consequences of that injustice? Surely not. Under the circumstances, I think that in all fairness our subsidy should be computed on a population of 100,000; and this would give us an additional subsidy of $144,000.

Hon. Mr. CASGRAIN: What is the population now?

Hon. Mr. HUGHES: About 90,000.

In 1912 Manitoba demanded that she be put on an equality with Saskatchewan and Alberta, and, in order that her equality might be real, that her additional subsidy be dated back. Her demand was granted and the principle of dating back to make equality absolute was then established. It cannot be denied to Prince Edward Island now.

From 1882 to 1885 Manitoba received 66 cents per head of population more than Prince Edward Island received. This would mean for the three years a capital sum of $198,000. From 1885 to 1905 Manitoba received 86 cents per head of population more than Prince Edward Island received. This would mean for these twenty years a capital sum of $1,720,000. From 1905 to the present year, Saskatchewan and Alberta have been receiving $1.44 per head of population more than Prince Edward Island has received. This would mean for these twenty-four years a capital sum of $3,456,000, or a total capital sum of $5,374,000, which at 5 per cent interest would yield an additional subsidy of $268,700. This $268,700 would be the interest on the arrears,

and the $150,000 we are entitled to from this date forward would make our future subsidy, in lieu of public lands, $418,700 a year.

Furthermore, when the Prairie Provinces get their natural resources, if they retain the subsidies as well, we shall be entitled to a payment, in proportion to our population, upon the fair estimated value of these resources. This may appear large to some, but I submit that nothing less will put us upon an equality with the other landless provinces.

In addition to her claims as one of the landless provinces, Prince Edward Island has claims which are peculiarly her own, and she has also claims in common with Nova Scotia and New Brunswick, which were recognized by the Duncan Commission when it recommended interim payments of $125,000, $600,000 and $875,000 till final adjustments would be made. The common claims must of course be pressed in common and adjusted in common, but our own claims must be kept entirely separate and apart. It has been suggested that we merge all our claims with those of Nova Scotia and New Brunswick and press for a common settlement. I do not think worse advice could be given, and I hope it will not be followed. To mix up the claims of Prince Edward Island that have nothing at all in common with the claims of the other Maritime Provinces could not fail to becloud the issue and weaken our case.

When Manitoba in 1912 demanded the extension of her boundaries and financial treatment equal to that which Saskatchewan and Alberta were receiving, did she ask any other province to assist her? And if she did not, why should we? Her claims were so just that they could not be withheld, and are ours one whit less just? Or do size and geography determine the quality of justice? It is true we cannot get an extension of our boundaries, but that is all the more reason why we should get equality of financial treatment.

In November, 1927, there was held at Ottawa a Dominion-Provincial Conference at which many important subjects were discussed, but nothing was settled as regards subsidies or public lands. Certain of the delegates from some of the provinces seemed to take a patronizing attitude towards Prince Edward Island, which, in my opinion, was altogether unnecessary and very unfortunate. I wish to emphasize here and now, as strongly as I can, that Prince Edward Island is not looking for alms or doles, but is asking for what she believes to be long over-due justice —such justice as Manitoba has received since the early days of her existence; such justice as Saskatchewan and Alberta have received since they were born. And this leads me to the conclusion that interprovincial conferences are not the best occasions to consider and settle all such questions as we are now discussing. The Parliament of Canada is, of course, the most representative and authoritative body that can be convened in Canada, and, in the last analysis, is the only body which can determine the policy the country should follow. To the Parliament of Canada I therefore make my appeal. Moreover, not the least of the duties of the Senate of Canada is the protection of the rights of minorities and small provinces. It is fitting, therefore, that I should introduce my appeal in this honourable House, and I do so with confidence.

I have endeavoured to present my case briefly and clearly, but in my desire to be brief I may have sacrificed clarity, and if so, I shall welcome any question or questions that honourable members may ask me, calculated to clear up any points that may need elucidation. And now I respectfully ask my honourable leader, the representative of the Government in this Chamber, to give me an answer, if he can, to-day; if not, then at the earliest convenient date. Prince Edward Island cannot wait and should not be asked to wait till even next year.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, we have been invited to ask questions. The address to which we have just listened has been very interesting, but those who are familiar with Prince Edward Island know there is perhaps no other part of Canada where the people are more happy and prosperous. I believe there are no paupers on that Island; all the inhabitants are in comfortable circumstances, and when the potato crops are good the people do very well. The province is the home of the silver fox industry, out of which much money is being made, and on the whole I think the people down there are well off now. The whole country is interested in this matter. There is in Prince Edward Island a railway some 120 miles in length, which I believe is going to be extended. I understand that railway was not built at the expense of the province.

Hon. Mr. HUGHES: The honourable gentleman is quite mistaken in that.

Hon. Mr. CASGRAIN: Did the province pay for the railway?

Hon. Mr. HUGHES: We paid for the railway when we entered Confederation. We were credited with our share of the national debt and debited with our own debt and also with the cost of the railway.

Hon. Mr. CASGRAIN: How many miles in length was the railway in Prince Edward Island at that time?

Hon. Mr. HUGHES: The cost was about $3,250,000.

Hon. Mr. CASGRAIN: How many miles were there then?

Hon. Mr. HUGHES: Not as many as there are now.

Hon. Mr. CASGRAIN: It was a narrow gauge road, about three feet six inches, with about 40-pound rails. I am not against Prince Edward Island, but I make these remarks merely that the House may understand the situation. I believe that at the time of Confederation the province was allowed $250,000 for whatever mileage the railway had.

Hon. Mr. HUGHES: It was debited.

Hon. Mr. CASGRAIN: Yes. And there is a very expensive ferry that is kept running between the mainland and Prince Edward Island at considerable cost, and I do not think the Island is called upon to contribute anything to that service. It was understood at the time of Confederation that there would be steam communication. There has been some talk of a tunnel, but that would cost more than the province itself, because the area of the province is rather restricted, as may be seen from the map. My honourable friend (Hon. Mr. Hughes) says the population is 90,000. I thought it was 88,000. But, whatever the population is, there are remedies which the province may take to improve its financial position. The Prime Minister of Nova Scotia, Hon. Mr. Rhodes, said the other day that they would have a deficit of some $800,000 in Nova Scotia this year, if I am not mistaken, and that they were in financial straits. He thought if a referendum were taken as to whether that province should conform with other provinces in having Government control of the liquor traffic, the result might benefit the provincial exchequer to such an extent as to wipe out the deficit. I have no doubt that if they had some kind of liquor control in Nova Scotia it would settle many of their difficulties. The Government of the Province of Ontario last year received $49,000,000 for the liquor they sold, and the profits were quite substantial. The Province of Quebec has made on an average between $4,000,000 and $5,000,000 a year, which has helped considerably. Other provinces that have liquor control have done very well also.

The people of Prince Edward Island want to enjoy the luxury of prohibition; yet, honourable gentlemen, liquor is not so scarce there as you might think. If the honourable gentleman would apply to his own Government to take the control of liquor into their own hands, they would have a remedy. The honourable gentleman knows that there are people in that province who drink. They drink without paying anything to the province, whether they get it through bootleggers—

Hon. Mr. DANDURAND: Moonshiners.

Hon. Mr. CASGRAIN: —or from moonshiners, as the honourable leader says, or in any other way. However, there is one remedy.

Then I ask, honourable gentlemen, is it not an anomaly to have 90,000 people—the population of a ward or so in Toronto or in Montreal—governed as they are in Prince Edward Island? That is something that really ought to be considered. Notwithstanding their small population they have a governor, and houses of parliament, and all the other paraphernalia of government. Nova Scotia also has a comparatively small population, and it is not increasing; and if something is not done with the coal and steel industries down there the population will decrease still further. In New Brunswick the population is increasing somewhat, because some of my own countrymen live there, and they manufacture their own immigration year in and year out.

Now, in all seriousness, honourable gentlemen, I do not believe that the people of Prince Edward Island are badly treated. They have four senators to represent 88,000 people, and they have an equal number of members of the House of Commons—in fact, they have one member of parliament more than they are entitled to according to the last census. Nevertheless, if they have come to the end of their tether, is it not time for them to consider joining with Nova Scotia, and perhaps New Brunswick too, to make one good, solid province?

The honourable gentleman says the population of Prince Edward Island is not increasing—that the people are leaving. A good many of them are leaving because of prohibition; they want to go where they can enjoy full liberty, and the other good things of this world. I remember when there were 100,000 people in that province. My proposal to the honourable gentleman would be that he should suggest to his Government, first, that they adopt liquor control, which seems to be the salvation of the revenues of some of the provinces, and then that they consider the advisability of annexation with Nova Scotia, or with New Brunswick and Nova Scotia. In that way I think they might find a remedy.

Hon. RAOUL DANDURAND: Honourable gentlemen, I do not intend to enter into the merits of the claim of Prince Edward Island to a larger subsidy. I desire simply to examine into the history of the latter years.

I find at page 18 of the Report of the Royal Commission on Maritime Claims a statement concerning the special case submitted to the Commissioners by the Government of Prince Edward Island. I shall read it to this Chamber, and it will be seen that many of the points made by my honourable friend (Hon. Mr. Hughes) were submitted to that Commission. The report says:

Prince Edward Island joined Confederation in 1873. The province never had Crown lands in the general meaning of the term. Its lands were held by proprietors who had received them in grant from the British Crown, and who leased them to settlers. In 1853 the legislature of the then colony empowered the Government to purchase the land from the proprietors and to sell it outright to settlers. Approximately three-fifths of the land was bought from the proprietors before Confederation, either by the Government, which paid for it out of current revenue, or by the tenants themselves.

One of the terms and conditions of that province's entry into Confederation was:—

This is a citation:

That as the Government of Prince Edward Island holds no land from the Crown, and consequently enjoys no revenue from that source for the construction and maintenance of local works, the Dominion Government shall pay by half-yearly instalments, in advance, to the Government of Prince Edward Island, forty-five thousand dollars per annum, less interest at five per centum per annum, upon any sum not exceeding eight hundred thousand dollars, which the Dominion Government may advance to the Prince Edward Island Government for the purchase of lands now held by large proprietors.

I quote again from the Report:

Advances were drawn by the province against the sum allowed in the foregoing provision to nearly the full extent for the purpose of buying out the remaining absentee proprietorships and transferring the lands to their own settlers.

In the nature of things, the transaction was a costly one to the province, both from the point of view of its administrative expense and loss of interest. There was, in addition, a net cash loss of $190,000 on the principal outlay. The Government submitted to us a detailed claim showing a very considerable gross loss on these land transactions.

The consequence has been that, in point of fact, the province has never had any beneficial enjoyment of the provision which was made for them "in lieu of public lands" on their entry into Confederation, and they argue that the special circumstances surrounding the transaction are so different from what was in contemplation both by the Dominion Government and themselves when the provision was made, that they should not be deprived of their annual payment in its full amount.

The claim is, of course, a very belated one, but it is advanced, as we understand it, on very broad equitable grounds rather than upon strict contract. We think it must be looked at in the general financial revision or readjustment which we are suggesting for the Maritime Provinces.

Honourable members of this Chamber know, and my honourable friend has recalled, that as a result of the findings of this Royal Commission interim or provisional payments were made of $875,000 to Nova Scotia, $600,000 to New Brunswick, and $125,000 to Prince Edward Island. In view of the interest that all the provinces of Canada had in the financial arrangements made at the time of Confederation, or later, when other provinces entered the Union, it was deemed necessary that there should be a consultation on the financial rearrangement suggested by this Commission, and a conference took place. My honourable friend seems to think that no very great advantage was obtained from that conference by any of the provinces, more especially by Prince Edward Island. Well, I attended the conference, and, with all due respect, I believe my honourable friend is in error. One of the results has been that the Federal Government has had greater freedom of action in approaching the discussion and solution of this problem. The Federal Government meets the provinces, if not through official delegates coming to Ottawa, through members of the House of Commons and members of this Chamber. I remember that at previous conferences, when a claim was made by one province for an increased subsidy, the representatives of the other provinces immediately asked themselves whether the financial undertaking of 1867 was not being disturbed, or whether, as a result of such a request or demand being granted, they would not be entitled to a proportionate increase. There seemed to be a desire to adhere as closely as possible to the pact of 1867, which was extended to the other provinces that later on came into Confederation. But what took place at the last Conference? It was with considerable satisfaction that I noticed a difference in the atmosphere. Apparently Canada had grown and developed, and felt that it was in a much stronger position, and could take a more liberal view of these questions. The two great provinces of Ontario and Quebec were represented by their Prime Ministers, who rose and said that they were not averse to the other provinces obtaining the redress of their grievances, and even securing generous treatment, and both added that they would not on that score claim anything by way of compensation. That is something which my honourable friend has not noticed, and which inures, and will inure, to the material advantage of the other provinces.

The interim payments are being made. The Finance Department, if it is not already doing so, will soon examine into the readjustment to be made; and at the present time the Dominion Government is in conference with the Western Provinces with a view to a final settlement of the financial situation in conjunction with the transfer to those provinces of their natural resources.

My honourable friend has stressed the point that Prince Edward Island is entitled to an increased subsidy, or to better terms, in accordance with those granted to the landless provinces of the West. I suggest to my honourable friend that the Maritime Provinces, and his province in particular, will lose nothing by awaiting the final settlement between the Government and the Western Provinces, for whatever benefits accrue to those provinces in the final settlement may have a beneficent effect upon his own province, and may afford stronger arguments than he can advance to-day for a final adjustment of the claims of Prince Edward Island.

The honourable gentleman asks whether legislation will be brought in this session for the settlement of the just claim of Prince Edward Island. I must inform my honourable friend that I do not believe such legislation can be forthcoming this session, because I understand that the Maritime claims will be taken up only after the settlement with the Western Provinces. An answer in the affirmative would of course mean that such a settlement is soon to be reached; but it does not follow that if there is failure or delay in reaching a settlement with the Western Provinces the Department of Finance will not set to work and endeavour to effect some adjustment of the situation with the Maritime Provinces. All I can tell my honourable friend is that, just as the Dominion Government is discussing this matter separately with each of the provinces in the West, when it comes to an adjustment with the Maritime Provinces, each and all of them will be heard and their views taken into consideration.

Hon. Mr. HUGHES: Have I the right to say a few words in reply?

Hon. Mr. DANDURAND: I am not sure that my honourable friend has a right to reply to an answer made by the Government, but I suppose that by leave of the House he may put further questions.

Hon. Mr. HUGHES: I have no further questions to put.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, I desire to make a few brief remarks in reference to the case so very admirably presented by the honourable gentleman from Prince Edward Island (Hon. Mr. Hughes). I, as a westerner, do not want to be clamorous at all times for what we in Saskatchewan and Alberta believe to be our legal and constitutional rights. It is admitted by all in the West that the position of Manitoba is not quite the same as that of the other two provinces. Manitoba's position is now being inquired into by a Commission, and I would not attempt to comment upon it, particularly as both the local and the Dominion governments are represented by men who are abundantly able to deal with the situation.

Because the territory is a little far afield and there may be some who are not familiar with the exact position that we in Saskatchewan and Alberta take, I may tell honourable gentlemen that we do not at all recognize the legal proprietorship of the Dominion Government in the natural resources of those provinces. We think that when those provinces were formed there was a violation of the spirit of the constitution, which never contemplated the creation of landless provinces. That position was maintained in this House by some of the most eminent members of the Liberal party of the time. Since then the investigations of those who have made a study of the legal question have carried the argument very much further: it is now maintained that we in those two Prairie Provinces have been and are the legal owners of the natural resources in those provinces. I am speaking now more particularly of Alberta and Saskatchewan, because we are not embarrassed by a special Act of the Imperial Government, as Manitoba is. The Acts depriving us of our natural resources are not Acts of the Imperial Government at all, and we maintain that it was not within the competency of this Parliament at any time to deprive us of rights that we acquired under the British North America Act.

I am not going to dwell on this subject. I referred to it here once or twice before, in a very brief way. In two of the Prairie Provinces, the two westerly ones, negotiations on these matters are either in progress or pending. Alberta apparently has deferred further action until the findings of the Commission dealing with the case of Manitoba are announced. Saskatchewan, I know, has been at various times in communication with the Federal Government, but I am not aware what, if any, negotiations are going on at the present time, nor am I in counsel with the present Government of Saskatchewan. I have a strong impression that the Province

of Saskatchewan in presenting its case here claimed an absolute legal right to its natural resources. Its representatives argued, I trust, that under the British North America Act the Federal Government were trustees of those resources, but never owners, even at the time when that part of the country was practically unsettled, and therefore they could manage, but could not assign, the resources of the province. There is a vast difference between the position of an owner and that of a trustee, but for a number of years the Dominion Government acted as if they were the absolute owners. They granted large parcels of land for the construction of railways, even outside Saskatchewan, and acted generally as absolute owners in fee of these resources. As far as I am concerned, and in the light in which I construe the law, I should never be satisfied with any settlement, as between the two westerly Prairie Provinces and the Dominion Government with reference to the natural resources, that did not recognize the proprietorship of the province. If we start with that foundation and are to have an adjustment as to trusteeship, what the provinces have received from the Dominion Government by way of subsidy or otherwise in alleged return for the natural resources is a matter that can be determined by a Commission.

I do not want to say more than that now, because I think that tentative negotiations of some sort are still in progress between the Saskatchewan and the Federal Governments. At any rate, they have had some communications and meetings. It may be they are awaiting the termination of the Manitoba case. I merely want to make clear that when the proper time comes Saskatchewan and Alberta will have something to say if the Federal Government take the position that they are owners of the natural resources.

Hon. Mr. MacARTHUR: I should like to ask the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) if he, or the people generally in the West, consider the Maritime Provinces have any equity in either the alienated or the unalienated lands of the West?

Hon. Mr. WILLOUGHBY: None whatever in law, in my opinion.

Hon. Mr. HUGHES: Perhaps I did not make my position as clear as I wished to make it. I take this ground, not as a legal argument at all, but on the broad question of equity, that when Prince Edward Island was allowed anything in lieu of public lands there was established the principle that it was entitled to payment on that account, and it naturally follows that when Manitoba, Saskatchewan and Alberta, in lieu of public lands, were granted subsidies, based on population, Prince Edward Island should have been treated on similar terms. That appears to me to be so elementary in equity that it does not need argument.

With respect to the statement quoted by the honourable leader from the report of the Duncan Commission, my reading of that is that the amount of $125,000 a year that Prince Edward Island receives was for claims similar to those advanced by Nova Scotia and New Brunswick. It is one of the interim payments for the common claims of the three Maritime Provinces, though Prince Edward Island was of course entitled to less than the others; but that has nothing whatever to do with the claim I have presented to the House to-day.

I was not privileged to be at the Dominion-Provincial Conference, and therefore I know of what took place there only from what I have read. I was very much pleased to hear from my honourable leader in this House that the atmosphere was so agreeable that the Government feels it has the consent of the provinces to proceed with a settlement of all claims at an early date, and to make equitable as well as legal adjustments that would appeal to all the provinces. I am more interested in equity than I am in the legal aspects of the case, for "the letter killeth, but the spirit giveth life."

I wish only to repeat that we in Prince Edward Island do not desire to create the impression that we are asking for anything to which we are not entitled in equity and in justice, as an integral part of this Dominion.

If I may offer a homely illustration, it seems to me that the Dominion of Canada is like a family that consists of nine members, all settled on the family estate. If some of the family are located in places where they are at a great disadvantage as compared with other members of the family, there must inevitably be adjustments in order that the whole family may be contented and may share equally in the general prosperity.

There is no doubt at all that the central provinces, Ontario and Quebec, have enormous natural resources; and the same is true of British Columbia and, though perhaps to a lesser extent, of the Prairie Provinces. These provinces thereby derive an immense advantage over others that are less favourably endowed. It is not charity at all on the part of the other provinces to allow Prince Edward Island to share with them, proportionately, in our common heritage.

Hon. Mr. WILLOUGHBY: I do not want to create the impression that I am criticizing the position taken by my honourable friend (Hon. Mr. Hughes), or necessarily adverse to it; but I cannot admit the premises on which he founds part of his argument, namely, that the Dominion Government owned the resources of the Prairie Provinces, and, having made an allowance in lieu of them—

Hon. Mr. HUGHES: In my view, that would not weaken my argument at all.

Hon. Mr. WILLOUGHBY: It may be that the Maritime Provinces, including Prince Edward Island, require further financial aid from the Dominion. I have no doubt that for a time, at least, the Maritimes did not receive as great benefits from Confederation as did the two great provinces of Ontario and Quebec. The loss to the Eastern Provinces of custom duties and excise revenue must have been a very serious one for many years, and no doubt in several respects they suffered severely. Everybody in Canada sincerely hopes that the Maritimes may have increased prosperity; I think this sentiment is reflected, to some extent, in the appointment by the Dominion Government of the Duncan Commission. I believe the people of Canada approved of the findings of that Commission. No complaint that the Commission was too generous has come to my notice; the only criticism seems to be that their findings are not being fully implemented. Throughout the whole country, I believe, there is a feeling that the recommendations of the Commission should be carried out. Certainly the West is not opposing that view. I ask the honourable gentleman not to think that I voice any opposition to the most generous treatment that can be given to Prince Edward Island.

Hon. Mr. HUGHES: I hope I did not say anything that implied I thought so.

EXPORT OF PROHIBITED MERCHANDISE TO UNITED STATES

MOTION FOR RETURN

Hon. Mr. WILLOUGHBY, for Right Hon. Sir George Foster, moved:

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

All proposals made by the Government of the United States to the Government of Canada looking to the regulation or prevention of exports from Canadian ports to ports of the United States of merchandise prohibited by the laws of the United States from entrance into their territory, and the action taken thereon and replies made thereto by the Canadian Government.

The motion was agreed to.

REVALUATIONS UNDER SOLDIER SETTLEMENT ACT

MOTION FOR RETURN

Hon. Mr. GILLIS moved:

That an order of the Senate do issue for a return to include the following:—

1. The number of applications for revaluations under chapter 68 of the Dominion Statutes of 1926-27, "An Act to amend the Soldier Settlement Act, 1919."
2. The number of cases in which depreciation in value of lands, or lands and improvements, was determined and allowed.
3. The number of settlers reinstated under subsection (J) of the Act.
4. The total sum of depreciation determined and allowed.
5. The number of applications refused, and (b) the number of applications pending and undisposed of.
6. The number of appeals under the Act.
7. The number of applications by settlers in township 17, ranges 3 and 4, west 2nd meridian, (2) the name of each settler, (3) and how each application was decided and settled.

The motion was agreed to.

PRIVATE BILLS

THIRD READINGS

Bill 64, an Act respecting Chartered Trust and Executor Company.—Hon. Mr. Spence.

Bill 18, an Act to incorporate Canadian Re-insurance Corporation.—Hon. Mr. Webster.

SECOND READINGS

Hon. G. LACASSE moved the second reading of Bill 39, an Act respecting the Essex Terminal Railway Company.

Some hon. SENATORS: Explain.

Hon. Mr. LACASSE: I understand the purpose of this Bill is simply to grant an extension of time for the construction of this railway. Owing to certain unusual conditions which prevented the commencement of the work, the Parliament of Canada from time to time, by special Acts, has granted extensions of time for the commencement and completion of this undertaking, the last extension having been granted by chapter 84 of the Statutes of 1927. Failure to commence the work has been caused by unfavourable financial conditions of recent years.

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

Hon. Mr. WILLOUGHBY moved the second reading of Bill 61, an Act respecting the Lacombe and North Western Railway Company.

He said: In the absence of the honourable gentleman in whose name this Bill stands

(Hon. Mr. Griesbach), if no explanation is demanded concerning the purposes of the Bill, I will move the second reading.

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

DIVORCE BILLS

FIRST READINGS

Hon. Mr. Robinson, for the Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time.

Bill Y3, an Act for the relief of Molly Vaughan.

Bill Z3, an Act for the relief of Lillian Augusta Dunn.

Bill A4, an Act for the relief of Myrtle Mary Jane McLean.

Bill B4, an Act for the relief of Catherine Goring.

Bill C4, an Act for the relief of Mary Bertha Dupuis Ranger.

Bill D4, an Act for the relief of Harvey Baden Powell Haney.

Bill E4, an Act for the relief of Jeanie Mathieson Howell.

Bill F4, an Act for the relief of Ivy Georgina Lloyd.

Bill G4, an Act for the relief of Helen Steele.

Bill H4, an Act for the relief of John Campbell.

Bill I4, an Act for the relief of Gordon Asher True.

Bill J4, an Act for the relief of Annie Forbes Sangster.

Bill K4, an Act for the relief of Ethel Evelyn Farrow.

Bill L4, an Act for the relief of Joseph Nicholl.

Bill M4, an Act for the relief of Charles Stanley Cuneo.

Bill N4, an Act for the relief of William Allan Griffith.

Bill O4, an Act for the relief of Sydney Bishop.

Bill P4, an Act for the relief of Walter Henry Lyne Dixson.

Bill Q4, an Act for the relief of Ida Rosenberg.

Bill R4, an Act for the relief of Marjory Lavinia Bradford.

Bill S4, an Act for the relief of Patrizio Nardini.

Bill T4, an Act for the relief of John Alfred Neary.

Bill U4, an Act for the relief of Charles Storey.

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

Hon. Mr. WILLOUGHBY.

THE SENATE

Tuesday, April 30, 1929.

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

Prayers and routine proceedings.

PRIVATE BILLS

THIRD READINGS

Bill 62, an Act respecting the Esquimalt and Nanaimo Railway Company.—Hon. Mr. Barnard.

Bill 83, an Act respecting the Canadian Pacific Railway Company.—Hon. Mr. Harmer.

MESSAGE FROM HIS MAJESTY THE KING

The Hon. the SPEAKER: Honourable gentlemen, I have the honour to inform you that I have received the following message from His Excellency the Governor General, transmitting a message from His Majesty the King:

Office of the Governor General's Secretary
Canada

Ottawa, 29th April, 1929.

Sir,

I am commanded by His Excellency the Governor General to inform you that he has received the following message from Lord Stamfordham, Private Secretary to His Majesty the King:—

"I am profoundly grateful for the Address presented by the Senate and Commons of Canada. The Queen and I have been deeply touched by the expression of thankfulness and loyal affection contained in this Address, and by all other messages of loving sympathy and devotion which have been received from my people of Canada during my long illness. I trust that under Divine Providence I may soon be restored to full health and strength.

George R.I."

I have the honour to be, Sir,
Your obedient servant,
(Sgd.) James F. Crowdy,
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

CANADIAN NATIONAL RAILWAYS BRANCH LINE BILLS

FIRST READINGS

MURRAY HARBOUR—GEORGETOWN SUBDIVISION

Bill 43, an Act respecting the construction of a Canadian National Railway Line from a point on the Murray Harbour Branch to a point on the Georgetown Subdivision of the

Canadian Government Railways, in the Province of Prince Edward Island.—Right Hon. Mr. Graham.

SUNNYBRAE—GUYSBOROUGH

Bill 44, an Act respecting the construction of a Canadian National Railway Line from Sunnybrae to Guysborough, in the Province of Nova Scotia.—Right Hon. Mr. Graham.

DUNDAS—DUNNVILLE

Bill 45, an Act respecting the construction of a Canadian National Railway Line from a point on the Dundas Subdivision near Brantford to a point on the Dunnville Subdivision near Cainsville, in the Province of Ontario.—Right Hon. Mr. Graham.

GARSON—FALCONBRIDGE MINE

Bill 46, an Act respecting the construction of a Canadian National Railway Line from a point on the Garson Branch to the Falconbridge Mine, in the Province of Ontario.—Right Hon. Mr. Graham.

SUDBURY—FAIRBANK

Bill 47, an Act respecting the construction of a Canadian National Railway Line from a point on the Sudbury Branch to a point in the Township of Fairbank, in the Province of Ontario.—Right Hon. Mr. Graham.

MELFORT—ABERDEEN

Bill 48, an Act respecting the construction of a Canadian National Railway Line from a point near Melfort to a point near Aberdeen, in the Province of Saskatchewan.—Right Hon. Mr. Graham.

CENTRAL BUTTE—TOWNSHIP 18 OR 19

Bill 49, an Act respecting the construction of a Canadian National Railway Line from a point near Central Butte or Mawer to a point in Township 18 or 19, Range 10, 11 or 12, West of the Third Meridian in the Province of Saskatchewan.—Right Hon. Mr. Graham.

NEIDPATH—SWIFT CURRENT

Bill 50, an Act respecting the construction of a Canadian National Railway Line from Neidpath to a point on the Canadian Pacific Railway near Swift Current, in the Province of Saskatchewan.—Right Hon. Mr. Graham.

RIDGEDALE—THE PAS

Bill 51, an Act respecting the construction of a Canadian National Railway Line from Ridgedale, in the Province of Saskatchewan, thirty miles toward The Pas, in the Province of Manitoba.—Right Hon. Mr. Graham.

UNITY—PROVINCIAL BOUNDARY

Bill 52, an Act respecting the construction of a Canadian National Railway Line from a point near Unity to a point near the Provincial Boundary in Township 36 or 37, in the Province of Saskatchewan.—Right Hon. Mr. Graham.

HAMLIN—GLENBUSH, MEDSTEAD OR ROBIN HOOD

Bill 53, an Act respecting the construction of a Canadian National Railway Line from a point near Hamlin to a point near Glenbush, Medstead or Robin Hood, in the Province of Saskatchewan.—Right Hon. Mr. Graham.

ST. WALBURG-BONNYVILLE

Bill 54, an Act respecting the construction of a Canadian National Railway Line from St. Walburg, in the Province of Saskatchewan, to Bonnyville, in the Province of Alberta.—Right Hon. Mr. Graham.

ALLIANCE—YOUNGSTOWN OR DOBSON

Bill 55, an Act respecting the construction of a Canadian National Railway Line from Alliance to a point near Youngstown or Dobson, in the Province of Alberta.—Right Hon. Mr. Graham.

BULWARK—TOWNSHIP 38 OR 39

Bill 56, an Act respecting the construction of a Canadian National Railway Line from a point at or near Bulwark to a point in Township 38 or 39, Range 8, west of the Fourth Meridian, in the Province of Alberta.—Right Hon. Mr. Graham.

HEMARUKA—SCAPA

Bill 57, An Act respecting the construction of a Canadian National Railway Line from Hemaruka to Scapa, in the Province of Alberta.—Right Hon. Mr. Graham.

SWIFT CREEK—TETE JAUNE

Bill 58, an Act respecting the construction of a Canadian National Railway Line from a point near Swift Creek to a point near Tête Jaune, in the Province of British Columbia.—Right Hon. Mr. Graham.

NEW WESTMINSTER—LULU ISLAND

Bill 59, an Act respecting the construction of a Canadian National Railway Line from New Westminster to a point on Lulu Island, in the Province of British Columbia, with branches therefrom.—Right Hon. Mr. Graham.

RAILWAY ACT AMENDMENT BILL

FIRST READING

Bill 60, an Act to amend the Railway Act.—Hon. Mr. Dandurand.

CANADIAN NATIONAL RAILWAYS AND QUEBEC, MONTREAL AND SOUTHERN RAILWAY BILL

FIRST READING

Bill 72, an Act respecting Canadian National Railways and to authorize the acquisition of the Quebec, Montreal and Southern Railway.—Right Hon. Mr. Graham.

CANADIAN NATIONAL RAILWAYS ACT AMENDMENT BILL

FIRST READING

Bill 130, an Act to amend the Canadian National Railways Act.—Right Hon. Mr. Graham.

APPROPRIATION BILL No. 2

FIRST READING

Bill 171, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1930.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill.

He said: Honourable gentlemen will remember that in March a vote was passed of one-twelfth of the total requirements for the financial year beginning on the 1st of April. This Bill would grant to His Majesty one-sixth, which represents double the amount provided by the last appropriation, and covers May and June. The amount asked is $40,909,873.57. With the leave of the House, I will move the second reading of the Bill.

Hon. Mr. WILLOUGHBY: Subject to the usual reservations.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

PRIVATE BILLS

FIRST READINGS

Bill 63, an Act respecting the Toronto Terminals Railway Company.—Hon. Mr. Spence.

Bill 74, an Act respecting the Premier Guarantee and Accident Insurance Company of Canada.—Hon. Mr. McGuire.

Bill 84, an Act to incorporate the Royal College of Physicians and Surgeons of Canada.—Hon. Mr. Rankin.

DIVORCE BILLS

SECOND READINGS

Bill J3, an Act for the relief of Claude Frederick Burgin.

Bill K3, an Act for the relief of Adèle Cawthra Rogers.

Bill L3, an Act for the relief of Madelaine Virginia Lumsden.

Bill M3, an Act for the relief of Edgar Charles Buchanan.

Bill N3, an Act for the relief of Mary Addie Linton.

Bill O3, an Act for the relief of Maud Parker.

Bill P3, an Act for the relief of Eleanor Vair.

Bill Q3, an Act for the relief of Edna Maud James.

Bill R3, an Act for the relief of Helen Jane Sim Pittendreich.

Bill S3, an Act for the relief of Isabel Honor Gilderoy.

Bill T3, an Act for the relief of Alfred Roy Edwards.

Bill U3, an Act for the relief of Marie Rose Beffre Baer.

INVESTMENT COMPANIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill V3, an Act respecting Investment Companies.

He said: Honourable gentlemen, I have already informed the Senate that the Banking and Commerce Committee is studying the Companies Act Amendment Bill. Some of its clauses deal with a new form of financial association which is well known in Great Britain, bearing the name of the investment trust company. Such an organization is not in reality a trust company as understood and defined by our laws; it is simply an investment company. It was suggested at the first meeting of the Banking and Commerce Committee that there should be prepared a special Bill to govern companies of this kind.

The Minister of Finance has had the Bill drafted by the Superintendent of Insurance, who will be responsible for the proper administration of the Act if passed by Parliament. The greater part of this Bill has been

modelled upon the Loan Companies Act, Revised Statutes, 1927, Chapter 28, which is in its main provisions similar to the Trust Companies Act, Revised Statutes, 1927, Chapter 29.

The following sections of the Bill are taken from the Loan Companies Act without verbal or other change: sections 7 to 12 inclusive, 16 to 26 inclusive, 28 to 53 inclusive, 55 to 59 inclusive, 68, 71 to 75 inclusive, 77 to 80 inclusive, 82, 83, 84, 86 to 94 inclusive, 96 and 97.

The following sections have been taken from the same Act with only such verbal changes as are made necessary by the context: sections 4, 5, 6, 13, 15, 60, 61, 65, 69, 70, 85 and 95.

The Bill may be divided for convenience into a number of groups of provisions as follows:

1. Organization Provisions.—Sections 4 to 12 inclusive.

2. Company Clauses.—Sections 14 to 60 inclusive, 77 to 88 inclusive, 90 to 93 inclusive, and 97.

3. Limited Investment Powers.—Section 63.

4. Wider Investment Powers.—Section 64.

5. General Powers.—Sections 62, 65 to 68 inclusive, and 76.

6. Licensing and Inspection Provisions.—Sections 13, 61, 69 to 75 inclusive, 89, 94, 95 and 96.

The Bill is drawn upon the assumption that investment companies operating under names including the word "trust" or "trusts," or which issue their debentures or other securities to the public for money borrowed from the public, shall hereafter be subject to limitations on investments, and shall submit to requirements as to license and supervision similar to those which now apply to insurance, loan and trust companies under the general Acts applicable to those companies respectively; that investment companies other than those just mentioned shall be subject to the ordinary company clauses contained in the Bill, but shall continue to exercise practically the same powers as to investment in securities, as those conferred heretofore in Letters Patent incorporating such companies, and that such companies shall not be required to submit to licensing and inspection.

To give effect to the foregoing the various groups of provisions hereinbefore indicated have been made applicable to companies according to name, debenture liabilities and date of incorporation, as follows:

(a) To companies hereafter incorporated which have in their names the word "trust" or "trusts," or which issue their debentures to the public, the sections indicated in groups Nos. 1, 2, 3, 5 and 6 apply.

(b) To companies hereafter incorporated other than those mentioned in (a) above, groups Nos. 1, 2, 4 and 5 apply.

(c) To companies heretofore incorporated which have the word "trust" or "trusts" in their names, or which issue their debentures to the public, groups Nos. 2, 3, 5, and 6 apply, except section 27.

(d) To companies heretofore incorporated other than those mentioned in (c) above, groups Nos. 2, 4 and 5 apply, except sections 27 and 62.

The Bill provides that companies of this class shall hereafter be incorporated only by special Act of Parliament, and a model form of bill, consisting of five short clauses, is prescribed which will have the effect of making the company subject to the provisions of the Act. If the companies are subject to the licensing and supervision sections of the Act, business can be commenced only after a certificate permitting the company to commence business has been obtained from the Minister (Section 13). The Act provides that the capital stock of companies hereafter incorporated shall be not less than $250,000 and shall be divided into shares of not less than $10 nor more than $100 each.

The directors of all investment companies are required to send to shareholders, with the notice of the annual general meeting, and at least ten days before such meeting, a copy of the statement of affairs to be laid before the meeting, and such statement is required to be in a form prescribed by the schedule to the Act. This schedule requires a somewhat detailed classification of investments, the investments in bonds, debentures and debenture stocks being classified according to the nature of the issuing authority as—

(a) Governments
(b) Government guaranteed
(c) Municipalities, and
(d) All others.

Investments in stocks are required to be classified under the headings—

(a) Banks
(b) Insurance companies
(c) Loan, trust and other financial corporations
(d) Public utility companies
(e) Railroad companies
(f) Industrial and manufacturing companies
(g) Mining and oil companies
(h) All others.

The total market value of bonds and stocks, as well as the book values, are required to be shown.

The Revenue Account requires, under Income, the interest and dividends earned to be classified under the headings—

(a) Bonds and debentures
(b) Collateral loans
(c) Bank deposits
(d) Stocks
(e) Other assets

and there is also required a statement of the gross profit on sale or maturity of assets subdivided according to real estate, bonds and stocks, the amount by which the ledger values of the assets have been written up and the increase in market value of securities and real estate during the year.

Under Expenditure there is required to be shown the interest incurred during the year on the company's debentures and other borrowed money, the gross loss on sale or maturity of assets classified under real estate, bonds and stocks, the amount by which the ledger values of the assets were written down, the decrease in market value of securities and real estate and the expenditure in considerable detail for taxes, salaries, commission and other expenses of management.

The profit and loss account requires to be shown, in addition to the usual items, the premium on capital stock sold during the year, and the commission on the sale of stock and organization expenses.

Section 60 requires the auditors to make a report to the shareholders on the annual statement submitted to the company at the annual general meeting, and if the company is subject to licensing and inspection a similar report is required to be made by the auditors to the Minister.

Section 62 defines the company powers which may be exercised by all companies subject to license and inspection. These are believed to fairly well embody the principal powers conferred upon companies under Letters Patent heretofore issued. Certain powers conferred upon some of those companies, however, have been omitted, such as the following:

1. To buy, sell, exchange, lease or otherwise deal in real estate or any interest therein.

2. To purchase, hold, sell and generally deal in mortgages upon real and personal property.

3. To acquire, purchase, exchange, hold, take mortgages and securities on, manage, improve, develop, cultivate, deal in, sell, lease, exchange, or otherwise dispose of land, timber limits, mineral claims, water-powers, rights, grants, franchises, and privileges and real and personal property of every nature and description and any and all interest therein, choses in action and negotiable instruments, and to give, take and make in respect thereof such considerations and terms as the company may think proper.

Section 76 of the Bill limits the investment of the company in real estate to such as is necessary for its actual use and occupation, or such as may be reasonably required for the natural expansion of its business.

Section 63 contains the investment powers of companies which are subject to licensing and inspection. The provisions contained in subsections 1, 2, 3 and 4 are practically identical with the investment powers enjoyed by insurance companies, loan companies and trust companies, although the section has been derived partly from the Insurance Act and partly from the Loan Companies Act. It may be stated generally that the section combines the more liberal features of both Acts. Subsections 5 and 6 impose limitations similar to those contained in some of the charters already issued. Subsection 8 provides that the section shall not apply to companies already incorporated until the first of July, 1930, and assets then on hand not complying with the provisions of the section will have to be disposed of within one year thereafter.

Section 64 applies to companies not subject to licensing or inspection. It provides that at least one-half of the investments of such companies shall be of the class prescribed in the preceding section. The balance of the assets shall be such as are authorized by the company's Letters Patent if issued before July 1, 1929, or, if the company is incorporated thereafter, the said assets shall consist of bonds, debentures, debenture stocks, shares in all classes or other securities of any Government, corporation, or company, public or private, in the Dominion of Canada or elsewhere, subject only to the restrictions enumerated in paragraphs (a), (b), (c), (d) and (e) of subsection 2. These restrictions are similar to those which have been heretofore imposed by special clauses inserted in the Letters Patent of companies already incorporated.

Section 65 imposes the same prohibition on loans to directors or to members of the directors' family as are now imposed upon directors of insurance companies, loan companies and trust companies.

Section 66 prohibits the purchase of securities on margin.

The licensing and inspection sections, 69 to 75 inclusive, apply only to companies which have the word "trust" or "trusts" in their names, or which issue their debentures to the public. These provisions are practically iden-

tical with the present provisions of the Insurance, Loan and Trust Company Acts. They provide that no such company shall transact business without a license, renewable annually, from the Minister of Finance. An annual statement of affairs on a prescribed form is required to be filed with the Minister within two months after the end of the year. The company must submit to inspection, and produce all books necessary therefor, and otherwise facilitate such inspection so far as it is in its power. An annual report showing the full particulars of each company's business must be prepared for the Minister by the Superintendent of Insurance. In such report only assets authorized by the Act shall be allowed. If the examination shows that the company is unsafe for the public to deal with, the license may, after hearing, be withdrawn by the Minister and such withdrawal be confirmed by the Governor in Council. Provision is made for appeal by the company against any ruling as to the admissibility of any asset or as to any correction or alteration made in the statement.

Section 81 provides that before paying any dividend on the common shares, whether payable in cash or shares, the company shall set aside as a special dividend reserve a sum equal to 12½ per cent of the net earnings for the year, or equal to 50 per cent of the net profits realized on the sale of securities during the year, whichever is the greater. This requirement ceases to apply when such special dividend reserve reaches an amount equal to 50 per cent of the par value of the common shares, or, if the company has shares of no par value, equal to 50 per cent of the capital with which it carries on business.

I do not suppose that honourable gentlemen who have not studied the Bill closely have been able to follow this technical statement in all its details. I have placed it on Hansard so that honourable members of the House may examine the Bill in the light of the explanation given, and in order that it may go out to those in the financial world who are interested in this legislation. The Bill, after receiving its second reading, will go, with the consent of the Senate, to the Committee on Banking and Commerce, where it will be examined concurrently with the Companies Act.

I move the second reading of the Bill.

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

PRIVATE BILL

SECOND READING

Bill X3, an Act to ratify and confirm the organization and the election of Family Trust, and to change the name of that company to "Financial Trust Company."—Hon. Mr. L'Espérance.

DIVORCE BILLS

SECOND READINGS

Bill Y3, an Act for the relief of Molly Vaughan.

Bill Z3, an Act for the relief of Lillian Augusta Dunn.

Bill A4, an Act for the relief of Myrtle Mary Jane McLean.

Bill B4, an Act for the relief of Catherine Goring.

Bill C4, an Act for the relief of Mary Bertha Dupuis Ranger.

Bill D4, an Act for the relief of Harvey Baden Powell Haney.

Bill E4, an Act for the relief of Jeanie Mathieson Howell.

Bill F4, an Act for the relief of Ivy Georgina Lloyd.

Bill G4, an Act for the relief of Helen Steele.

Bill H4, an Act for the relief of John Campbell.

Bill I4, an Act for the relief of Gordon Asher True.

Bill J4, an Act for the relief of Annie Forbes Sangster.

Bill K4, an Act for the relief of Ethel Evelyn Farrow.

Bill L4, an Act for the relief of Joseph Nicholl.

Bill M4, an Act for the relief of Charles Stanley Cuneo.

Bill N4, an Act for the relief of William Allan Griffith.

Bill O4, an Act for the relief of Sydney Bishop.

Bill P4, an Act for the relief of Walter Henry Lyne Dixson.

Bill Q4, an Act for the relief of Ida Rosenberg.

Bill R4, an Act for the relief of Marjory Lavinia Bradford.

Bill S4, an Act for the relief of Patrizio Nardini.

Bill T4, an Act for the relief of John Alfred Neary.

Bill U4, an Act for the relief of Charles Storey.

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

78600—10

THE SENATE

Wednesday, May 1, 1929.

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

Prayers and routine proceedings.

PRIVATE BILLS

THIRD READINGS

Bill 61, an Act respecting the Lacombe and Northwestern Railway Company.—Hon. Mr. Griesbach.

Bill 39, an Act respecting the Essex Terminal Railway Company.—Hon. Mr. Lacasse.

DIVORCE BILLS

FIRST READINGS

Bill V4, an Act for the relief of Eva Alexandra Grayson Smith.

Bill W4, an Act for the relief of Ernest Gillespie Simpson.

Bill X4, an Act for the relief of Laura Grace Osborne Lea.

Bill Y4, an Act for the relief of Gertrude Helena Martin.

Bill Z4, an Act for the relief of Laura Warren.

Bill A5, an Act for the relief of Ethel Elizabeth Kelley.

Bill B5, an Act for the relief of Andrew Ralph Wilson.

Bill C5, an Act for the relief of Marion Jane Stewart.

Bill D5, an Act for the relief of Mildred Muriel Lange.

Bill E5, an Act for the relief of Linda Lydia Snowdon Pascoe.

Bill F5, an Act for the relief of John Carbery Hickman.

Bill G5, an Act for the relief of Lydia Alice Hinch.

Bill H1, an Act for the relief of Allan Plant.

Bill I1, an Act for the relief of Pansy Jean Van Luven.

Bill J1, an Act for the relief of William Treslove.

Bill K1, an Act for the relief of Annie Letticia Smith.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Hon. Mr. Justice Duff, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 5.45 p.m., for the purpose of giving the Royal Assent to certain Bills.

APPROPRIATION BILL NO. 3

FIRST READING

Bill 172, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1930.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND moved the second reading of the Bill.

He said: Honourable gentlemen, it has been deemed advisable to ask Parliament for a vote of one-quarter of the total amount to be voted under certain heads of the Supply Bill, for the Railways and the Merchant Marine. Honourable gentlemen will see that this quarter relates to vote No. 336, loans to Canadian National Railway Company; vote 337, loan to the Canadian Government Merchant Marine; vote 338, loan to the Canadian National (West Indies) Steamship Service; and votes 339 and 340, the amounts required under the Maritime Freight Rates Act.

As the Royal Assent is to be given this afternoon to the Appropriation Bill which was passed yesterday, covering one-sixth of the total supply, it has been deemed advisable to ask that this further amount be voted now for the purpose of meeting the exigencies of the financial situation of the National Railways and the Merchant Marine. With this explanation, and with the leave of the Senate, I move the second reading of the Bill.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, until a few moments ago, when the honourable leader of the Government was good enough to hand me a copy of this Bill, I was not aware of its scope. I may be wrong in my recollection, but I think this is a new way of providing interim advances to the Government Railways. For the purposes of civil government we have made advances without question, but if I am right in my recollection, this is a very striking departure from the usual practice.

Another criticism—perhaps it is only a textual matter—is that I should have thought that section 2 itself would mention the appropriations provided for in the Schedule, in order to attach the one to the other.

My attention has been called to remarks made in another Chamber, as to whether or not moneys should be appropriated for railway account in the same way as ordinary supply is voted in this and the other Cham-

ber. Such moneys are not usually provided for in the Estimates brought down by the Finance Minister. That raises a very important question—one in which I think all members would be interested—the question whether we are to raise money by special vote for capital expenditure that ordinarily would not be met in this way. When the main Supply Bill comes before us for consideration some of us may be desirous of dealing with this phase. Apart from these criticisms I have no objection to this Interim Supply Bill being passed, even though it is not following the ordinary course.

Hon. Mr. DANDURAND: I have no recollection of ever before having asked for a portion of the total supply to be voted to the Railways and the Steamships Companies. The fact is that we are now in April—

Hon. Mr. DANIEL: We are in May.

Hon. Mr. DANDURAND: Yes, we are now in May, and inasmuch as we shall be coming before Parliament some day—and I hope it may be soon—to ask for the full amount, it has been deemed appropriate to vote one-quarter of the total. My honourable friend will notice that this practically forms part of the Supply Bill, inasmuch as it is comprised in the Estimates for 1929-30. It is set forth under the heads of "loans to the Canadian National Railway Company," "loan to the Canadian Government Merchant Marine," "loan to the Canadian National (West Indies) Steamships." Of course I recognize the point made by my honourable friend. I do not know whether the Government may not alter its method of presenting such demands to Parliament, but as we have been financing these public services in this way for the last four or five years, I suggest that we simply postpone for further consideration the whole problem of the finances of the Railway Company and the Canadian Government Merchant Marine, and that for the present we pass this vote.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

PRIVATE BILLS

FIRST READINGS

Bill M5, an Act respecting the New Brunswick Railway Company.—Hon. Mr. Robinson.

Bill N5, an Act respecting the Royal Architectural Institute of Canada.—Hon. Mr. McGuire.

DIVORCE BILLS

THIRD READINGS

Bill J3, an Act for the relief of Claude Frederick Burgin.

Bill K3, an Act for the relief of Adèle Cawthra Rogers.

Bill L3, an Act for the relief of Madelaine Virginia Lumsden.

Bill M3, an Act for the relief of Edgar Charles Buchanan.

Bill N3, an Act for the relief of Mary Addie Linton.

Bill O3, an Act for the relief of Maud Parker.

Bill P3, an Act for the relief of Eleanor Vair.

Bill Q3, an Act for the relief of Edna Maud James.

Bill R3, an Act for the relief of Helen Jane Sim Pittendreich.

Bill S3, an Act for the relief of Isabel Honor Gilderoy.

Bill T3, an Act for the relief of Alfred Roy Edwards.

Bill U3, an Act for the relief of Marie Rose Beffre Baer.

Bill Y3, an Act for the relief of Molly Vaughan.

Bill Z3, an Act for the relief of Lillian Augusta Dunn.

Bill A4, an Act for the relief of Myrtle Mary Jane McLean.

Bill B4, an Act for the relief of Catherine Goring.

Bill C4, an Act for the relief of Mary Bertha Dupuis Ranger.

Bill D4, an Act for the relief of Harvey Baden Powell Haney.

Bill E4, an Act for the relief of Jeanie Mathieson Howell.

Bill F4, an Act for the relief of Ivy Georgina Lloyd.

Bill G4, an Act for the relief of Helen Steele.

Bill H4, an Act for the relief of John Campbell.

Bill I4, an Act for the relief of Gordon Asher True.

Bill J4, an Act for the relief of Annie Forbes Sangster.

Bill K4, an Act for the relief of Ethel Evelyn Farrow.

Bill L4, an Act for the relief of Joseph Nicholl.

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Bill M4, an Act for the relief of Charles Stanley Cuneo.

Bill N4, an Act for the relief of William Allan Griffith.

Bill O4, an Act for the relief of Sydney Bishop.

Bill P4, an Act for the relief of Walter Henry Lyne Dixson.

Bill Q4, an Act for the relief of Ira Rosenberg.

Bill R4, an Act for the relief of Marjory Lavinia Bradford.

Bill S4, an Act for the relief of Patrizio Nardini.

Bill T4, an Act for the relief of John Alfred Neary.

Bill U4, an Act for the relief of Charles Storey.

ELECTRICITY AND FLUID EXPORTATION BILL

THIRD READING POSTPONED

Hon. Mr. TANNER moved the third reading of Bill 15, an Act to amend the Electricity and Fluid Exportation Act (Exportation of Electric Power).

Hon. Mr. BUREAU: Honourable gentlemen, with the leave of the Senate I would move, before my amendment is submitted, that this Bill be referred to Committee of the Whole House. This, to my mind, is a matter of great importance, and as all members of this House did not have the opportunity of listening to the discussion that took place when the Bill was referred to the Special Standing Committee, it is desirable to send it to the Committee of the Whole, so that we may there discuss the question, ask for the information that we may want, and be in a position, after getting the information, to pass intelligently upon the Bill.

I therefore move that the Bill be not now read the third time, but that it be referred to Committee of the Whole House.

The motion was agreed to.

Hon. Mr. DANDURAND: Does the honourable gentlemen move that the House go into Committee of the Whole now?

Hon. Mr. BUREAU: Yes, if the honourable leader of the House prefers. I make the motion that we go into Committee of the Whole.

Hon. Mr. DANDURAND: Now?

Hon. Mr. BUREAU: If there is no other business, yes.

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Bureau the Senate went into Committee on the Bill.

Hon. Mr. Robinson in the Chair.

On section 1—export of power; export of fluid:

Hon. Mr. TANNER: Mr. Chairman, as this Bill stands in my name, I might say a word about it before my honourable friend goes on. As I am informed, this Bill was first introduced in the other Chamber by a private member during the Session of 1928, and, as I understand, it nearly got through all its stages last year, but fell by the way with a number of other private Bills. This year again the same honourable member introduced the Bill in the House of Commons, and, as I am informed, it was referred to Committee. The member of the Cabinet who has charge of that Department of the public service which is particularly concerned, the Minister of the Interior, was consulted, and the Bill was amended to meet his views and the views of the Government, as the promoter understood. Therefore I apprehend it comes to this House in the form which met with the approval of the Government.

The principle involved in the Bill, generally speaking, is the substitution of Parliament for the Governor in Council in the matter of issuing licenses for the export of electric power or electric current. There are, however, one or two exceptions. Under a subclause the Governor in Council retains the power either to renew or to cancel licenses, and to regulate the volume of current which may be exported under them. The Bill also provides that in case of emergency the Governor in Council may grant permission to export a larger quantity than is covered by existing licenses. Otherwise, all matters affecting the export of electric current after the 1st of January, 1929, must receive the approval of Parliament instead of the approval of the Governor in Council.

Personally I have no objection whatever to the Bill being amended if amendment is found desirable. I am in favour of the principle of control by Parliament of the export of electric current. The only question that might concern me at the present time, as promoter of the Bill in this House, is whether the Government will accept any further amendments to the Bill than those which were inserted in the House of Commons. Of course that is no reason why honourable members of the Senate should not move amendments if they so desire. The Bill could be

sent back to the House of Commons with an amendment which would possibly receive the concurrence of that House.

Hon. Mr. BUREAU: Honourable gentlemen, I knew from what I heard from my honourable friend in the lobby here that there had been some pourparlers between a Minister and the promoter of the Bill. Outside of that I know absolutely nothing concerning negotiations, if any. I am taking the Bill on its merits.

In 1907 Parliament saw fit to give the Governor in Council the power to allow electric current to be exported from Canada. The Act vested in the Governor in Council authority to grant licenses to export, and defined his power to make regulations, which were to be submitted to Parliament within fifteen days after the making thereof, if during the Session, or within fifteen days after the opening of the next Session. Under the authority thus delegated to the Governor in Council certain regulations were passed and certain licenses were issued. To-day we are departing from the stand which Parliament took in 1907: we are withdrawing from the Governor in Council the power to grant licenses for the purposes of exportation and are vesting this power in Parliament. Are we going to do this without finding out for ourselves the grounds for the change? If it can be shown that it is not in the interest of the people to continue the present system, we are entitled to know it. If it is going to benefit the country and improve the situation to place under the control of Parliament the right to grant licenses to export, we ought to know that also. Assuming that the proposed change is an improvement, why leave any obstacle in the way? The raison d'être of this change must be the betterment of conditions, and if the present system is not good enough, why make exceptions to perpetuate it? If, on the other hand, the licenses which were granted prior to the 1st of January, 1929, were in the interest of the people, why should this system now be changed and the authority transferred to Parliament? But if Parliament is going to control the exportation of power, let it assume full and entire control.

Honourable gentlemen will observe that in my notice of motion I mention the year 1935. I had no particular reason for putting the figure 1935; that was merely arbitrary. I want to know why and when the Governor in Council is going to stop exercising these powers. I suggested the year 1935 in this amendment merely for the purpose of having the matter of notice to license holders discussed in this House. Before we grant these exceptions, we are entitled to know what licenses are in existence. I understand that they are not necessarily renewable—that each license is issued for one year, and at the end of the year it expires. When a license is granted for a further year it may be called a renewal, but it is in fact a new license, good only for twelve months, at the end of which time it ceases to exist. I do not know whether licenses that were originally granted before the 1st of January, 1929, have not been re-granted or renewed since that date. We have no information as to what licenses would fall under the renewal clause. What I should like to have is a statement of all licenses issued, containing: (1) the date the license was first granted; (2) the name of the original licensee, and if any transfer has been made, the name of the actual licensee; (3) the quantity of power allowed to be exported under each license, and whether such quantity is limited to the surplus power after the needs of customers using power in Canada have been supplied; (4) from what place in Canada the power is exported and at what place on the frontier it is delivered to the United States; (5) the terms and conditions under which such license is granted, and the fee charged for each license; (6) what the licensee receives for the power at the point of delivery on the frontier. I think we are entitled to have this information before we pass upon the Bill.

The section of the Act which authorizes the Governor General in Council to grant licenses is amended by this clause:

> No person shall export any power without approval of Parliament on any terms or conditions other than those approved by Parliament.

How is Parliament going to be seized of applications for these licenses? And how is Parliament going to issue the licenses?

Hon. Mr. LYNCH-STAUNTON: Parliament will not issue the licenses, but merely approve of them.

Hon. Mr. BUREAU: In what way will Parliament be seized of the request for approval? If Parliament is going to approve of a license it must have something definite before it. How is the request for a license to be brought before Parliament? To my mind, the only way would be by a private Bill.

Further on the Bill says:

> No person shall, without the approval of Parliament, construct or place in position any line or wire or other conductor for the exportation of power, ...

Is Parliament going to advise on the location of towers or on the size of wires? If so,

you will have 245 plus 96 men who may be individually interested. The licenses require the approval of Parliament, but there is no machinery provided for getting that approval. In my opinion the question of where any line or wire is going to be placed should be referred to the Railway Committee, in the same way as a Bill for the construction of a line of railway; and we should require the Bill to show the location of the transmission line.

I think the most important thing to consider is whether we are not creating an injustice for the future by providing that those people who to-day have permission to export power shall be under the same jurisdiction as they are now, while any new individual or concern desiring similar permission will have to come to Parliament and deal with over 300 men instead of 18 or 19.

May I be allowed to suggest that we should have more information to enable us to weigh all the circumstances touching this power export question.

Hon. W. A. GRIESBACH: Honourable gentlemen, there is general agreement in this country that we should scrutinize very carefully the export of electrical power, and for many obvious reasons. The Act which is to be amended, as has been said by the honourable member for Pictou (Hon. Mr. Tanner), gives to the Governor in Council the control of granting of licenses. The Bill brought down proposes that this control should be exercised by Parliament; and the honourable gentleman from La Salle (Hon. Mr. Bureau) has drawn attention to the difficulties involved in such procedure.

I want to draw the attention of the House to another more or less minor aspect of the case. Speaking generally, there are in Canada two classes of power establishments: the plant which is constructed for the purpose of developing power for export, and the plant which supplies power for local use. The latter class of plant at certain seasons of the year produces power which, if it is not used locally, may go to waste.

Of all the power exported from Canada last year, the Hydro-Electric organization in Ontario produced 73 per cent; the Cedar Rapids Company—I am speaking from memory—exported 23 per cent; and the remaining 4 per cent came from plants which develop power for their own purposes and only incidentally have a surplus for export. If these smaller plants can export that slight quantity of surplus power they get a little revenue from it and are so much ahead. If, on the other hand, they cannot get permission to export, the power so developed goes to waste as dead loss.

Under this Bill the small exporters would be required to come to Parliament for the sanction of a private Bill to permit the export of an estimated surplus in the months of May, June and July, or the months of December, January and February—at times when Parliament may not be in Session. They would be put to the expense of getting a private Bill for an inconsiderable export, and I am informed it would be a hardship which would bear heavily upon them to pass this Bill without amendment.

I agree with the honourable gentleman from La Salle (Hon. Mr. Bureau) that the matter should be considered; and I agree with the honourable gentleman from Pictou (Hon. Mr. Tanner) that we should not hesitate to amend the Bill if we find it desirable to do so.

Hon. Mr. LYNCH-STAUNTON: Who has the control now?

Hon. Mr. GRIESBACH: Exporters get the licenses now from the Governor in Council, and under this Bill they would have to come to Parliament.

Hon. Mr. LYNCH-STAUNTON: I do not follow the honourable gentleman.

Hon. Mr. GRIESBACH: As the honourable gentleman from La Salle (Hon. Mr. Bureau) says, this Bill would divide the exporters of power into two classes, one of which would be a favoured class of people who, because they had a license prior to January, 1929, could continue under that license indefinitely; while those who did not have a license before that date must get a private Bill passed.

Hon. Mr. LYNCH-STAUNTON: Is that the class you speak of?

Hon. Mr. GRIESBACH: The people of whom I speak may be in either class. Some of them have incidental surpluses and are getting licenses from time to time for the export of those surpluses. Other companies may have incidental surpluses which they desire to export, and if they have not yet applied for permission, they will require a private Bill.

Hon. J. D. REID: Honourable gentlemen, I would vote for the Bill as it stands, unless we could get the Act amended so that no power could be exported.

Take the case of the Province of Ontario. Some years ago, when the power companies first applied for permission to export, they stated that the exportation would continue

only until such time as the power should be required for use in the Province of Ontario. The licenses issued by the Government of that day and by every Government since were only temporary, covering one year at a time, and the parties in the United States who got the power took it on that understanding and quite willingly conceded that whenever the power should be required in Ontario—or anywhere else in Canada, for the same thing applied to other provinces—their supply might be cut off. But some of the private corporations made contracts with their American customers for a long term of years. As time went on, the Province of Ontario not only used all the power that the private companies could supply, but it took over those private companies and in addition constructed large stations for the utilization of water-power, and increased the output of electricity at different points. Applications were made by private companies before the Hydro-Electric Commission took them over, and later by the Hydro-Electric Commission itself, to have the export permits cancelled—not summarily, but gradually, by deducting so much per year until steam plants and other auxiliary plants could be provided to replace the power being sent to the United States. But the American companies contended that they had made a contract for fifty years, notwithstanding that at the time they made the contract they knew the permit was granted only from year to year and was subject to cancellation at any time.

Hon. Mr. GRIESBACH: Will the honourable gentleman explain how they could contend for a definite period of fifty years when, as he says, they knew they had a year-to-year contract?

Hon. Mr. REID: The Ontario Power Company, the private company that owned these companies before the Hydro-Electric Commission purchased them, gave the American customers a contract to supply them for fifty years with a certain quantity of power. The quantity could easily be ascertained, but I think it was about 50,000 or 60,000 horsepower. Then the Ontario Power Company came to Parliament and got a permit for one year. They were notified that it was granted for only one year, and they in turn notified the companies in the United States that notwithstanding their contracts, the Dominion Government controlled the situation and would not give a permit for more than a year, and could cancel the permit in whole or in part at any time, as power was required in Ontario.

Hon. Mr. GRIESBACH: What is to prevent the Government of Canada at the end of any year simply refusing to give a permit?

Hon. Mr. REID: Nothing whatever. The Dominion Government did notify the private companies, and it took every step it could to cancel the contracts. By looking at the files in the Department one can see where the private companies took up the question with some Board in New York State—I forget the name of the Board at the moment—and that Board served notice that cancellation would be considered an unfriendly act. They contended that large industries had been built and were using this power.

Hon. Mr. BUREAU: Was not that a matter of contract between individual and individual, or between company and company? Would that not be a matter for the courts, if there were any damages resulting from cancellation of the contracts?

Hon. Mr. REID: There might be a question of damages between the American company and the company in Canada.

Hon. Mr. BUREAU: What has the Government to do with it?

Hon. Mr. REID: Nothing whatever, except to cancel the permits. But then United States Government authorities took up the question at once and said that they would look upon cancellation of the permits by the Dominion Government as an unfriendly act.

Hon. Mr. DANDURAND: Will the honourable gentleman inform the Senate what American authority said it would be an unfriendly act? Was it a New York State or a Washington authority?

Hon. Mr. REID: It was some public commission, or the New York State Government. I have read it dozens of times.

Hon. Mr. DANDURAND: It makes all the difference in the world who said it.

Hon. Mr. REID: If I had known this question was coming up, I should have been able to give the information. I think it was the Public Utilities Commission of New York State. At all events, they took such a strong position that if action had been taken by the Dominion Government there would have been retaliation of some kind. The time we wanted the power over here was during the war, and very strong pressure was put on the United States Government in support of our claim that we needed the power in the making of ammunition on the Niagara Peninsula; but the United States Government itself objected and would not listen to us at

all. The Hydro-Electric Commission wanted the 145,000 horse-power—I think that is the quantity; at least, pretty nearly that amount. We wanted to use it in Ontario, and could use it to-day.

The Hydro-Electric Power Commission took over those plants, and they are selling power to this private corporation in New York State, which has only a transmission line, and which is selling the power at high prices. This company has a fifty-year contract at $9 per horse-power, and we are paying $15 per horse-power to the Gatineau Power Company for 145,000 horse-power. That is the position in Ontario. According to this Bill, as I understand it, the Governor in Council has power to renew that license to export. I take it for granted that the Minister has looked into this matter, and that if the license were cancelled there might be some retaliation, or some trouble between the United States and Canada. We are paying $6 per horse-power more than we are getting for 145,000 horse-power, all of which is within the Province of Ontario. I should like to see that export cut off, because the power is ours. It was agreed and understood that it might be cut off.

As to the other clause with respect to cases of emergency—

Hon. Mr. BUREAU: Temporary emergency.

Hon. Mr. REID: This export to Buffalo was only for a temporary emergency. Once they get the power over there you will never get it back. The same is true of the Cedar Rapids power. We tried to get more of that for Eastern Ontario, and they refused point blank to let us have it, and we had to threaten to cut off all the power, and finally out of 60,000 horse-power we got 10,000. Remember, that power is being exported at $10 per horse-power. Because of the price of $15 which we are charged by the Gatineau Power Company, plus the cost of transmission, and because of the price of $9 at which we are exporting power, the people of the province of Ontario must pay, for all time to come, a tax of $6 per horse-power on 145,000. We are losing a million dollars a year, while this private corporation in Buffalo, that has nothing but a transmission line, is getting a million dollars a year out of Ontario, and will continue to do so in perpetuity.

Hon. Mr. GRIESBACH: Why does my honourable friend say in perpetuity?

Hon. Mr. REID: Because there is a contract for fifty years, and the same question will arise again. Do you think we shall ever get that power back? We shall never get it back as long as we live. Furthermore, according to the Treaty they are to get a certain quantity of the power produced at the Niagara river. It is most unfair. It is unfair of the United States Government not to insist that an agreement made with Canada should be carried out.

Hon. Mr. LYNCH-STAUNTON: Is it not a fact that when licenses are granted—timber licenses, for instance, and licenses for the use of public land or property—it is the practice to renew them unless some extraordinary condition arises? And is it not a fact that there was nothing in this license given by the Dominion Government to alter that practice? Was it anything more than an ordinary license given for a year?

Hon. Mr. REID: I cannot discuss that in its legal aspect.

Hon. Mr. LYNCH-STAUNTON: Was it stated in the license that it would not be renewed according to the ordinary practice, or that it might be cut off at any time?

Hon. Mr. REID: Certainly. Without a doubt that license was drawn up by the Department in such a way that there could be no misunderstanding of the fact that it might be cut off at the end of a year. That was the understanding, and that is what should be done. And when an agreement of that kind is made—I do not care whether by a private individual or by a corporation—the United States Government should not stand behind that individual or corporation to enforce something that is unfair and unjust. The United States Government should protect its citizens, but that is as far as it should go. Why should that power be taken away from us? Why should the Province of Ontario pay $1,000,000 a year to furnish them with power?

I would not vote to throw this Bill out; it is a step in the right direction; but I do not think it goes far enough. A clause stating that power might be exported temporarily, for two or three months, I think, would cover the point raised by the honourable gentleman from Edmonton (Hon. Mr. Griesbach). But take the case of the Beauharnois power. We are told that the Quebec Legislature has protected that, and what Quebec has done will probably prevent direct exportation, but what I have always feared is that, although the Beauharnois Company is not permitted to export the power, it may sell it to some other Canadian company which would get permission to export. Therefore, in the interest of Eastern Ontario and in the interest of the Province of Quebec, I think it should be clearly stated that where there is a large quantity of power to be disposed of Parlia-

ment shall determine whether or not it may be exported, because once it has gone we shall never get it back. The Province of Quebec should guard against getting into a position like that of the Province of Ontario, a position in which the people of Ontario will have to pay a tax for fifty years—I say in perpetuity—because power that we should have in Ontario is sold to this American syndicate at a million dollars a year less than we have to pay for the same quantity of power. Furthermore, the company that was taking this power from the Ontario Power Company has been merged in a billion dollar corporation which controls all the power in New York State. Do you think such a corporation would not be influential enough to secure the backing of the Government of the United States and the carrying on of its policy of the past ten or fifteen years of insisting that we should not cancel the license, or that if we did it would be an unfriendly act?

While I am willing to let this Bill go through, I hope the day will come when Canada will secure the power to which it is entitled, and that power will not go to subsidize a private corporation in the United States. If Parliament has the settling of this matter there will not be so many applications for the export of power. I venture to say that even under this clause pressure will be brought to bear on the Government to allow the export of an additional quantity of power, and it will be stated that an emergency exists. Parliament is the only proper body to protect the rights of the people.

Hon. Mr. BUREAU: The second proviso states:

> Provided also that the Governor in Council may grant licenses, or may authorize an increase in the amount of surplus power to be exported under existing licenses, in cases of temporary emergency.

Licenses may be granted.

Hon. Mr. LYNCH-STAUNTON: But not new ones.

Hon. Mr. REID: The Beauharnois Power Company might sell to the Cedar Rapids Power Company and, if I understand the Bill, they could export all the power produced.

Hon. Mr. CASGRAIN: As I understand the honourable gentleman (Hon. Mr. Reid), the power that is gone now has gone forever. I think everybody agrees with him in that. The honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) is right also, because when there is a lease from year to year, it is understood that it goes on in the same way as a timber lease. So we cannot possibly help ourselves. Supposing we were supplying power for lighting a town, or pumping its water, or driving its street cars, and had been doing so for years, how could that be stopped? It would be an unfriendly act. The moral is that what is gone is gone, and that you should not export any more.

Hon. Mr. BUREAU: Does the honourable gentleman take it for granted that if you have no proviso regarding those licenses which have been granted before the 1st of January, 1929, Parliament will turn down any application for renewal?

Hon. Mr. CASGRAIN: I understand that everything that has been done before this year remains as it is.

Hon. Mr. BUREAU: Do you take it for granted that Parliament would refuse applications for the renewal of licenses to do things done before this year?

Hon. Mr. CASGRAIN: No.

Hon. Mr. BUREAU: Then why argue that way?

Hon. Mr. CASGRAIN: Parliament has to leave what is already in existence. It may have been unwise; it may have been a mistake; and we may have to pay through the nose; but it is done. The moral is: in the future do not export any more.

Hon. Mr. REID: But the honourable gentleman understands that the permit was given only from year to year.

Hon. Mr. BUREAU: Yes.

Hon. Mr. ROBERTSON: Honourable gentlemen, may I draw attention to the fact that the proposed amendment will in no way interfere with the Governor in Council renewing any licenses that were in existence prior to January, 1929.

Hon. Mr. DANDURAND: Up to 1935.

Hon. Mr. ROBERTSON: Up to 1935. The Governor in Council may continue to renew those licenses at his discretion. But new licenses applied for would have to secure the approval of Parliament. Now, the amendment of my honourable friend (Hon. Mr. Bureau) proposes to cut off absolutely in 1935 the granting of temporary licenses, as well as what may be termed permanent ones, so that every license to dispose of a surplus of power, no matter if it were only for thirty days, would have to be approved by Parliament even though Parliament were not in session and might not meet for another six months. I think that the Bill as it stands is about as satisfactory as we can make it.

I agree with the honourable gentleman from Grenville (Hon. Mr. Reid) that if it were possible it would be very desirable to rectify the error of the past and save the enormous power bill the Province of Ontario is now paying; but we are not able to remedy that situation at this time without creating friction with our friends and neighbours across the line. It is now proposed in the Bill that new licenses must secure the approval of Parliament, except in cases of emergency. I submit, honourable gentlemen, that is as far as we can reasonably go. The amendment now before us would prevent the export of power that, temporarily, might not be required here at all, and revenue would be lost to the owners without any good being done to anybody. I cannot see how that would be in the public interest; therefore I would suggest that the amendment of the honourable gentleman (Hon. Mr. Bureau) might be withdrawn for the time being, and that in a year's time, if he does not think the Act functions properly, he should again bring forward his amendment. I do not think Parliament should take the position that nobody is to have authority to give consent when Parliament is not in session.

Hon. Mr. BUREAU: Objection is raised to this amendment because there is one company that has a contract and a license. That is one of the reasons why I proposed the amendment. As I have said, in order to pass intelligently upon this matter it is absolutely necessary that we should know what companies have licenses and under what terms they are allowed to export. I do not see why Parliament should not assume the responsibility, and, if it sees fit, continue these licenses. The amendment says that licenses, for whatever period they are given, shall be granted on terms and conditions approved by Parliament. There is nothing to prevent Parliament from saying that when there is a freshet, and a consequent excess of power, a license may be granted. Parliament can authorize the Minister of the Interior to act. I do not think the argument advanced by my honourable friend can stand, because Parliament must have more wisdom than even the Governor in Council, and the regulations which it made would provide for such a case. I think it would be wiser to define "temporary emergency" than to leave it as it now is. The occurrence of a freshet, or of an accident to the power machinery of a neighbouring town, would be regarded as a temporary emergency.

But why make an exception? Either it is a good thing that these applications should be made to Parliament, or it is not. Why should not Parliament pass regulations for the granting of licenses under certain conditions? Why have two authorities to regulate the same thing? I say it is unfair, and that those who export power ought all to come under the same regulations.

My honourable friend (Hon. Mr. Reid) says the existing condition will continue forever. Let the people of Canada decide whether it shall or not. Let them say whether they are to be intimidated by the president of some commission or power company in the United States who says that the cutting off of the power will be regarded as an unfriendly act. After all, the Governor in Council cannot declare war. It is for us to say whether we are committing an unfriendly act or not, and the discussion that would take place in Parliament would show these people that we are not animated by bad feeling, and the citizens of the United States who incorporate themselves to buy power in Canada would see a statement of our views in black and white, and would realize that if they wanted to get licenses or renewals for the export of power they would have to submit to the regulations of the Parliament of Canada.

Hon. Mr. MURPHY: Do I understand the position of the honourable member from La Salle (Hon. Mr. Bureau) to be that he would prefer that further consideration of the Bill be deferred until after the information that he mentions could be put before the Committee?

Hon. Mr. BUREAU: Exactly.

Hon. Mr. MURPHY: In that case it would be better not to proceed to pass section 1 of the Bill.

Hon. Mr. BELCOURT: Honourable gentlemen, I have listened attentively to the discussion. I knew nothing about this Bill before, but I rise to point out my reaction to the argument, which has been used very profusely during the discussion, that possibly we are creating cause for friction, or taking an unfriendly attitude towards the United States. I cannot see that. It seems to me there is not much difference between the constant control by Canada of the exportation of power, whether through its Cabinet or through Parliament, and the adoption of a tariff which will make trading between Canada and the United States prohibitive in some very important respects.

In the past we have felt disposed to let the exportation of power to the United States go on, but to-morrow we may have to change our attitude entirely. Why should we give our friends on the other side the idea or hope that those who have a license to export that power may keep it forever? I am

opposed to Parliament setting down the doctrine that because at a certain time we thought it proper to permit a certain exportation of power—restricted, if you like—we are going to continue forever to do so? It is no more unfriendly for us to protect our water-power than it would be for the United States to protect its own people, as is likely to happen, by imposing a tariff which will make trading almost impossible between them and ourselves. I believe the time has now arrived when we should plainly say what we propose for the future; that what we have done in the past is not a precedent, and that we are not bound by it. It seems to me that we ought to retain absolute authority over the control of our water-power; and I do not see why any difference should be made between the licenses granted and in force up to the 1st of January, 1929, and the licenses issued in future.

My purpose in rising is to endeavour to mpress the House with the importance of making no difference between those two things, and the necessity of keeping our hands entirely free for the control of our water-power.

Hon. G. D. ROBERTSON: Honourable gentlemen, I fear we are not all talking to the same point, or understanding the position exactly alike. The Bill which is now before the Committee was passed by the House of Commons and transmitted to this House for consideration and approval. It was given its first and second readings here, was referred to the appropriate Standing Committee, examined by that Committee, and reported to this House without amendment. Before it was reported to the House, however, the honourable member had given notice of his intention to move an amendment prior to the third reading. The Bill now stands on the Order Paper for third reading. My honourable friend has moved, and it has been agreed, that the House go into Committee of the Whole to consider the Bill. As I understand it, he has not yet moved his amendment. Therefore it may be that a number of honourable members are somewhat confused as to just what we are discussing.

The Bill, as I think all members of this House understand, provides that the Governor in Council, who has heretofore been granting licenses for the exportation of electric power, will after January, 1929, issue such licenses only in certain emergencies, and that, generally speaking, such licenses must have the approval of Parliament. Now my honourable friend's amendment is on the Order Paper, and therefore I think it is right to discuss it in Committee, as I assume he intends to move it as an amendment to the Bill. It goes one step further. As I understand, it does not modify the Bill in its entirety, but adds a clause at line 14 of the Bill, after the words, "first day of January, 1929," the cut-off date beyond which the Governor in Council may only issue temporary licenses or renew those that were in effect. Then the amendment proceeds:

"But no such license shall be extended or renewed by the Governor in Council beyond the first of January, 1935, without the approval of Parliament being first had and obtained."

The only change that the amendment makes is that the power of granting temporary licenses which the Bill itself places in the hands of the Governor in Council, is taken from the Governor in Council in 1935, and I submit that that is not a necessary amendment to the Bill at this time.

Hon. Mr. TANNER: But the honourable member proposes also to strike out the second proviso, which I might read:

Provided also that the Governor in Council may grant licenses, or may authorize an increase in the amount of surplus power to be exported under existing licenses, in cases of temporary emergency.

My honourable friend's amendment proposes to strike that out altogether.

Hon. Mr. ROBERTSON: Now?

Hon. Mr. TANNER: Yes.

Hon. Mr. REID: I would like to explain my position a little more fully. I do not think that the Bill as it now stands goes far enough. As I understand it, this is not the Bill as its promoter in the Commons originally had it, but he took it up with the Minister and the Deputy Minister of the Department under which it comes, and the Bill in this form was as much as he could get them to accept. As I interpret this Bill, the Government would have authority, without the consent of Parliament, to cut off the power that is being exported, if they so desired, because it says:

Provided nothing herein contained shall be deemed to affect the right of the Governor in Council to renew or cancel wholly or in part any license for the exportation of power issued before the first day of January, 1929.

So the Bill does not alter the present position; it is not deciding that we cannot renew or cancel licenses; but it goes further and says that no new license may be granted without the sanction of Parliament, unless it is only temporary.

Hon. Mr. BUREAU: No.

Hon. Mr. REID: Well, it strikes me that if this Bill goes through, any Government at any time in the future would hesitate before granting a large block of power, as has been done in the past. I think it will help to curtail export in that way; and if any dispute arises the Government always has the right to cancel the license. Parliament has a right to take any action to sanction the continuance of that power. From what Mr. Stewart said to the Committee, I judge that if we amend the Bill it will go back to the Commons and we shall get nothing at all. So we had better take it as it is, and see how it works, and in case it does not work we can amend it at some future Session.

Hon. Mr. BUREAU: Honourable gentlemen, I stated at the beginning that my object was to get information, but the only information I have had from my honourable friends is that there is a contract existing in Ontario that will go on in perpetuity. Those are the things that I want brought before this House—the various contracts, and the conditions they contain—before we pass definitely upon this Bill. For that purpose I will move my amendment, and ask that the Committee rise, and that before my amendment is put the Bill be further considered. When the information I am requesting is submitted to this House we shall know how many licenses have been issued, and how many cases are affected by this new legislation. It might work hardship with the Ontario Hydro-Electric Commission if we passed this Bill. I am willing to give it further consideration, and if we get the information required it may modify or change this amendment. I would therefore move, in amendment:

That section 5 be amended by adding after the figures 1929 in the fourteenth line of the said Bill the following words:—

"But no such license shall be extended or renewed by the Governor in Council beyond the first of January, 1935, without the approval of Parliament being first had and obtained."

And that the second proviso in said section 5 be stricken out.

Instead of the word "without" I would substitute the word "unless" before "the approval of Parliament"; and instead of "being" I would put the word "is" before "first had and obtained." I am told by people who know better than I do, that this is more correct English. That is the object of the change.

Hon. Mr. GRIESBACH: May I ask the honourable leader of the Government either to tell me now, or put himself in a position to tell me later, what is the meaning of the words, "in cases of temporary emergency"? I would

again point out that I am speaking on behalf of those companies who have not constructed power-houses for the purpose of exporting power, but who incidentally have surplus power which, if they are not permitted to export, will go to waste.

Hon. Mr. DANDURAND: And who have no license now?

Hon. Mr. GRIESBACH: They may have had licenses in the past, or may never have had licenses, but they may possess licenses in future. I should like to know whether those words "temporary emergency" cover those people.

Hon. Mr. DANDURAND: I suppose I must wait until the amendment is put.

The Hon. the CHAIRMAN: The amendment with the change of those two words, proposes as follows:

That section 5 be amended by adding after the figures 1929 in the fourteenth line of the said Bill the following words:—

"But no such license shall be extended or renewed by the Governor in Council beyond the first of January, 1935, unless the approval of Parliament is first had and obtained."

And that the second proviso in said section 5 be stricken out.

Hon. Mr. DANDURAND: Honourable gentlemen, I have listened with interest to the debate that has been going on in connection with this Bill, which is not a Government Bill, but a public Bill promoted by private members in both branches of Parliament. I confess that my knowledge of the Bill and the reason for its being presented is somewhat short, because on looking into the debates of the other House, where it originated, I found that they contained nothing. The honourable gentleman from Pictou (Hon. Mr. Tanner) gives me the reason for the brevity of the discussion which took place in the other House: he informs this Chamber that a debate took place in the Session of 1928. I will therefore revert to the discussion of last year.

I am further informed that there were some discussions or negotiations between the private member who promoted this Bill in the other Chamber and a Minister of the Crown. Of that I have no knowledge. A number of questions have been raised during this debate, some of considerable importance, as to the rights of an American company to be continued in the position of owner or user of this power under a yearly license, but with a 50-year contract. A number of questions have been put by my honourable friend from La Salle (Hon. Mr. Bureau) directly to the Government. I will try to obtain all the

necessary information concerning the acquisition of rights by parties who are using our power on the other side of the line; also as to the rights, provincial and Federal, in this matter; and I shall be glad to bring that information before this Chamber. But in order that I may have an opportunity to do so I would ask that the Committee rise and report progress, and ask leave to sit again.

Hon. Mr. LYNCH-STAUNTON: Honourable gentlemen, I cannot see any use for this information. In this Bill I think we have a very, very valuable concession from the Government, which is that although at present, as I apprehend the law, the Government may at its will allow the export of power from Canada under any condition, yet the Government has now conceded to Parliament the right to say in future that no export of power shall be made except under present licenses, or only for temporary purposes. I am much surprised that this concession was granted, and I think that if we go on postponing the consideration of this Bill for the purpose of getting information, which in my humble judgment can do us no good in the end, we may imperil its passing. In my opinion this Committee should not rise until it completes its consideration of the Bill.

Hon. Mr. BUREAU: To my mind that is putting the cart before the horse. The Government are not conceding anything to the House.

Hon. Mr. LYNCH-STAUNTON: Oh, yes, they are.

Hon. Mr. BUREAU: Parliament in 1907 gave the Governor in Council power to grant licenses, and to-day Parliament says, "We will partly withdraw that from the Government, as far as power is concerned." What would be the result? What anxiety need there be about it? What wrong has been done? I want to know how the people are going to benefit by the change.

Hon. Mr. LYNCH-STAUNTON: Parliament is going to control the whole policy.

Hon. Mr. BUREAU: Now you are going to have two classes of power exporters. If there is any advantage in letting the Governor in Council retain authority, one class will remain with an advantage over the other class, who were not fortunate enough to come before the 1st of January, 1929. I say that the information will go a long way to enable the members of this House to pass on this Bill with intelligence. We have heard of nothing except the Hydro-Electric Commission. I know nothing about it, or about the interests which are comprised in the licenses granted before the 1st of January, 1929. I want information, and, as I say, the information will enlighten this House, and it may bring forward some other amendment which may be for the benefit of the country.

Hon. Mr. BEAUBIEN: Honourable gentlemen, I hope that the motion of the honourable leader of the House will be adopted. Everybody admits that the system of exportation of our electric power up till now has been a very disastrous one. I fear also, notwithstanding what has been said, that the sacrifice we have made in the past, because the system was a bad one, is likely to continue. I do not think that the electrical energy exported will ever be reclaimed. Evidently the guardians we have had in the past for that part of our patrimony—one of the most precious —have not been very faithful to their trust, and now the people want to change those guardians, to withdraw the trust and exercise it themselves, through Parliament.

The honourable gentleman from La Salle goes one step farther. Under the Bill the withdrawal of control from the Governor in Council would not apply to licenses issued prior to January, 1929; but the honourable gentleman wants that changed so that after the 1st of January, 1935, the entire export of power shall be subject to the approval of Parliament. That is as I understand it.

Now the Government is asked for information which would enable us to ascertain how disastrous the old system has been. Should we voluntarily close the door to that information, thus putting ourselves in a position where we could not consider and appreciate the errors of the old policy, when we are dealing with a Bill the only object of which is to change the situation for the future? For my part, knowing the conditions under which a very large block of electricity has been exported in the past, and what that exportation has cost us in the Province of Quebec, I am fully convinced that if Parliament, instead of the Government, had exercised authority to grant or refuse licenses in years past, that exportation would not have taken place.

I am certainly in favour of the principle of the Bill, as far as it can possibly be made to go, even to the extent of the amendment made by the honourable gentleman from La Salle (Hon. Mr. Bureau); and I am anxious to get any information that we can obtain for the purpose of strengthening the intention which honourable members of this House may have to support this Bill. Therefore I hope that the Committee will adjourn. We have nothing to lose by getting the information, for I feel sure

that the principle of the Bill will then be adopted; and we shall have the opportunity of extending that principle as suggested by the proposed amendment.

Hon. Mr. LYNCH-STAUNTON: The Bill provides that no new licenses for export of power shall be granted by the Government, excepting in emergencies. It also provides that from the provisions of the Bill shall be excluded the renewal or cancellation of licenses heretofore granted.

Hon. Mr. GRIESBACH: What are they?

Hon. Mr. LYNCH-STAUNTON: The point I want to make is that it does not make the least difference what they are. We are considering the question in two aspects. Do we approve of withdrawing from the Government the right to grant original licenses? That is all we have before us. No person has asked that we go any farther, and this Bill does not go farther.

Hon. Mr. DANDURAND: Except the amendment.

Hon. Mr. LYNCH-STAUNTON: This Bill does not in effect deal with existing licenses, because it excepts them from its ambit. Does anybody dream that the bringing down of information showing the number of these licenses is going to increase the probability that the Government will accede to my honourable friend's request to have the control over existing licenses taken away from themselves?

Hon. Mr. BUREAU: What do the licenses contain?

Hon. Mr. LYNCH-STAUNTON: I do not care what they contain. The Government knows what they contain, and the Government knew that when the Minister said—as I understood he did—that he would approve of this Bill with the provisos that are in it.

Hon. Mr. BUREAU: Will my honourable friend allow me to ask a question? Does he advance the argument that we are to be bound by the statement of the Minister?

Hon. Mr. LYNCH-STAUNTON: There is no use in trying to evade the point. This Bill would never have reached us, the Government would never have allowed it to reach us, if this exception had not been made. There is no use in beating around the bush. I understand that before the private member who promoted this Bill could get it through the House he had an interview with the Minister, and they reached a compromise. The Minister, speaking for the Government, said, "We will allow the passage of this Bill through the Chamber provided you insert certain conditions that I now suggest." The Bill, an amendment to a public Act, was passed by the House at the instance of a private member only after he had made that concession at the suggestion of the Minister.

In my humble opinion, we have got all we can get. The Government have made an enormously valuable concession of authority. If we send the Bill back with an amendment, the whole thing may go up in the air. Let us take what we can get, and later on if any honourable member thinks he can obtain a better concession, let him bring in a Bill. In my opinion the question of exporting or not exporting power is one in which Canada is vitally interested. It entails a great responsibility, and Parliament can congratulate itself that it is to have that responsibility in its own hands. I think we should let the Bill stand as it is.

Hon. Mr. DANDURAND: The honourable gentleman must realize in what position I am. I have been asked to furnish some information before this Bill is considered further. In the seven or eight years that I have been in this place I have never refused to comply with such a request, and I cannot ignore this one.

Hon. Mr. LYNCH-STAUNTON: The honourable leader is quite right. I know he is generally very courteous in complying with requests, but I suggest that this Chamber should not allow him to comply with the present one.

Hon. Mr. BEAUBIEN: I understand the position of the honourable gentleman (Hon. Mr. Lynch-Staunton) to be that we in this House should be careful and be good boys. The Minister in the other House has allowed us to have certain things, and if we are not good we shall not get them. But we are simply asking for information. We are not undertaking to amend the Bill, and after getting the information we may be perfectly satisfied to accept the Bill as it is, or may wish to make it go a little farther. It may be that if the Bill is amended here it will not be accepted by the other House. But surely what we have to do here is the best we can. If an amendment made in this House improves the Bill, so much the worse for the other House, and especially for the Minister, if they refuse to accept it.

Hon. Mr. DANDURAND: This Chamber is not obliged to insist on its own amendment. If we make an amendment that does not meet with the approval of the other House, we may not insist on it.

Hon. Mr. BEAUBIEN: Certainly. All we ask is that further information be given to this House before we deal finally with the Bill.

Progress was reported.

PRIVATE BILLS

THIRD READING

Bill 20, an Act respecting the Bell Telephone Company of Canada.—Hon. Smeaton White.

FIRST READING

Bill 70, an Act respecting Joliette and Northern Railway Company.—Hon. Mr. Gordon.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

Right Hon. Mr. Justice Duff, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act respecting the Sun Life Assurance Company of Canada.

An Act to amend The Grand Trunk Act, 1906-7, with respect to pensions.

An Act to further amend The Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act.

An Act to amend the Militia Pension Act.

An Act to amend the Technical Education Act.

An Act respecting certain patent application of Stanley W. Hayes.

An Act respecting a certain patent of Catelli Macaroni Products Corporation Limited.

An Act to incorporate The Ukrainian Greek Orthodox Church of Canada.

An Act to incorporate The Railway Employees Casualty Insurance Company.

An Act to incorporate The National-Liverpool Insurance Company.

An Act to incorporate Barclays Bank (Canada).

An Act respecting the Pension Fund Society of the Bank of Montreal, the Molsons Bank Pension Fund, and the Merchants' Bank of Canada Pension Fund.

An Act respecting The Protective Association of Canada.

An Act to incorporate The Wawanesa Mutual Insurance Company.

An Act respecting The Quebec Railway Light and Power Company.

An Act respecting the Canadian Pacific Railway Company.

An Act to amend the Root Vegetables Act.

An Act respecting Chartered Trust and Executor Company.

An Act to incorporate Canadian Re-insurance Corporation.

An Act to incorporate The Wapiti Insurance Company.

An Act for the relief of Effie Margaret Hill.

An Act for the relief of Lera Ethel Vallance.

An Act for the relief of Frances Gwendolyn Snow Lott.

An Act for the relief of Edward George Croucher.

An Act for the relief of Elsie Alice Hervey.

An Act for the relief of Hunter Wilbert Faulkner.

An Act for the relief of William Henry Blackwell.

An Act for the relief of Mabel Lorene DeClute.

An Act for the relief of Emily Munnings.

An Act for the relief of John William Telfer.

An Act for the relief of James Ross Curry.

An Act for the relief of William Greig Green.

An Act for the relief of Janet Gee.

An Act for the relief of Sylvester Wilfred Kerr.

An Act for the relief of Florence Velma Strachan.

An Act for the relief of William Henry Laverty.

An Act for the relief of Ernest Carl Bouck.

An Act for the relief of James Clayton Powell.

An Act for the relief of Mina Thompson.

An Act for the relief of Clare Doutre Walters Bertram.

An Act for the relief of Margaret Duffield.

An Act for the relief of Dorothy Madeline Hanson Campbell.

An Act for the relief of Willam Thomas Taylor.

An Act for the relief of Naomi Pauline Wilson.

An Act for the relief of Isabell Leach.

An Act for the relief of Alfred Rescorl.

An Act for the relief of Clarence Percy Shields.

An Act for the relief of Isabella Einboden.

An Act for the relief of Frederick Davenport.

An Act for the relief of Arnold Whitchurch Little.

An Act for the relief of Arthur James Taylor.

An Act for the relief of Marjorie Grace Coleman.

An Act for the relief of Dora Taylor.

An Act for the relief of Helen Awrey.

An Act for the relief of James Lynham.

An Act for the relief of Bessie Stephen Lee.

An Act for the relief of Irene Sagar.

An Act for the relief of Clifford Wilson.

An Act for the relief of Frank Arthur LeNoury.

An Act for the relief of Thomas Booker.

An Act for the relief of Louisa Martha Weston.

An Act for the relief of Bella Solnik.

An Act respecting the Canadian Pacific Railway Company.

An Act respecting The Esquimalt and Nanaimo Railway Company.

An Act respecting the Lacombe and North Western Railway Company.

An Act respecting The Essex Terminal Railway Company.

An Act respecting The Bell Telephone Company of Canada.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1930.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1930.

The House of Commons withdrew.

The Right Honourable the Deputy of the Governor General was pleased to retire.

The sitting was resumed.

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

THE SENATE

Thursday, May 2, 1929.

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

Prayers and routine proceedings.

EXPORT OF PROHIBITED MERCHANDISE TO UNITED STATES

INQUIRY FOR RETURN AND OTHER PAPERS

Right Hon. Sir GEORGE E. FOSTER: During my absence the Senate very kindly passed a motion, of which I had given notice for the 18th of April, for a return showing:

All proposals made by the Government of the United States to the Government of Canada looking to the regulation or prevention of exports from Canadian ports to ports of the United States of merchandise prohibited by the laws of the United States from entrance into their territory, and the action taken thereon and replies made thereto by the Canadian Government.

I had intended to make some remarks upon that subject, but my standing ground has been taken away. I would ask my honourable friend the leader to have the information brought down as soon as possible.

Another thing. The "I'm Alone" papers have been distributed in the other House, and honourable members here have received papers—at least, I suppose they have—through the mail. I have received some, and I find two documents mentioned therein which seem to be almost necessary to a fair consideration of the question. These are the Treaty between Great Britain and the United States of, I think, the 23rd of January, 1924, and the Convention of June 6, 1924, between Canada and the United States. I do not know whether these documents have been brought down in the other House, but they are very essential to our understanding of the whole question, and I would ask that they be brought down here.

Hon. Mr. DANDURAND: I will inquire into the matter. If the treaties have been printed I will see that they are brought down.

CANADIAN NATIONAL RAILWAYS BRANCH LINE BILLS

SECOND READINGS

MURRAY HARBOUR—GEORGETOWN SUBDIVISION

Right Hon. GEORGE P. GRAHAM moved the second reading of Bill 43, an Act respecting the construction of a Canadian National Railway Line from a point on the Murray Harbour Branch to a point on the Georgetown Subdivision of the Canadian Government Railways, in the Province of Prince Edward Island.

Hon. G. D. ROBERTSON: Before second reading is given to this Bill and to all the following Bills on the Order Paper with reference to Canadian National Railways branch line construction, I suppose it is quite clearly understood that they will all go before the appropriate Committee, and that the giving of second reading to any of these Bills, or to all, does not necessarily commit us to accepting them when they come before the Committee and are under consideration separately. If that is understood, I have no objection to the second readings.

Right Hon. Mr. GRAHAM: I fully understand that the second reading does not commit the Senate to the acceptance of any of these Bills; but as definite information concerning each one can be more easily obtained in Committe than before the Senate, I should like to have them read the second time and sent on to the Committee, with the reservation to which my honourable friend refers.

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

On motion of Right Hon. Mr. Graham, the following Bills were severally read the second time:

SUNNYBRAE—GUYSBOROUGH

Bill 44, an Act respecting the construction of a Canadian National Railway Line from Sunnybrae to Guysborough, in the Province of Nova Scotia.—Right Hon. Mr. Graham.

DUNDAS—DUNNVILLE

Bill 45, an Act respecting the construction of a Canadian National Railway Line from a point on the Dundas Subdivision near Brantford to a point on the Dunnville Subdivision near Cainsville, in the Province of Ontario.—Right Hon. Mr. Graham.

GARSON—FALCONBRIDGE MINE

Bill 46, an Act respecting the construction of a Canadian National Railway Line from

a point on the Garson Branch to the Falconbridge Mine, in the Province of Ontario.—Right Hon. Mr. Graham.

SUDBURY—FAIRBANK

Bill 47, an Act respecting the construction of a Canadian National Railway Line from a point on the Sudbury Branch to a point in the Township of Fairbank, in the Province of Ontario.—Right Hon. Mr. Graham.

MELFORT—ABERDEEN

Bill 48, an Act respecting the construction of a Canadian National Railway Line from a point near Melfort to a point near Aberdeen, in the Province of Saskatchewan.—Right Hon. Mr. Graham.

CENTRAL BUTTE—TOWNSHIP 18 OR 19

Bill 49, an Act respecting the construction of a Canadian National Railway Line from a point near Central Butte or Mawer to a point in Township 18 or 19, Range 10, 11 or 12, West of the Third Meridian in the Province of Saskatchewan.—Right Hon. Mr. Graham.

NEIDPATH—SWIFT CURRENT

Bill 50, an Act respecting the construction of a Canadian National Railway Line from Neidpath to a point on the Canadian Pacific Railway near Swift Current, in the Province of Saskatchewan.—Right Hon. Mr. Graham.

RIDGEDALE—THE PAS

Bill 51, an Act respecting the construction of a Canadian National Railway Line from Ridgedale, in the Province of Saskatchewan, thirty miles toward The Pas, in the Province of Manitoba.—Right Hon. Mr. Graham.

UNITY—PROVINCIAL BOUNDARY

Bill 52, an Act respecting the construction of a Canadian National Railway Line from a point near Unity to a point near the Provincial Boundary in Township 36 or 37, in the Province of Saskatchewan.—Right Hon. Mr. Graham.

HAMLIN—GLENBUSH, MEDSTEAD OR ROBIN HOOD

Bill 53, an Act respecting the construction of a Canadian National Railway Line from a point near Hamlin to a point near Glenbush, Medstead or Robin Hood, in the Province of Saskatchewan.—Right Hon. Mr. Graham.

ST. WALBURG—BONNYVILLE

Bill 54, an Act respecting the construction of a Canadian National Railway Line from St. Walburg, in the Province of Saskatchewan, to Bonnyville, in the Province of Alberta.—Right Hon. Mr. Graham.

ALLIANCE—YOUNGSTOWN OR DOBSON

Bill 55, an Act respecting the construction of a Canadian National Railway Line from Alliance to a point near Youngstown or Dobson, in the Province of Alberta.—Right Hon. Mr. Graham.

BULWARK—TOWNSHIP 38 OR 39

Bill 56, an Act respecting the construction of a Canadian National Railway Line from a point at or near Bulwark to a point in Township 38 or 39, Range 8, west of the Fourth Meridian, in the Province of Alberta.—Right Hon. Mr. Graham.

HEMARUKA—SCAPA

Bill 57, an Act respecting the construction of a Canadian National Railway Line from Hemaruka to Scapa, in the Province of Alberta.—Right Hon. Mr. Graham.

SWIFT CREEK—TETE JAUNE

Bill 58, an Act respecting the construction of a Canadian National Railway Line from a point near Swift Creek to a point near Tête Jaune, in the Province of British Columbia.—Right Hon. Mr. Graham.

NEW WESTMINSTER—LULU ISLAND

Bill 59, an Act respecting the construction of a Canadian National Railway Line from New Westminster to a point on Lulu Island, in the Province of British Columbia. with branches therefrom.—Right Hon. Mr. Graham.

RAILWAY ACT AMENDMENT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 60, an Act to amend the Railway Act.

He said: Honourable gentlemen, I had intended that this Bill, like the other railway Bills, should go in the name of my right honourable friend (Right Hon. Mr. Graham), who has had considerable experience in railway matters, but I find that it is still in my name.

The Bill contains a number of amendments to the Railway Act. One deals with the jurisdiction of the board over tolls on international bridges. Another provides for the extension for the next ten years of an annual grant of $200,000 for the protection, safety and convenience of the public in respect of highway crossings of railways at rail level, in accordance with the provisions of the Act. Other clauses of this Bill concern the internal administration of the railway. My right honourable friend will explain these various clauses when the Bill reaches the Committee of the Whole.

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

CANADIAN NATIONAL RAILWAYS AND QUEBEC, MONTREAL AND SOUTHERN RAILWAY BILL

SECOND READING

Right Hon. Mr. GRAHAM moved the second reading of Bill 72, an Act respecting Canadian National Railways and to authorize the acquisition of the Quebec, Montreal and Southern Railway.

He said: Honourable gentlemen, in moving the second reading of this Bill I may intimate that I intend to ask that it, as well as the others, be referred to the Railway Committee. It is not for the construction of any line; it is for the purchase of a line some 110 miles long, with branches. The details I have before me. It will cost about $6,000,000. The Canadian National Railway Company are of the opinion that it will be a good investment for them and enable them to get an improved grade for their heavy traffic between Quebec and Montreal. The full details will be placed before the Committee.

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

PRIVATE BILLS

SECOND READINGS

Bill 63, an Act respecting the Toronto Terminals Railway Company—Hon. Mr. Spence.

Bill 74, an Act respecting the Premier Guarantee and Accident Insurance Company of Canada.—Hon. Mr. McGuire.

Bill 84, an Act to incorporate the Royal College of Physicians and Surgeons of Canada.—Hon. Mr. Rankin.

CANADIAN NATIONAL RAILWAYS ACT AMENDMENT BILL

SECOND READING

Right Hon. Mr. GRAHAM moved the second reading of Bill 130, an Act to amend the Canadian National Railways Act.

He said: Honourable gentlemen, in moving the second reading of this Bill, before asking that it be sent to the Railway Committee, I might explain that its provisions are very simple. The first one is to clarify the definition of the term "Canadian National Railways." The second is to make uniform the law as regards expropriation of property. It transpires that at present, in accordance with the Canadian National Railways Act, expropriation takes place under the authority of the Exchequer Court, but the compensation is decided by the local court. This Bill is intended to put expropriation proceedings, not only as to the taking of land, but also as to compensation, under the Exchequer Court. An exception is made in any case where the compensation offered is under $2,500; this can be decided by the local court, as the amount involved is not very great. Another section of the Bill corrects some merely clerical errors in the reference made to other statutes in the Act of 1919. The last clause substitutes the name of the Company for the name of the Crown as the party who will pay whatever compensation is decided by the Court.

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

CRIMINAL CODE (ESCAPES BY FLIGHT) BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. Mr. LYNCH-STAUNTON moved the second reading of Bill D, an Act to amend the Criminal Code as regards the use of force to prevent escapes by flight.

He said: Honourable gentlemen, the Bill which I have introduced is intended to amend section 41 of the Criminal Code. I think it necessary that I should explain what that section is. It says:

> Every peace officer proceeding lawfully to arrest, with or without warrant, any person for any offence for which the offender may be arrested without warrant, and every one lawfully assisting in such arrest, is justified, if the person to be arrested takes to flight to avoid arrest, in using such force as may be necessary to prevent his escape by such flight, unless such escape can be prevented by reasonable means in a less violent manner.

I wish honourable gentlemen to remember particularly that the proposed amendment applies only to persons who are not under arrest, but are fleeing from arrest. My reason for introducing the Bill is that within the last year or two police officers have shot several persons, perhaps ten, who had not been charged with any except trivial offences.

In one case an officer shot and killed a man against whom there was no charge whatever, because he and his companion, who was a vagrant, and simply avoiding arrest as a vagrant, ran out of a building. Several officers were there, and they fired at the two fleeing men, and the man against whom there was no charge was shot dead. The man who did the shooting was brought to trial on a charge of manslaughter. The judge held that because the officer believed that he had a right to shoot the man, he must be discharged, and he was discharged. That, I think, is the most extraordinary decision on record. The belief of the accused that he has a right to shoot a

man who is not assaulting him, and against whom there is no charge, is a defence which I think no lawyer would ever dream of pleading.

Now, another case. Two ladies in a motor-car in the city of Toronto were ordered to stop by a man in plain clothes. Imagining that he was a highwayman, and being guilty of no offence, they went on. The officer, believing that he had a right to shoot a person who did not stop when he put up his hand, fired at them and wounded one of them.

Another case occurred in the city of Montreal. A charge was laid against a man; an officer proceeded in search of him; a person with the officer pointed out a man on the street. I do not know the exact facts, and will not profess to tell them. At all events, the officer shot a man who was not the wanted man at all. Nothing was done to the officer: he believed that he had a right to shoot that man.

A case in which the boot was on the other foot has just been decided by the Court of Appeal in Toronto. A chief constable wanted to see a certain man regarding a theft of chickens—I am taking the facts from the judgment of the Court of Appeal—and he went to the house of this man, who was not at home. He then deputed a constable to watch the house. The constable waited outside for a time. He saw this man come out of the house and go to his motor car with the evident intention of getting into it and departing. The constable then went up to him, produced a revolver, and said that if he did not stop he would shoot him in his tracks. I will give you the text of the judgment, honourable gentlemen; it will be brief:

After Waddell—

That is the officer.

—had been watching the house for some time, he apparently saw the appellant—

That is the prisoner, Harlton, who was charged with shooting him.

—who had returned to the house without being observed, attempt to leave it in a Ford car which he was cranking preparatory to starting. There is doubt as to exactly what occurred. Apparently Waddell drew a revolver, and before he had an opportunity to use it he was shot through the heart by the accused and died immediately. The appellant then ran away and was only recently brought to trial. No crown witness saw the actual shooting.

Now, here is what the appellant said at his trial for murder:

At the hearing, the appellant gave evidence on his own behalf. He admitted the interview with the high constable and the fact that he gave him the slip. He returned to the house and changed his clothes. He said that he had decided to go and see the high constable. He armed himself with an automatic revolver—he says, with the intention of throwing it away. He went out by the back door for the purpose of entering the Ford car and calling upon the high constable. He was then confronted by Waddell, who, the appellant testified, shouted at him, "Do not move or I will shoot you in your tracks." Waddell, he said, had his "gun" drawn. The appellant stepped back a pace or two and asked Waddell if he had a warrant for his arrest, to which Waddell replied, "No, I don't need any but this," pointing his revolver at him. The appellant said that he was frightened, thinking that he was about to be shot. He then, he says, took his revolver from his pocket and fired at the constable's arm, intending to knock the weapon out of his hand, because he had heard that the constable was "dangerous and treacherous with a gun,"

and killed him.

This case was tried at London, and the accused was found guilty of murder. The Court of Appeal set aside the verdict, saying that on the facts disclosed the jury ought to decide whether or not there were extenuating circumstances.

I am not going to detain the House with all the questions of law which the court raised and discussed. I will only ask: if it becomes generally known that the police will shoot a man for any sort of offence, if he does not come when he is told to do so, to what will it lead? It will lead to this, that every man who is threatened by a policeman, or sees a policeman reach into his hip pocket, will, if he is armed, shoot the policeman; and as a lawyer I have not much doubt that with proper and able counsel defending him such a man would be acquitted as shooting in self-defence. In my humble judgment no jury would be justified in convicting him. It is a very serious matter to put a policeman in such a position. If that is the law of Canada—which I do not believe—it is absolutely barbarous. There is no such law in England, and nobody ever dreamed that Canada had such a law until some judge in Manitoba held that the police might shoot. The old common law of England was that no man had a right to slay another except in self-defence. Self-defence covers a great number of cases, with which I will not detain you. Self-defence is the only ground on which a man may take the law into his own hands and slay another.

I think a common-sense reading of the law is that if a man is escaping from justice, an officer may pursue him and use such violence as is necessary to capture him. But to slay him is not to arrest him. If the other interpretation is correct, then it is the duty of an officer to bring in the prisoner alive or dead—that is what it means—and if that is the law of this country, it is his duty to shoot

every man for whom he has a warrant, or who may be arrested without a warrant, if he starts to run away.

Let me give you what I think is a typical case of the awfulness of it—for the taking of human life is a dreadful thing. A motor boat came into Toronto harbour one night, loaded with liquor of some description; at least that was the assumption, and I think it was correct, though nobody ever found out whether it was or not. This motor boat came to the shore. The police were on the lookout, and the motor boat put off from the shore. The police came down to the water's edge—there was no chance of arresting the men in the boat, for they were out in the deep waters of the bay by this time —and opened a fusillade and killed a young boy who was the engineer of the boat. Is there any justification or excuse for that kind of thing? The man who was responsible for it knew that he could not make an arrest; he knew the force he was about to use would not in any way help him; yet he shot and killed this young boy, and he was never even prosecuted for it.

In English-speaking countries there is a great horror of putting men to death, even when they are convicted of a capital offence, and there has been a very serious movement towards the abolition of capital punishment. I have brought this Bill before you, honourable gentlemen, because I think it is our special duty to look into and consider the criminal law. We have all heard about judicial murders. I say that if this Parliament were to pass a law allowing any man to shoot another, who might be innocent, that would be a parliamentary murder and we as a legislative body would be as responsible for that murder as if we stood on the street and told the one man to shoot down the other. Each one of us would be responsible for making it a capital crime to endeavour to escape from arrest.

The cases which would arise under such a law are ridiculous. Take the case of a man who is about to commit suicide. An officer comes along, the man runs away, and the officer may shoot him. Think of that! The man may be, and probably is, demented. Yet that is one of the specific cases in which the statute is said to justify the shooting. I have read through cases, and they are innumerable, where a person who may have committed no crime at all may be shot if he attempts to run away.

I have discussed this matter with able and eminent counsel who have had a large experience in the administration of the law. One of them, Mr. Peter White, who prosecuted one of the men I have told you about, has had perhaps as great an experience as Crown Prosecutor as any man in the Province of Ontario, and he thinks this situation is shocking and unnecessary. I am told by him that the Crown Attorney of Toronto entirely agrees with him. Furthermore, we know that in England, where there is perhaps as fine a police system as in any country in the world, and where men are brought to justice more quickly than anywhere else, no police officer is allowed to be armed. In the Irish Free State, where they have a great constabulary and where, if in any country in recent years, there has been good reason for arming the police, no policeman goes armed. In my humble opinion it is much better to follow the English system of having peace officers unarmed than the American system of equipping them with revolvers.

Chief Justice Meredith denounced from the Bench the law as it stands, and if time permitted I would read what he said. A memorandum was circulated, and perhaps some honourable gentlemen have read it, in which he spoke about the horrible brutality and shockingness of the present law.

There are two points which honourable gentlemen should seriously consider. Authorities like Chief Justice Meredith and Mr. Peter White say there is no necessity for such a law, and I could mention numerous other persons who say the same thing. Secondly, there is a principle of British justice which, I contend, should not be violated. Even if a man is guilty of some small crime it is better that he should escape than be shot. It is better that 99 minor criminals should escape than that one innocent man should be slain—and nearly all the victims of policemen's revolvers have been innocent men. I am told that in Toronto for years there has not been an arrest made where it was necessary for the officer to use or to be in possession of firearms. I will venture to say that there has been no case at all where a policeman has needed firearms when making an arrest. They are not needed in England, where there are 40 millions of people, and only recently have they been considered necessary in Canada.

I wish honourable gentlemen to understand clearly that this Bill would not prevent the arming of policemen if the authorities considered they should be armed. It does not aim to prevent that at all. The sole purpose is to prevent a policeman from shooting a fleeing man from whom he has no reason to expect violence and from whom he stands in no danger of harm.

Chief Justice Meredith says conditions now are such that offenders cannot escape, and there is no necessity to shoot them down.

Certainly it is not necessary to do so for the protection of the police. To my mind it is a very grievous thing that in this enlightened time we depute to a police officer what we will not depute to a judge or to a jury, the right to slay a fellow man. Honourable gentlemen will notice that the law gives this right of shooting criminals only to a police officer. It is not given to you or to me in a case where we have the right to arrest a man. If we see some real crime committed, we are not justified nor excused by this law or by any other law in slaying a person, except in our own defence. Why should we give to a police officer what we will not give to a private citizen?

Every private person proceeding lawfully to arrest without warrant any person for any offence for which the offender may be arrested without warrant is justified, if the person to be arrested takes to flight to avoid arrest, in using such force as may be necessary to prevent his escape by flight, unless such escape can be prevented by reasonable means in a less violent manner,—

Now, here comes the important clause:

—if such force is neither intended nor likely to cause death or grievous bodily harm.

I say that everyone, whether an official or not, who is attempting to arrest a fleeing criminal, should be permitted to use all necessary force short of maiming or killing him. That is what I want the law to be in regard to officers, as it is with regard to everyone else. In the opinion of men far better able to construe the Statutes than I am, it was never intended to give to a policeman the power to take human life.

One judge has said that police officers have come to the conclusion that they need not run very hard in chasing a criminal; that all they have to do is to shoot. There are many people who, when in possession of a firearm, have no conscience and no appreciation of the terrible responsibility before God and man which is taken in sending a man unprepared to meet his Creator.

This is no small matter, honourable gentlemen, and I for one feel that I should not be doing my duty as a member of the Parliament of Canada if I accepted the responsibility of allowing to stand on our Statute Book—if it is there, or if it has been by judicial decision construed into the Statutes—a law which gives such great power to police officers, without raising a protest against it and endeavouring to have the law changed and made worthy of a civilized community.

I therefore move the second reading of this Bill.

Hon. Mr. GRIESBACH: I agree with my honourable and learned friend that this is a very important Bill. As he pointed out in conclusion, the effect is to alter section 41 of the Criminal Code, which deals with the immunity that a police officer enjoys in pursuing a person fleeing from arrest, and to give it the same termination as section 42, which states the immunity that a private citizen has in the same circumstances. A police officer who is pursuing, for the purpose of arresting, a suspected person who is fleeing, may use "such force as may be necessary to prevent his escape by such flight, unless such escape can be prevented by reasonable means in a less violent manner." A citizen who is pursuing a person fleeing from arrest may also use force, "if such force is neither intended nor likely to cause death or grievous bodily harm."

The Bill, in short, proposes to put the police officer in precisely the same position as the private citizen in similar circumstances. My honourable friend asks why the police officer should have a different immunity from that of the private citizen. The answer seems to me fairly obvious. Because he is a police officer, charged with the maintenance of the peace, for that reason he ought to have, in my judgment, a different immunity from that of any citizen who happens to come along.

What is the evil which my honourable friend seeks to remedy? He alleges that there have been a number of cases of promiscuous shooting by the police in Canada; that in seeking to prevent the escape of persons who were subsequently found to be criminals, police officers had used firearms and that in some cases persons who were not criminals were fired upon, and even persons who had nothing to do with the affair were accidentally shot—

Hon. Mr. LYNCH-STAUNTON: Not accidentally; deliberately.

Hon. Mr. GRIESBACH: No, I do not think my honourable friend can say that. In such a case the policeman believed he was discharging his duty when he fired.

Hon. Mr. LYNCH-STAUNTON: He deliberately shot the person, though.

Hon. Mr. GRIESBACH: He may have fired deliberately, but the person who was killed had nothing to do with the affair at all. I know of a case which happened many years ago where a policeman fired at a fleeing criminal and wounded a person nearby.

The evil which it is sought to cure by this legislation is that of the police using their weapons in preventing the flight of criminals, and in some cases firing upon a person who, it may subsequently be proved, was not a criminal at all, but an innocent bystander. I

assert, first, that there is no real evil to be remedied. Having regard to the size of this country, the sparseness and the mixed quality of its population, the urgent necessity for proper policing, the large number of police officers that we have and the great percentage of them that are wholly untrained for their duties, the number of such shooting incidents is very small. Our proximity to the most populous, and perhaps the most lawless, country in the world, and the invasion of our territory by criminals from that country, bring about a condition which one might expect would result in a good deal of shooting. Having regard to these circumstances, the amount of shooting done by Canadian police is negligible, and I submit that there is no evil at all to be remedied; certainly no evil which requires such a remedy as this Bill.

I assert, in the second place, that if the Bill were to become law the conditions that would then prevail would be infinitely worse than those now existing. The peace officer then would be allowed to use a weapon only in self-defence. My honourable friend said that—

Hon. Mr. LYNCH-STAUNTON: No, I did not.

Hon. Mr. GRIESBACH: And I have come to that conclusion myself, that the only time a police officer could use a weapon would be in self-defence. If police officers had to discharge their functions under such conditions, what sort of persons would they have to be? In the first place, to function effectively, they would have to be able to run faster than any possible criminal, in order to overtake him. And every policeman would have to be stronger than any criminal, in order to seize him and hold him afterwards. Not only that, but every policeman would have to be stronger than any group of criminals, in order to be able to handle a number whom he might be called upon to arrest. That is what my honourable friend envisages when he speaks of the way in which an arrest should be made. And, further, every police officer would need a faster motor car than any criminal could possibly have. But even a faster motor car would not always be effective, because the officer would not be allowed to use a weapon; so if the criminal refused to surrender when overtaken, the chase might start all over again and continue until the criminal ran out of gasoline; then the officer would open the door of the stalled car and, it may be, engage in a personal struggle. If the criminal drew a weapon, then the policeman would be in the same position as he is in now: if he used his weapon he would have to prove subsequently before a judge and jury that he did so in self-defence.

If this Bill were to become law, I submit it would cripple and demoralize our police forces. I can come to no other conclusion. Whether the officers continued to be armed or not, the forces as a whole would be crippled and demoralized. I think that this House and the country at large will agree to this general proposition, that the police of this country, now and in the future, must be as well armed and equipped as are the criminals with whom they have to cope. I venture to assert that bank managers, persons who have to handle pay-rolls, and the people who live along our southern frontier will agree with the general proposition that I have stated.

Moreover, I hope it will be agreed—I certainly shall contend for this point—that our police should not only be as well armed and equipped as the criminals with whom they deal, but they should be trained for their jobs. Here lies the key to the whole of this discussion, because in every case cited by my honourable friend in justification of his Bill —in every single case, without exception—as he narrated the circumstances of the case it was clear to me, I having been brought up in a police barracks, that the incident was due to a lack of training and a lack of knowledge on the part of the officer concerned. Read the newspapers dealing with those shootings by the police that have taken place in the last year. In every single case inquiry will show, first, that the man who did the shooting ought never to have been in the police, or, in the second place, that he never received any training and had no knowledge of his job. Above and beyond all that is the fact that every policeman who so misbehaves is liable to be dealt with by his own superiors, and ought to be dealt with by the courts of this country under this very law.

Now, what is the cure of the evil which my honourable friend suggests? The cure is extremely simple. A few days ago one might have read in the local papers that the Attorney-General of Ontario had authorized General Williams, Commissioner of Police, to establish a training school for the members and recruits of the Ontario Provincial Police. That is a thing that ought to have been done long ago. The only training school that I know of in this country is one maintained by the Royal Canadian Mounted Police at Regina, where, after careful selection, the recruit is taken in and given six months' training in police duty,

and in knowledge of the Criminal Code, particularly of these clauses, and as to when to shoot and when not to shoot.

My honourable friend said that in his opinion—and I am certain he is wrong—all the arrests that have been made in Canada might have been made by unarmed constables. I do not believe that at all. In the old days of the Mounted Police arrests were frequently made without the drawing of a weapon, but no Mounted Policeman ever left the barracks without being armed, and without knowing when, how, where, and under what circumstances he should use his weapon.

Hon. Mr. LYNCH-STAUNTON: But the Mounted Police is a trained force, and the greatest in the world. Did a Mounted Policeman ever shoot a fleeing man?

Hon. Mr. GRIESBACH: Yes, a fleeing man, and a standing man.

Hon. Mr. LYNCH-STAUNTON: I should like the honourable gentleman to give me one case where one shot a fleeing man.

Hon. Mr. GRIESBACH: My own leader defended a Mounted Policeman for shooting a fleeing man. I would give my honourable friend the case of Detective Egan, of the Mounted Police; I happen to remember him. I could give my honourable friend a dozen cases. I do not recall the names and incidents at the moment, but it would be a strange thing if I could not, because I know the fact to be as I have stated.

Hon. Mr. LYNCH-STAUNTON: You might give me one.

Hon. Mr. GRIESBACH: The Mounted Police have a training school in which they train a man for six months before he is allowed out at all, but in the other police forces in Canada the man is taken on because of his size and appearance, and, let us hope, because of his character; and within a week or less he is on the street in uniform, carrying arms, and discharging the duties of a police officer. That is wholly wrong, and it is obvious to anybody that it is wrong. The situation in Ontario is being met by the establishment of a training school for police officers.

Hon. Mr. LYNCH-STAUNTON: It is not established yet.

Hon. Mr. GRIESBACH: I think it is functioning now. The Provincial Police of Alberta have been endeavouring to establish a training school, but have not succeeded yet, for lack of funds. However, they are attempting to train their people. But in the vast majority of police forces throughout Canada there is practically no training at all, and training is the remedy for the evil of which my honourable friend complains; not the practical disarming of the police, as he suggests.

To quote the practice prevailing in England is entirely beside the question. There you have a homogeneous population, with certain traditions, and it is a large population in a small area; there you have the means and methods of civilization for the enforcement of law, and you have a tradition among the police, and also among the underworld, under which they do not carry any weapons. In England, up to the present time, the burglar or highwayman carries no weapon at all, for the reason that it might go very hard with him if he were ultimately discovered with a weapon. Similar conditions do not prevail here, because we live alongside the most populous, the most wealthy, and possibly the most lawless country on earth.

The training of the police forces is a remedy, and there is still another remedy, the centralizing of control, the abolition of all those petty police forces, of county constables and people of that sort, or the bringing of them under provincial control, at least. In the cities and municipalities within the province there ought to be some method of standardization, some method of control and inspection by higher authorities. When that exists you will have trained police forces, a body of men who can act under these clauses of the Code and will maintain peace in the country, and amongst whom regrettable instances such as those to which my honourable friend has referred will be extremely few; but to endeavour by such legislation as this to disarm the police forces—

Hon. Mr. LYNCH-STAUNTON: My honourable friend is putting arguments into my mouth. I did not suggest the disarming of the police forces; I said distinctly that we need not disarm them.

Hon. Mr. GRIESBACH: Very well; my honourable friend permits them to carry arms, but his Bill provides that they may use their weapons only in self-defence, which I submit calls for a type of policeman that does not exist. I have already said that he must run faster than any criminal, because unless he overtakes any criminal he pursues he cannot arrest him. He has to be stronger than every other person, or he cannot arrest him when he does overtake him. The amendment would lead to such anomalies and peculiarities that it would demoralize your police service.

Now, I say there is a better way to deal with the situation than by this legislation, and that is to give some encouragement to the different provinces and municipalities and chiefs of police, who know that what we require is a trained police force. Give some encouragement to them, that they may be able to train their men to do their job.

Hon. Mr. DANDURAND: Honourable gentlemen, I would suggest that we adjourn this debate in order that I may be in a position to bring before this Chamber the opinion of the Department of Justice.

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

PRIVATE BILL

SECOND READING

Bill W3, an Act respecting Alliance Nationale.—Hon. Mr. Beaubien.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMeans, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

N5, an Act for the relief of Frederick Herman Schelke.

O5, an Act for the relief of Jennie White.

P5, an Act for the relief of Alma Berlinda Swayne.

Q5, an Act for the relief of Gladys Evelyn Lawrence.

R5, an Act for the relief of Daniel Ray Bouvier.

S5, an Act for the relief of Edyth Viola Beacock.

T5, an Act for the relief of Bertha Nichols.

U5, an Act for the relief of George Nelson Brown.

V5, an Act for the relief of Albert Victor Walter Holman Homan.

W5, an Act for the relief of James Duncan Gerard.

X5, an Act for the relief of Frances Vera Carter VanLuven.

Y5, an Act for the relief of Violet Haney.

Z5, an Act for the relief of James Thompson Clark.

A6, an Act for the relief of James Collingwood Darroch.

B6, an Act for the relief of Ross James Smalley.

C6, an Act for the relief of Alexander James Purse.

D6, an Act for the relief of Wilfred Keith Black.

E6, an Act for the relief of Henry Feldman.

F6, an Act for the relief of Fanny Green Fuchs Webber.

G6, an Act for the relief of Henry Lawrence Jones.

The Senate adjourned until Tuesday, May 7, at 8 p.m.

THE SENATE

Tuesday, May 7, 1929.

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

Prayers and routine proceedings.

DEPUTY MINISTERS—APPOINTMENTS AND SALARIES

INQUIRY

Hon. Mr. GRIESBACH inquired of the Government:

1. The names of all persons who are deputy ministers, or who have the rank or status of deputy ministers, in the employment of the Government.
2. The dates of their several appointments.
3. Their initial salaries.
4. What increases of salaries, if any, have been given them from time to time since appointment, with the dates and amounts of such increases.

Right Hon. Mr. GRAHAM: In the absence of the honourable leader of the Government, I beg leave to hand in this very lengthy answer which has been prepared by one of the Departments.

Privy Council—

1. E. J. Lemaire, Clerk of the Privy Council.
2. 14th August, 1923.
3. $6,000.
4. $2,000—1st April, 1927; $1,000—1st April, 1929.

The Senate—

1. Austin E. Blount.
2. February 20, 1917.
3. $5,000 per annum.
4. April 1, 1919, salary increased to $6,000 per annum.

House of Commons—

1. Arthur Beauchesne, Clerk of the House of Commons.
2. January 7, 1925.
3. $6,000.
4. None.

Governor General's Secretary—

Mr. E. C. Mieville, Secretary to the Governor General, who is a "Chief Officer of the Public Service," has received since his ap-

pointment on the 1st April, 1927, a salary of $5,000, and a living allowance of $1,500 per annum.

Auditor General—

1. Georges Gonthier, Auditor General.
2. January 18, 1924.
3. $15,000 per annum.
4. None.

Department of the Interior—

1. W. W. Cory, Deputy Minister.
2. December 31, 1904.
3. $3,500.
4. December 31, 1904, $3,500; January 1, 1906, $3,600; January 1, 1907, $3,700; January 1, 1908, $3,800; September 1, 1908, $5,000; April 1, 1919, $6,000; April 1, 1923, $8,000; April 1, 1929, $10,000.

Department of Public Works—

1. J. B. Hunter, Deputy Minister.
2. July 1, 1908.
3. $3,500.
4. Sept. 1, 1908, $1,500; April 1, 1919, $1,000; April 1, 1923, $2,000; April 1, 1929, as provided in main estimates of 1929-30, $2,000.

Department of Trade and Commerce—

1. F. C. T. O'Hara, Deputy Minister.
2. August 1, 1908.
3. $3,500 per annum.
4. September 1, 1908, $1,500 per annum; April 1, 1919, $1,000 per annum; April 1, 1923, $2,000 per annum; April 1, 1929, $2,000 per annum.

Department of Public Printing and Stationery—

1. Frederick Albert Acland.
2. October 1, 1908, Deputy Minister of Labour; June 15, 1921, Deputy Minister of Labour and King's Printer; September 1, 1923, King's Printer.
3. $5,000.
4. (a) April 1, 1919, increase $1,000; (b) April 1, 1923, increase $2,000; (c) April 1, 1929, increase $1,000.

Department of the Secretary of State—

1. Thomas Mulvey.
2. 1st June, 1909.
3. $5,000 per annum.
4. April 1, 1919, salary increased to $6,000 per annum; April 1, 1923, salary increased to $8,000 per annum; April 1, 1929, salary increased to $9,000 per annum.

Department of National Defence—

1. George J. Desbarats.
2, 3 and 4.—July 1, 1908, Acting Deputy Minister of Marine and Fisheries, $4,800; Nov. 4, 1909, Deputy Minister Marine and Fisheries, $5,000; May 5, 1910, Deputy Minister and Comptroller Naval Service, $6,000; Nov. 1, 1922, Acting Deputy Minister Militia and Defence, $6,000; Jan. 1, 1923, Acting Deputy Minister National Defence, $8,000; April 1, 1924, Deputy Minister National Defence, $8,000; April 1, 1929, Deputy Minister National Defence, $10,000.

Department of Marine and Fisheries—

Marine Branch—

1. Alexander Johnston.
2. June 8, 1910.
3. $5,000 per annum.
4. 1st April, 1919, to $6,000 per annum; 1st April, 1923, to $8,000 per annum; 1st April, 1929, to $10,000 per annum.

Fisheries Branch—

1. Wm. A. Found.
2. July 1, 1928.
3. $6,000.
4. April 1, 1929, $2,000.

Department of Indian Affairs—

1. Duncan C. Scott.
2. October 11, 1913.
3. $6,000.
4. Increase $2,000, April 28, 1924; increase $1,000, April 1, 1929.

Department of Agriculture—

1. Dr. J. H. Grisdale.
2. April 1, 1919. Acting Deputy for one year previous.
3. $5,500 and use of house.
4. April 1, 1924, $2,000; April 1, 1929, an increase of $2,000 is included in estimates for 1929-30.

Department of Pensions and National Health—

1. John A. Amyot, C.M.G., M.B.
2. Deputy Minister, Department of Health, 14th July, 1919; Depty Minister, Department of Pensions and National Health, 12th December, 1927.
3. Deputy Minister, Department of Health, $6,000.
4. 1st April, 1927, salary increased from $6,000 to $8,000—amount of increase, $2,000; 1st April, 1929, salary increased from $8,000 to $9,000—amount of increase $1,000.

Department of Finance—

1. J. C. Saunders.
2. April 1, 1920.
3. $6,000 (being same salary received as Asst. Deputy Minister).
4. $4,000, April 1, 1922. From January 1, 1924, paid $5,000 as Secretary, Treasury Board.

Department of Mines—

1. Dr. Charles Camsell.
2. March 7, 1921.
3. $6,000.
4. $2,000, April 1, 1925; $1,000 increase of salary provided in estimates for 1929-30 as submitted to Parliament.

Department of Post Office—

1. L. J. Gaboury.
2. 17th August, 1923.
3. $6,000.
4. $2,000 from 1st April, 1924; $2,000 from 1st April, 1929.

Department of Labour—

1. Howard H. Ward.
2. September 1, 1923.
3. $6,000.
4. April 1, 1927, $2,000; April 1, 1929, $1,000.

Department of Immigration and Colonization—

1. W. J. Egan.
2. October 2, 1923.
3. $6,000.
4. April 1, 1924, $2,000; April 1, 1929, $1,000.

Department of Insurance—

1. G. D. Finlayson.
2. Superintendent of Insurance, with rank of Deputy Minister, September 1, 1914. Deputy Minister, July 19, 1924.
3. September 1, 1914, $5,000.
4. April 1, 1919, increase $1,000; April 1, 1924, increase, $4,000.

Department of Justice—

1. W. Stuart Edwards, K.C., Deputy Minister of Justice; E. R. Cameron, K.C., Registrar, Supreme Court of Canada.
2. Mr. Edwards, October 1, 1924; Mr. Cameron, July 2, 1898.
3. Mr. Edwards, $10,000; Mr. Cameron, $2,600.
4. Mr. Edwards, none; Mr. Cameron, October 26, 1906, $1,400; April 1, 1913, $1,000; April 1, 1919, $1,000.

Department of External Affairs—

1. Under-Secretary of State for External Affairs, Dr. O. D. Skelton.
2. Appointed Under-Secretary of State for External Affairs, April 1, 1925.
3. Salary $8,000 per annum.
4. No increase of salary given since date of appointment, but provision for $2,000 increase is made in Estimates 1929-30.

Department of Railways and Canals—

The Deputy Minister of the Department of Railways and Canals is Mr. R. A. C. Henry, B.A., B.Sc. Mr. Henry was appointed to succeed the late Major Bell on February 4, 1929, at a salary of $10,000, which is the amount that was paid his predecessor.

Public Archives—

1. A. G. Doughty.
2. May 16, 1904.
3. $1,900.
4. July 1, 1905, $2,200; July 1, 1906, $2,400; April 1, 1907, $3,000; April 1, 1912, $5,000; April 1, 1919, $6,000; April 1, 1924, $8,000; April 1, 1929, $9,000.

Library of Parliament—

1. There are two Joint Librarians in the Library of Parliament, each having the rank of deputy minister, i.e., Mr. J. de L. Taché, and Hon. Mr. Martin Burrell.
2. Mr. J. de L. Taché was appointed General Librarian June 1, 1920. Hon. Martin Burrell was appointed Parliamentary Librarian July 8, 1920.
3. The initial salary in both cases was $6,000.
4. There has been no salary change or increase in either case, both Librarians still receiving an annual salary of $6,000.

Civil Service Commission—

1. The three Civil Service Commissioners have the rank of deputy ministers: Honourable William James Roche, M.D., LL.D., P.C., Chairman; Joseph Emile Tremblay, Commissioner; Newton McFaul MacTavish, M.A., D.Litt., Commissioner.
2. Chairman appointed 1917; Commissioner Tremblay appointed June 1926; Commissioner MacTavish appointed June 1926.
3. Chairman's initial salary $6,000; Commissioners' initial salary, $6,000.
4. The Chairman was appointed at $6,000 under the Civil Service Act, 1918, Section 3, Subsection 3. Salary increased to $7,000 November 10, 1919, by Civil Service Amendment Act, 1919. The two Commissioners appointed at $6,000 in 1926 under the Civil Service Amendment Act, 1919, have received no increases.

Chief Electoral Officer—

1. Jules Castonguay appointed Chief Electoral Officer.
2. July 1, 1927.
3. $6,000 a year.
4. No increase of salary since appointment.

Note—The above salary increases for 1929 are as provided for in the main estimates for the fiscal year 1929-30.

EXPORT OF PROHIBITED MERCHANDISE TO UNITED STATES

INQUIRY FOR RETURN

Before the Orders of the Day:

Right Hon. Sir GEORGE E. FOSTER: Before the Orders of the Day are proceeded with, may I ask my honourable friend if he has any answer to the questions which were put to him at our last sitting with reference to returns to be brought down?

Hon. Mr. DANDURAND: I made a special visit to the Department of External Affairs, and I was promised an answer this week. I thought I should find it in my correspondence this evening. I hope to have it by 3 o'clock to-morrow.

DIVORCE BILLS

SECOND READINGS

Bill X5, an Act for the relief of Frances Vera Carter Van Luven.

Bill Y5, an Act for the relief of Violet Haney.

Bill Z5, an Act for the relief of James Thompson Clark.

Bill A6, an Act for the relief of James Collingwood Darroch.

Bill B6, an Act for the relief of Ross James Smalley.

Bill C6, an Act for the relief of Alexander James Purse.

Bill D6, an Act for the relief of Wilfred Keith Black.

Bill E6, an Act for the relief of Henry Feldman.

Bill F6, an Act for the relief of Fanny Green Fuchs Webber.

Bill G6, an Act for the relief of Henry Lawrence Jones.

Bill H5, an Act for the relief of Allan Plant.

Bill I5, an Act for the relief of Pansy Jean Van Luven.

Bill J5, an Act for the relief of William Treslove.

Bill K5, an Act for the relief of Annie Letticia Smith.

Bill N5, an Act for the relief of Frederick Herman Schelke.

Bill O5, an Act for the relief of Jennie White.

Bill P5, an Act for the relief of Alma Berlinda Swayne.

Bill Q5, an Act for the relief of Gladys Evelyn Lawrence.

Bill R5, an Act for the relief of Daniel Ray Bouvier.

Bill S5, an Act for the relief of Edyth Viola Beacock.

Bill T5, an Act for the relief of Bertha Nichols.

Bill U5, an Act for the relief of George Nelson Brown.

Bill V5, an Act for the relief of Albert Victor Walter Holman Homan.

Bill W5, an Act for the relief of James Duncan Gerard.

Bill V4, an Act for the relief of Eva Alexander Grayson Smith.

Bill W4, an Act for the relief of Ernest Gillespie Simpson.

Bill X4, an Act for the relief of Laura Grace Osborne Lea.

Bill Y4, an Act for the relief of Gertrude Helena Martin.

Bill Z4, an Act for the relief of Laura Warren.

Bill A5, an Act for the relief of Ethel Elizabeth Kelley.

Bill B5, an Act for the relief of Andrew Ralph Wilson.

Bill C5, an Act for the relief of Marion Jane Stewart.

Bill D5, an Act for the relief of Mildred Muriel Lange.

Bill E5, an Act for the relief of Linda Lydia Snowdon Pascoe.

Bill F5, an Act for the relief of John Carbery Hickman.

Bill G5, an Act for the relief of Lydia Alice Hinch.

PRIVATE BILLS

SECOND READINGS

Hon. Mr. ROBINSON moved the second reading of Bill M5, an Act respecting the New Brunswick Railway Company.

Hon. Mr. McMEANS: Explain.

Hon. Mr. WILLOUGHBY: Explain the Bill.

Hon. Mr. ROBINSON: Honourable gentlemen, as I understand it, this Bill simply ratifies the Act passed by the New Brunswick Legislature, and re-enacts it here in so far as this Parliament has jurisdiction. The subject-matter of the Bill is, I think, purely for the Legislature of New Brunswick. The New Brunswick Railway Company a great many years ago built a road about 160 or 170 miles in length, from Fredericton, up the St. John river, through Woodstock and Edmundston, to a place called Connor. At the time it was built there was given a grant per mile of railway, of 10,000 acres of Crown lands in the province of New Brunswick, totalling about 1,647,000 acres, instead of the usual subsidy. Subsidies came in later. The owner-

ship has since changed hands and the railroad itself has been leased for 990 years to the C.P.R., which has guaranteed the bonds.

The company now desires to sell those lands, which are very valuable timber lands, to the International Paper Company, I believe, for the purpose of aiding in the supply of raw product for the paper mill which is to be constructed in that vicinity. The New Brunswick Legislature has gone into matters pretty carefully and has passed an Act authorizing the sale of the lands, without in any way interfering with any rights which the bondholders may have. The lands themselves are kept separate and distinct from the railroad. I understand that the C.P.R. has no interest whatever in the lands, which have been operated for very many years under license given to different individuals, and from which timber has been cut on the basis of payment of stumpage.

I do not know just where this legislative body has any authority in the matter. I got the Bill from Mr. Guthrie, solicitor. I take it that the purpose of ratifying the Act passed by the Province of New Brunswick is to clear away any doubt that may exist.

Hon. Mr. WILLOUGHBY: The only question that arises in my mind is as to what we have to do with this matter, and why we should pass a statute in regard to it. If it is open to legal doubt, perhaps there would be no objection to this Parliament passing this Bill. That question might be inquired into when the Bill goes to the Committee.

Hon. Mr. ROBINSON: Yes.

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

Hon. Mr. CASGRAIN moved, for Hon. Mr. Gordon, the second reading of Bill 70, an Act respecting Joliette and Northern Railway Company.

Hon. Mr. McMEANS: Explain.

Hon. Mr. CASGRAIN: I do not think it is necessary, as the Bill will go before the Committee. This proposed railway happens to be in my senatorial division; that is why I know something about it.

Hon. Mr. WILLOUGHBY: That is all the better reason for explaining the Bill.

Hon. Mr. CASGRAIN: It is for the construction of a railroad from Joliette to a point near the village of St. Michel des Saints, with the ultimate idea of joining the National Transcontinental Railway at or near Parent.

Hon. Mr. ROBINSON.

Hon. Mr. DANDURAND: Has it been started?

Hon. Mr. McMEANS: Where is Joliette?

Hon. Mr. CASGRAIN: Thirty miles in a northeasterly direction from Montreal. I might say that surveys have been repeatedly made for this road. Leaving Joliette, it passes through rather flat country; then it has to cross the Laurentian Range and go on the other side of the mountain. A considerable sum of money has been spent by different companies, and surveys have been made by several of them. These people in my division are taking a great deal of trouble. I think that if they belonged to the Northwest the Government of the country would build the railroad and save them all the expense and trouble. The people in this district of St. Michel des Saints are seventy miles from the nearest railroad, and there was a large and prosperous parish there ten years before I entered this House thirty years ago.

Hon. Mr. McMEANS: The honourable gentleman has not done his duty.

Hon. Mr. CASGRAIN: The people there have been teaming their butter and other produce seventy miles, and it is an injustice that they did not have a railroad thirty years ago. Though that section is all settled, the people have only an ordinary road, not even a macadamized road. I have been through the section myself, and I think it is a crying shame that better transportation is not provided. If honourable gentlemen wish, I can go on and tell of the injustice that has been done to those people by the lack of better facilities. They certainly should have had this railway long ago. I move the second reading of this Bill.

Hon. Mr. ROBERTSON: Perhaps my honourable friend will recall that when this same Bill, or at least a Bill in connection with this same railroad, was before the Senate on two previous occasions there was a good deal of competition for this charter as between different interests. Probably my honourable friend can give the House some information as to how it occurs that the work was not at once proceeded with, the charter having been given to the same persons, I presume, as those who are now seeking its renewal, upon the distinct promise that the railway should be built forthwith. Before endorsing the granting of the charter again to the same people we should know why it is necessary.

Hon. Mr. CASGRAIN: For a very good reason. This honourable House knows that

railways are very expensive to build, and it is very difficult to get the necessary money. The other day Sir Henry Thornton said that no more charters should be given, but that the C.P.R. and the Canadian National Railways should build all the roads in the country. I really believe that would be a very good thing. But different people have kept saying, "We will build this line." They have had surveys made and incurred considerable expense, thinking that perhaps they could get the Government to help, and could then secure the capital. Personally I doubt very much if they can get the capital, as it is a very expensive road to build. The country is partially settled, and the road would have been built long ago if those people had had justice, and had representatives in this House and the other to ask for it. Instead of that, they compete about getting charters, and nothing comes of it.

Ever since I have been in this senatorial division I have heard about this road. I said to the people: "Why don't you go straight to the Government and ask them to build your road? They are building roads all over creation; there will be over 2,400 miles of new road built in the Northwest, and that territory has now four times as much railway per head of population as we have in Quebec. They have a mile of railroad in the Northwest for every 120 persons, which means a mile of railroad for 30 or 40 families, but it takes 500 persons in Quebec to have a mile of railroad." We should let those people have their charter, and when they start the work the Government might take hold and finish the road for them.

Hon. Mr. ROBERTSON: Lest my honourable friend should think I am not in sympathy with this charter being granted, or this road being built, I wish to say I intended only to express the idea that he, being interested in this particular locality, which he represents, would desire to see the railway built and not have a charter given to people who, after contending and competing for it, and promising that they would proceed at once to construct the road, have not constructed it. I was only trying to help my honourable friend to get the railroad.

Hon. Mr. DANDURAND: I might suggest that my honourable friend could do what is being done with regard to the building of branches throughout the West. I remember three or four years ago presenting Bills for the construction of twenty-eight branches, and with each Bill there was submitted a statement by the railway authorities giving the area which the branch would serve, the population in the locality, the crops to be carried from that region, the products which would enter that part of the country, and an expression of the belief that the branch would pay for itself. My honourable friend, having a paternal interest in this district, might prepare such a memorandum, and introduce a delegation who would assure this House that the branch would pay.

Hon. Mr. CASGRAIN: That is for the Committee.

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

ELECTRICITY AND FLUID EXPORTATION BILL

FURTHER CONSIDERATION IN COMMITTEE POSTPONED

On the Order:

The House again in Committee of the Whole on Bill 15, an Act to amend the Electricity and Fluid Exportation Act (Exportation of Electric Power).—Hon. Mr. Tanner.

Hon. Mr. DANDURAND: Honourable gentlemen, with the consent of my honourable friend whose name is attached to this Bill, and with the leave of the House, I move that this Order be discharged and placed on the Order Paper for to-morrow. This motion is not made with the assurance that the Senate will be able to discuss this Bill intelligently to-morrow, but the delay will give me an opportunity to lay before the House, when the Order is called, a rather voluminous return that I have in answer to the questions of the honourable gentleman from La Salle (Hon. Mr. Bureau). These documents will have to be spread on Hansard, and then another day may be taken next week for the continuation of the discussion on this bill in a more intelligent way.

Hon. Mr. BUREAU: I understand that the Bill will not be gone on with to-morrow.

Hon. Mr. DANDURAND: No; if it lies in my power to have it postponed, it will be postponed until the following week.

Hon. Mr. TANNER: I understand the idea is to put on record the replies to the honourable gentleman, so that we all may read them.

Hon. Mr. DANDURAND: Yes.

The motion was agreed to.

RAILWAY ACT AMENDMENT BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand the Senate went into Committee on Bill 60, an Act to amend the Railway Act.

Hon. Mr. Copp in the Chair.

Sections 1 and 2 were agreed to.

On section 3—continuous route in Canada; joint tariffs shall be agreed upon:

Right Hon. Mr. GRAHAM: Honourable gentlemen, this amendment is suggested at the request of the Board of Railway Commissioners, in order to facilitate the filing of tariffs. Under the present law sometimes more than a hundred different tariffs are filed by different companies that have joint agreements. This amendment is to make it possible for one company to file all the tariffs of all the companies, so as to reduce the work of the Board, and the technical work of every person concerned.

Hon. Mr. ROBERTSON: I assume that it is intended also to cover the ever-widening practice of filing a joint tariff for different companies. If one tariff gives the rate on a certain commodity over four or five different railroads, the filing of that tariff achieves the purpose for all.

Right Hon. Mr. GRAHAM: Yes. One company would have a power of attorney to file a single tariff for all the roads.

Hon. Mr. WILLOUGHBY: Instead of tariffs being filed by the various companies over whose lines the commodity goes?

Right Hon. Mr. GRAHAM: Yes. Sometimes on account of the number of branch lines the filings run into innumerable tariffs.

Section 3 was agreed to.

Sections 4, 5 and 6 were agreed to.

On section 7—Board may make information public on notice to company:

Right Hon. Mr. GRAHAM: This is merely to protect, say, a witness who has given evidence concerning a company, by preventing the publication of his evidence if he so desires. The evidence given by the company itself under like circumstances is not published.

Hon. Mr. WILLOUGHBY: That is, if in the opinion of the Board the witness so desires.

Right Hon. Mr. GRAHAM: He can make the request, and the Board can decide whether the request shall be granted or not.

Section 7 was agreed to.

On section 2—grant for ten years from 1929 (reconsidered):

Hon. Mr. ROBERTSON: May I ask the privilege of reverting for a moment to section 2 of the Bill, relating to the protection, safety and convenience of the public at highway crossings, to inquire of my honourable friend who is sponsoring the Bill whether in fixing the amount of $200,000 each year for ten years any serious consideration was given to protecting highway crossings and eliminating grade crossings as far as possible? I think that is one of the most useful services the Government and the railways can give to our country in these modern days. I believe that more lives were lost last year by highway accidents at railroad crossings than from any other one cause in the country. The aggregate toll of human life as a result of such accidents is appalling. While I heartily commend the Government on the extent to which they have gone, I should like to inquire whether or not there was discussed the possibility of increasing, or even doubling, the amount to be granted for this very useful and laudable purpose.

Right Hon. Mr. GRAHAM: Honourable gentlemen, the history of this proposal to aid in eliminating or protecting level crossings is somewhat interesting. I think it was away back in 1909 that the then Minister of Railways conceived the idea of having an Act passed by which the railway, the municipalities and this new fund that was being created should contribute in certain proportions, limited to fixed amounts to be decided by the Board of Railway Commissioners. A great many level crossings have been eliminated by this means. The reason that Bill was introduced and passed was this. No railway company could undertake to eliminate all the grade crossings. As we all know, in years gone by, many municipalities not only allowed railways to come in on level crossings, but gave them part of the town. It was thought advisable that if those level crossings were to be eliminated the municipality should bear a share of the cost. A certain amount was set aside for a term of years. I think that amount was increased later. The fund was not all used for the elimination of grade crossings, but was accumulating. I think the reason for that, largely, was that when the municipalities found that the application to have a grade crossing eliminated implied that they paid part of the cost, there were probably not so many applications for such eliminations. As a matter of fact, up to 1928, I think—there is a return up to 1929, but it really did not include a pay-

ment of some $60,000 in 1928 and 1929—there was accumulated in that fund $1,900,000. If my memory serves me, an Act has been passed, or provision made, for the use of that money to a large extent in the elimination of grade crossings. In order that the fund might not be unduly depleted, the Government and Parliament thought it wise to continue the contribution of $200,000 a year. I am informed that more active steps will be taken towards the elimination of level crossings, and larger amounts will be granted for that purpose.

Right Hon. Sir GEORGE E. FOSTER: Is there any legislation to compel a municipality to pay a certain portion of the cost, when a dangerous crossing is self-evident?

Right Hon. Mr. GRAHAM: I am not speaking legally, but there is no legislation that I know of.

Hon. Mr. WILLOUGHBY: It is a provincial matter anyway.

Right Hon. Mr. GRAHAM: Yes. You are liable to run into conflict with the provinces there, because the municipalities are under the control of the provinces. So it is a rather difficult matter to handle. I think the Board of Railway Commissioners is very much alive to the situation to which my honourable friend (Hon. Mr. Robertson) was referring, and I expect to see more activity in the elimination of level crossings. It strikes me that a large number of level crossing accidents are due more to the drivers of automobiles than to the railways. Anything that tends to prevent loss of life and property should be favourably considered. The Province of Quebec is considering an Act—I am not sure whether it is passed—to compel every automobile driver to come to a dead stop some distance from a level crossing.

Hon. Mr. ROBERTSON: It is passed.

Hon. Mr. WILLOUGHBY: And the same has been done in Saskatchewan.

Hon. Mr. ROBERTSON: And it is a good law.

Right Hon. Mr. GRAHAM: There is now a similar law in most cities, requiring motorists to stop before attempting to cross certain through streets.

Hon. Mr. STANFIELD: They do not all stop, though.

Right Hon. Mr. GRAHAM: A great many do, but all do not, I know. I think a law compelling automobile drivers—so far as they will accept compulsion by law—to come to a dead stop before traversing any railway crossing would be one of the most effective steps that could be taken towards the prevention of level crossing accidents. This is of vital importance, and I believe no great success can be attained in the direction of additional safety until the Federal authorities, the provinces and the municipalities all combine in legislation to compel people to be more careful.

Hon. Mr. BELCOURT: As I understand it, the Board of Railway Commissioners has jurisdiction which would be ample to meet cases deserving urgent attention. Under the Railway Act an application may be made to the Board for a protective device at any level crossing. The Board's consulting engineer is then sent out to examine the locality and to make a report. It is within the power of the Board to adopt the report of the engineer and order that certain measures be taken, notwithstanding the possible conflict between Federal and provincial jurisdictions. It is well known that, according to numerous decisions of the Privy Council, when we are legislating on a matter that is clearly within Federal jurisdiction we have power to regulate by law the incidences of that subject, and it does not appear to me that there is any reason why the Board should not act on the application of any individual. It is not necessary that a municipality should make an application, as any individual in a community may apply to the Board for an order to have steps taken to prevent railway crossing accidents; and I think the Board has acted on many such applications. I suppose that in most cases a municipality, knowing that it may have to contribute to the cost of providing protection at a level crossing, is not very eager to make application to the Board. But, as I say, any individual in the municipality can make an application to the Railway Board.

Hon. Mr. WILLOUGHBY: I think anyone can make an application to the Board, but perhaps the legal position might not be exactly as it has been put by the honourable gentleman; that is, that the municipalities would be obligated to pay because the protecting of a crossing was an incident to the building of a railway, which is under Dominion control. I think the Act empowers the railway companies to construct the protective devices, contingent on the municipality in question contributing the proportion to be fixed by the Railway Board. The condition is similar to that in cases where the Dominion agrees to appropriate a certain sum of money if a province contributes a specified amount to supplement it.

I should have been pleased to see the amount here increased, as the construction of railways in the West, and to some extent all over Canada, is going on apace, although the honourable gentleman from De Lanaudiere (Hon. Mr. Casgrain) says it is not going that way in Quebec. It has come to my attention that there is an increasing tendency in the West to provide protective devices at level crossings, and with the increase in railway mileage the demands on this fund will grow proportionately. Therefore I should have been glad if the Government had seen fit to provide a much larger sum.

When application is made to the Railway Board, I think a good deal depends upon who has priority—whether the making of the road preceded the construction of the railway.

Right Hon. Mr. GRAHAM: That is a bone of contention.

Hon. Mr. DANDURAND: My honourable friend should rest satisfied with the knowledge that for the time being there is plenty of money available for the work. A fund of $2,000,000 or thereabouts is being contributed. When it begins to be depleted Parliament can consider increasing the amount.

Hon. Mr. ROBERTSON: I do not want to bore the House in pursuing this matter further, but I should like to point out that, if I remember correctly—I have not looked up the Act—the vote that my right honourable friend (Right Hon. Mr. Graham) says has accumulated was for a little different purpose, namely, for grade separation—putting subways under railway tracks. These undertakings are rather expensive, and a municipality will hesitate before asuming its share of the cost of such works.

But this Bill, as I read it, goes considerably farther than the right honourable gentleman stated. It says that this vote "shall be appropriated and set apart from the Consolidated Fund of Canada to aid actual construction work for the protection, safety and convenience of the public." That is much broader in its scope than grade separations. It seems to me that the Government have appreciated the growing necessity of taking some action to remedy this emergency situation that is becoming more serious every year. I have no criticism to offer on what the Government have done, except to repeat that I should have been glad if they had found it possible to go farther. However, no doubt my honourable friend the leader of the Government will keep in mind what he has intimated, that if the demand is insistent and the conditions warrant, we may hope for something further in another Session.

Hon. Mr. TANNER: Has my right honourable friend who has this Bill in charge (Right Hon. Mr. Graham) information as to the number of crossings throughout Canada which will have to be dealt with under legislation of this kind?

Right Hon. Mr. GRAHAM: I imagine that would depend on the reports of the Board of Railway Commissioners. I presume they have a list of crossings where further protection is urgently needed, but I have nothing of that kind before me. I have a lot of statistics as to the money that has been expended, and comparisons with United States figures, and so on, but they are very lengthy and, I imagine, would not be of any great interest. For example, there is a statement that in 1927-28 there was an expenditure from this fund of $678,787.63, and in 1928-29, $672,661.16. I think those large outlays were due in some measure to the elimination of grade crossings in some large centres, because, while the municipalities made payments, a large amount of money was drawn out of the fund for this purpose.

Hon. Mr. ROBERTSON: Has my honourable friend any information as to the amount spent in 1923-24 as compared with 1927-28?

Right Hon. Mr. GRAHAM: I have not, but I might be able to get that for my honourable friend.

Hon. Mr. TANNER: What is the policy, or is there any policy, in regard to level crossings when new railways are being built? For instance, in the last two years we have authorized the construction of a number of new lines of railway. Is this question of grade crossings taken into consideration in any way with respect to these new railway lines, or is the same policy being pursued as in years past, of creating difficult situations and then dealing with them as we are now proposing?

Right Hon. Mr. GRAHAM: Under present conditions, where branches are being opened up in new country, I imagine care will be exercised, but the question of level crossings is not so acute in newer districts as in older sections. It would be necessary to have the consent of the Board of Railway Commissioners if any protests were made with respect to certain municipalities, but in new country where branch lines are badly needed in order to get goods to market, they are not making much comment about level crossings. My own opinion is that the greatest good could be accomplished by legislation passed, without further delay, by those provinces that have not already enacted it, to

compel automobile drivers to do their share in preventing accidents, and by having the law administered by an authority that can control the drivers.

Hon. Mr. ROBERTSON: I thoroughly agree with my right honourable friend, and I would point out just one fact. There are roughly 30,000 men in Canada who are charged with the responsibility of operating railway trains, and I have personal knowledge of the fact that a number of these men, especially those in charge of engines, are becoming prematurely old because of the nervous strain resulting from running fast trains through thickly settled districts. Some of these men scarcely make a trip without their hair standing on end because of the narrowness of the escape of an automobile. So that not only for the safety of the public, but also for the sake of that army of men who are doing their best to carry on transportation service without accidents, I think the State should do its utmost in helping to make crossings safe, either, as my right honourable friend suggests, by enacting legislation putting on automobile drivers the responsibility for taking care, or in some other way. The man in charge of a locomotive cannot get out of the way; and honourable gentlemen may imagine what an engineer's feelings must be when he is approaching a crossing and, seeing stalled there an automobile containing human beings, perhaps women and children, realizes that he is unable to prevent an accident.

Hon. Mr. DANDURAND: I might mention an amusing experience I had some time ago. I had motored through a village and as I passed it I saw a signal indicating that I was approaching a railway crossing. About 100 feet from the crossing the road became very rough, and I asked a bystander why it was in that condition. He said: "We have purposely made it so. That is the best signal we can give to motor car drivers that they are approaching the crossing."

Section 2 was agreed to.

The preamble and the title were agreed to.

The Bill was reported.

THIRD READING

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

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

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following bills, which were severally read the first time:

Bill H6, an Act for the relief of Marion Rose Harrison.

Bill I6, an Act for the relief of Dean William Moncrieff.

Bill J6, an Act for the relief of William John Brett.

Bill K6, an Act for the relief of Robert Wilson Reoch.

Bill L6, an Act for the relief of Grace Viola Byers.

Bill M6, an Act for the relief of Mildred Soden.

Bill N6, an Act for the relief of Mabel Graham.

Bill O6, an Act for the relief of Velma Stella Seadon.

Bill P6, an Act for the relief of Emma O'Grady.

Bill Q6, an Act for the relief of Edna Marguerite Stroud Robinson.

Bill R6, an Act for the relief of Gordon Hanna.

Bill S6, an Act for the relief of Joseph Richardson.

Bill T6, an Act for the relief of William Edward King.

Bill U6, an Act for the relief of John Wilson Pickering.

Bill V6, an Act for the relief of Angus John Archibald Blaine.

Bill W6, an Act for the relief of Thomas Horace Sillery.

Bill X6, an Act for the relief of George Melville Fulton.

Bill Y6, an Act for the relief of Gladys Elizabeth Boyd.

Bill Z6, an Act for the relief of Wallace Wellington Corkum.

Bill A7, an Act for the relief of Annie Fraser Rice.

Bill B7, an Act for the relief of Clarence Spurgeon White.

Bill C7, an Act for the relief of Gertrude Georgeanna Anderson.

Bill D7, an Act for the relief of Lloyd Edward Angel.

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

THE SENATE

Wednesday, May 8, 1929.

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

Prayers and routine proceedings.

PRIVATE BILLS

THIRD READINGS

Bill X3, an Act to ratify and confirm the organization and the election of directors of Family Trust, and to change the name of that company to "Financial Trust Company."—Hon. Mr. L'Espérance.

Bill Q2, an Act respecting the Dominion Fire Insurance Company.—Hon. Mr. Spence.

DIVORCE BILLS

THIRD READINGS

Bill V4, an Act for the relief of Eva Alexandra Grayson Smith.

Bill W4, an Act for the relief of Ernest Gillespie Simpson.

Bill X4, an Act for the relief of Laura Grace Osborne Lea.

Bill Y4, an Act for the relief of Gertrude Helena Martin.

Bill Z4, an Act for the relief of Laura Warren.

Bill A5, an Act for the relief of Ethel Elizabeth Kelley.

Bill B5, an Act for the relief of Andrew Ralph Wilson.

Bill C5, an Act for the relief of Marion Jane Stewart.

Bill D5, an Act for the relief of Mildred Muriel Lange.

Bill E5, an Act for the relief of Linda Lydia Snowdon Pascoe.

Bill F5, an Act for the relief of John Carbery Hickman.

Bill G5, an Act for the relief of Lydia Alice Hinch.

Bill H5, an Act for the relief of Allan Plant.

Bill I5, an Act for the relief of Pansy Jean Van Luven.

Bill J5, an Act for the relief of William Treslove.

Bill K5, an Act for the relief of Annie Letticia Smith.

Bill N5, an Act for the relief of Frederick Herman Schelke.

Bill O5, an Act for the relief of Jennie White.

Bill P5, an Act for the relief of Alma Berlinda Swayne.

Bill Q5, an Act for the relief of Gladys Evelyn Lawrence.

Bill R5, an Act for the relief of Daniel Ray Bouvier.

Bill S5, an Act for the relief of Edyth Viola Beacock.

Bill T5, an Act for the relief of Bertha Nichols.

Bill U5, an Act for the relief of George Nelson Brown.

Bill V5, an Act for the relief of Albert Victor Walter Holman Homan.

Bill W5, an Act for the relief of James Duncan Gerard.

Bill X5, an Act for the relief of Frances Vera Carter Van Luven.

Bill Y5, an Act for the relief of Violet Haney.

Bill Z5, an Act for the relief of James Thompson Clark.

Bill A6, an Act for the relief of James Collingwood Darroch.

Bill B6, an Act for the relief of Ross James Smalley.

Bill C6, an Act for the relief of Alexander James Purse.

Bill D6, an Act for the relief of Wilfred Keith Black.

Bill E6, an Act for the relief of Henry Feldman.

Bill F6, an Act for the relief of Fanny Green Fuchs Webber.

Bill G6, an Act for the relief of Henry Lawrence Jones.

PRIVATE BILL

SECOND READING

Bill L5, an Act respecting the Royal Architectural Institute of Canada.—Hon. Mr. McGuire.

ELECTRICITY AND FLUID EXPORTATION BILL

FURTHER CONSIDERED IN COMMITTEE—PROGRESS REPORTED

On the Order:

The House again in Committee of the Whole on Bill 15, an Act to amend the Electricity and Fluid Exportation Act (Exportation of Electric Power).—Hon. Mr. Tanner.

Hon. Mr. DANDURAND: I do not know, honourable gentlemen, that it is necessary for the House to go into Committee of the Whole in order that I may produce documents concerning this Bill. Perhaps we may as well.

Hon. Mr. GRIESBACH: It is understood, however, that the matter proceeds no further to-day.

Hon. Mr. DANDURAND: No.

The Senate again went into Committee on the Bill.

Hon. Mr. Copp in the Chair.

Hon. Mr. DANDURAND: The last time we took up this Bill I was asked for some information, which I have obtained from the Department of Trade and Commerce. As there are several columns of figures, which will appear in Hansard, I should like to preface them with a short explanation of the situation of Canada in the matter of the exportation of electric power to the south.

There are four large plants on the Canadian side of the Niagara River, three of which are under the Hydro-Electric Power Commission. The three under the Hydro-Electric Power Commission are the following:

1. The one built by the Ontario Power Company with American money and under American control. When the Hydro-Electric Power Commission purchased that plant it assumed a contract by which 60,000 h.p. were delivered to the American side.

2. The Electrical Development Company (for generating power distributed by the Toronto Power Company), which generates some 100,000 h.p. That company, taken over by the Hydro-Electric Power Commission, has no export contract.

3. The Hydro-Electric Power Commission's own plant at Queenston. The Hydro-Electric Power Commission exported last year under license, out of the off-peak or surplus, 62,298 h.p. Its license allows it to export 107,000 h.p.

The fourth large company on the Niagara River is the Canadian Niagara Power Company, a subsidiary of the American company operating on the New York side, which operates independently of the Hydro-Electric Power Commission. It is the pioneer company and was built by American money at a time when there was no market on the Canadian side. It has an Ontario charter, which it claims gives it the right to export. It generates some 100,000 h.p., and has a license to export 60,300 h.p. under its contract, but it actually exported 50,300 h.p. last year.

Hon. Mr. BUREAU: Is the date of its charter given?

Hon. Mr. DANDURAND: I am not quite sure that the date of the charter is given, but I can procure that information quite easily. It is an Ontario charter. Of course it is anterior to 1907, when the Parliament of Canada passed an Act requiring licenses.

It has also a license to export 26,800 h.p. off-peak or surplus power, but it exported only 27 h.p. The surplus licensed for export is also called power returnable on demand, if there is any need in Canada.

There is also a fifth small plant, which has a license to export 268 h.p. for the operation of electric railway cars to and from the American side, over the international bridge at Niagara Falls. The export is intermittent, as the cars are going and coming across the border.

The other large exporting plant is the Cedars Rapids Manufacturing and Power Company, controlled by the Montreal Light, Heat and Power Corporation. It has a license to export 100,500 h.p., and actually exported during the past year 67,881 h.p.

The Canadian Niagara Power Company, the Electrical Development Company, and the Ontario Power Company, obtained their licenses for export on the same day, the 9th of November, 1907, after the Federal Act requiring a license was passed.

The licenses of the Electrical Development Company and the Ontario Power Company were, in 1924, obtained in the name of the Hydro-Electric Power Commission, which controlled them; and the Hydro-Electric Power Commission at the same time obtained another license, to export off-peak or surplus power.

The Cedars Rapids Manufacturing Power Company obtained a license on the 9th of October, 1912, for the export of 60,300 h.p. (45,000 k.w.), and in 1915 this license was increased to cover 100,500 h.p. (75,000 k.w.).

I am alluding only to the large export companies, for there are others appearing on the statement which I now table.

Hon. Mr. BEIQUE: What is the total amount exported?

Hon. Mr. DANDURAND: By these companies I have just mentioned, or by these and the others?

Hon. Mr. BEIQUE: By all.

Hon. Mr. DANDURAND: I do not know that there is an addition made of the amount exported.

Hon. Mr. GRIESBACH: That is copied in the blue book, anyway.

Hon. Mr. BUREAU: My honourable friend (Hon. Mr. Dandurand) has said that two licenses were taken out by the Hydro-Electric last year, or the year before last, but he has not given us the amount of power it was allowed to export under those licenses.

Hon. Mr. DANDURAND: What I stated was that in 1924, some years after the Hydro-Electric Power Commission had obtained control of the Electrical Development Company and the Ontario Power Company, the Commission asked for one license to replace the two that had been granted to those two companies which it absorbed, and which had continued to export under separate licenses for some years after the purchase. It was not until 1924 that the Hydro-Electric asked for that license in its own name, and at the same time it asked for another license, for surplus or off-peak power.

Hon. Mr. BUREAU: How much power was it allowed to export under the two licenses?

Hon. Mr. DANDURAND: My honourable friend will find that in the table. I am giving information regarding exportation of electrical energy for the year 1928-29. I am placing on Hansard another statement, showing the amount of electrical energy generated for use in Canada and for export in the year ending March 31, 1929; which statement appears, I think, in a blue book that has been distributed. I give also a third table, showing the names of the companies to whom licenses have been granted for the export of electrical energy since the Electricity and Fluid Exportation Act came into force, and the amounts of such licenses; that is, all the licenses issued since 1907, including those issued to companies which do not hold any at the present time.

Information Regarding Exportation of Electrical Energy for the Year 1928-29

Name of Company Exporting	Amount of 1928-29 License—Kilowatts	Amount of 1928-29 License—Horse Power	Amount Produced for export under 1928-29 License—Horse Power	Exported from	Exported to	License Fee
Hydro Elec. Pr. Commn. (Firm)	45,000	60,300	59,756·0	Niagara Falls, Ont.	N.F. & Buffalo	$50
Hydro Elec. Pr. Commn. (Surplus)	80,000	107,200	62,298·53	Niagara Falls, Ont.	N.F. & Buffalo	50
Can. Niagara Pr. Co. (Firm)	45,000	60,300	50,302·0	Niagara Falls, Ont.	N.F. & Buffalo	50
Can. Niagara Pr. Co. (Surplus)	20,000	26,800	27·9	Niagara Falls, Ont.	N.F. & Buffalo	50
Ontario & Minnesota Power Co	3,000	4,020	2,641·8	Fort Frances, Ont.	International Falls	50
International Railway Co	200	268	*	Niagara Falls, Ont.	Niagara Falls, N.Y.	25
Cedars Rapids Mfg. & Pr. Co	75,000	100,500	67,881·0	Cedars, P.Q.	Massena, N.Y.	50
Southern Canada Power Co	500	670	93·4	Rock Island, P.Q.	Derby Line, Vt.	50
Gatineau Electric Co	500	670	Nil	Napierville, P.Q.		25
Maine & New Brunswick Elec. Co	2,500	3,350	1,555·3	Aroostook, N.B.	Presque Isle, Me.	25
Maine & N. B. Elec. Co. (Surplus)	2,500	3,350	Nil	Aroostook, N.B.		25
Fraser Companies Ltd	1,000	1,340	494·6	Edmundston, N.B.	Madawaska, Me.	25
Maritime Electric Co	200	268	117·1	St. Stephen, N.B.	Calais, Me.	25
West Kootenay Pr. & Light Co	1,500	2,010	84·3	Rossland, B.C.	Northport, Wash.	50
Western Power Co	10,000	13,400	93·5	Matsqui, B.C.	Bellingham, Wash.	50
B.C. Electric Railway Co	5,000	6,700	123·5	Cloverdale, B.C. Huntingdon, B.C.	Blaine, Wash. Sumas, Wash.	50
International Elec. Co	25	33·5	10·3	Stewart, B.C.	Hyder, Alaska	25

* This power, being for street railway purposes, to operate cars going over International Bridge, is intermittent, one minute power being imported and the next minute exported.

It is understood that all power exported is surplus and not required in the territory in which the plant is located. All companies declared to this effect in 1925.

No information as to the price received by the licensees for power at point of delivery at the frontier.

Statement showing amount of Electrical Energy, Gas, or Fluid generated or produced for export and for consumption in Canada, under the authority of the Electricity and Fluid Exportation Act, for the year ending 31st day of March, 1929

Name of Contractor and place of business	Units produced for export		Units produced for use in Canada		Total output of generating station or other source	
	K.W. Hours	H.P. Years	K.W. Hours	H.P. Years	K.W. Hours	H.P. Years
Hydro Elec. Power Commission of Ontario	390,506,000	59,756·06	2,971,603,700	454,721·30	3,362,109,700	514,477·36
Hydro Elec. Power Commission (surplus)	407,120,900	62,298·53	.....	.....	407,120,900	62,298·53
Cedars Rapids Mfg. & Power Co., Ltd	443,604,762	67,881·37	470,209,975	71,952·55	913,814,737	139,833·92
Canadian Niagara Power Co., Ltd	328,721,566	50,301·69	292,898,782	44,820·00	621,620,308	95,121·69
Canadian Niagara Power Co. (surplus)	182,400	27·91	.....	.....	182,400	27·91
Western Power Co. of Canada, Ltd	611,365	93·55	237,389,835	36,325·91	238,001,200	36,419·46
Ontario & Minnesota Power Co., Ltd	17,264,700	2,641·88	5,040,538	771·31	22,305,238	3,413·19
Maine & New Brunswick Electric Power Co	10,164,151	1,555·34	2,863,549	438·18	13,027,700	1,993·52
British Columbia Electric Ry. Co., Ltd	807,572	123·57	152,768,928	23,377·03	153,576,500	23,500·60
West Kootenay Power & Light Co	551,100	84·33	512,739,500	78,460·52	513,290,600	78,544·85
Maritime Electric Co., Ltd	765,522	117·14	1,592,002	243·61	2,357,524	360·75
Southern Canada Power Co	610,608	93·43	12,379,842	1,894·39	12,990,450	1,987·82
International Electric Co	67,144	10·27	164,990	25·24	232,134	35·51
Fraser Companies Limited	3,232,300	494·61	20,358,800	3,115·34	23,591,100	3,609·95
Totals	1,604,210,090	245,479·68	4,680,010,441	716,145·38	6,284,220,531	961,625·06

Table giving the names of the companies to whom licenses were granted to export electrical energy, and the amount of the license, since Electricity and Fluid Exportation Act came into force

Fiscal year ending March 31st	Can. Nia. Pr. Co., Nia.Falls, Ont. 9/11/07	Can. Nia. Pr. Co., Nia.Falls, Ont. (surplus) 3/4/25	Elec. Dev. Co. of Ont., Nia.Falls, Ont. 9/11/07	Ontario Pr. Co., Nia.Falls, Ont. 9/11/07	H.E.P.C. of Ont., Toronto, Ont. 31/3/24	H.E.P.C. of Ont., Toronto, Ont. (surplus) 15/5/24	Me. & N.B. Elec. Pr. Co., Aroostook Falls, N.B. 9/11/07	Me. & N.B. El. Pr. Co., Aroostook Falls, N.B. (surplus) 4/8/27	Ont. & Minn. Pr. Co., Fort Frances, Ont. 17/12/09	Elec. Distributing Co., Windsor, Ont. 6/2/11	Sherbrooke Ry. & Pr. Co., Sherbrooke, Que., 7/12/11	Southern Canada Pr. Co., Montreal, Que. 14/4/26	Western Canada Pr. Co., Vancouver, B.C. 22/4/11
1908	39,165	.....	34,316	45,000	.....	.....	1,000	.....	.....	.....	.....	.....	.....
1909	39,165	.....	34,316	45,000	.....	.....	1,000	.....	.....	.....	.....	.....	.....
1910	39,165	.....	34,316	45,000	.....	.....	1,000	.....	200	.....	.....	.....	.....
1911	39,165	.....	34,316	45,000	.....	.....	1,000	.....	2,611	.....	.....	.....	.....
1912	39,165	.....	34,316	45,000	.....	.....	2,000	.....	2,611	18,650	40	.....	500
1913	40,000	.....	35,000	45,000	.....	.....	2,500	.....	2,611	18,650	50	.....	5,000
1914	40,000	.....	35,000	45,000	.....	.....	2,500	.....	2,611	18,650	50	.....	5,000
1915	55,000	.....	35,000	45,000	.....	.....	2,500	.....	3,811	10,000	50	.....	5,000
1916	55,000	.....	35,000	60,000	.....	.....	2,500	.....	3,811	.....	50	.....	5,000
1917	55,000	.....	30,000	45,000	.....	.....	2,500	.....	2,611	.....	.....	.....	5,000
1918	*	.....	*	*	.....	.....	2,500	.....	3,811	.....	100	.....	5,000
1919	*	.....	*	*	.....	.....	2,500	.....	3,811	.....	100	.....	5,000
1920	40,000	.....	25,000	45,000	.....	.....	2,500	.....	3,811	.....	100	.....	5,000
1921	40,000	.....	35,000	45,000	.....	.....	2,500	.....	3,811	.....	100	.....	5,000
1922	45,000	.....	35,000	45,000	.....	.....	2,500	.....	2,611	.....	100	.....	5,000
1923	45,000	.....	35,000	45,000	.....	.....	2,500	.....	3,000	.....	100	.....	5,000
1924	45,000	.....	35,000	45,000	.....	.....	2,500	.....	3,000	.....	100	.....	10,000
1925	45,000	.....	See	See	80,000	45,000	2,500	.....	3,000	.....	100	.....	10,000
1926	45,000	20,000	Hydro	Hydro	80,000	45,000	2,500	.....	3,000	.....	100	.....	10,000
1927	45,000	20,000	.....	.....	45,000	80,000	2,500	.....	3,000	.....	(See	100	10,000
1928	45,000	20,000	.....	.....	45,000	80,000	2,500	2,500	3,000	.....	Southern	100	10,000
1929	45,000	20,000	.....	.....	45,000	80,000	2,500	2,500	3,000	.....	Canada)	500	10,000
1930	45,000	20,000	.....	.....	45,000	80,000	2,500	2,500	3,000	.....	.....	500	10,000

* These companies were under the control of the Electric Power Controller for these years and licenses were not issued by the Department.

Table giving the names of the companies to whom licenses were granted to export electrical energy, and the amount of the license

Fiscal year ending March 31st	B.C. Elec. Ry. Co., Vancouver, B.C., 22/4/11	Inter. Rly., Co., Buffalo, N.Y., 4/6/12	Cedars Rapids Mfg. and Pr. Co., Montreal, Que., 9/10/12	West Kootenay Power Co., Rossland, B.C., 22/12/17	Bridge River Power Co., Vancouver, B.C., 16/2/21	La Comp. d'Eclairage de Napierville, Que., 31/3/24 (See Gatineau Elec. Co.)	International Elec. Co., Stewart, B.C., 3/4/25	Fraser Companies, Ltd., Edmundston, N.B., 5/6/26	Maritime Elec. Co., St. Stephen, N.B., 1/5/25	Gatineau Elec. Co., Ltd., Ottawa, Ont., 7/4/28
1912	500	125	.....	.....	.....	.....	.....	.....	.....	.....
1913	500	125	45,000	.....	.....	.....	.....	.....	.....	.....
1914	1,000	125	45,000	.....	.....	.....	.....	.....	.....	.....
1915	1,000	125	45,000	.....	.....	.....	.....	.....	.....	.....
1916	1,000	200	75,000	.....	.....	.....	.....	.....	.....	.....
1917	1,000	200	75,000	.....	.....	.....	.....	.....	.....	.....
1918	1,000	200	*	1,500	.....	.....	.....	.....	.....	.....
1919	1,000	200	*	1,500	.....	.....	.....	.....	.....	.....
1920	1,000	200	75,000	1,500	.....	.....	.....	.....	.....	.....
1921	1,000	200	75,000	1,500	28,000	.....	.....	.....	.....	.....
1922	5,000	200	75,000	1,500	28,000	.....	.....	.....	.....	.....
1923	5,000	200	75,000	1,500	28,000	.....	.....	.....	.....	.....
1924	5,000	200	75,000	1,500	28,000	.....	.....	.....	.....	.....
1925	5,000	200	75,000	1,500	28,000	.....	.....	.....	.....	.....
1926	5,000	200	75,000	1,500	.....	500	.....	.....	.....	.....
1927	5,000	200	75,000	1,500	.....	500	25	.....	200	.....
1928	5,000	200	75,000	1,500	.....	500	25	1,000	200	.....
1929	5,000	200	75,000	1,500	.....	500	25	1,000	200	.....
1930	5,000	200	75,000	1,500	.....	See Gatineau	25	1,000	200	500
							25	1,500	600	500

* This company was under the control of the Electric Power Controller for these years and licenses were not issued by the Department.
The figures under the companies' names represent the date the first license was issued.
The figures opposite the years show the amount of electrical power in kilowatts each company was licensed to export.
To convert to horsepower multiply this amount by 1·34 or add one-third.

I table also a certified copy of a Minute of a meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 16th of March, 1925:

The Committee of the Privy Council, on the recommendation of the Acting Minister of Finance, advise that a Proclamation be issued and published in the Canada Gazette under the authority of Section 10 of the Electricity and Fluid Exportation Act, Chapter 16 of the Statutes of 1907, imposing an export duty of three one-hundredths of one cent (·030c.) per kilowatt hour upon power, as defined in the said Act, exported from Canada; said duty to be in addition to any fee payable for a license for the exportation of power; to be collected by the Minister of Trade and Commerce under regulations approved by Your Excellency in Council, and to be payable in respect of power exported on and after the first day of April, 1925.

E. J. Lemaire,
Clerk of the Privy Council.

I produce a copy of the original license issued in 1907 to the Electrical Development Company of Ontario, Limited, which was license No. 1.

Dominion of Canada

Department of Inland Revenue

License to export electrical energy under the provisions of the Electricity and Fluid Exportation Act 6-7, Edward VII, Chapter 16, and the regulations made thereunder.

License No. 1 is hereby granted to the Electrical Development Company of Ontario, Limited, doing business in the town of Niagara Falls, in the County of Welland and Province of Ontario, to export or sell for export from Canada, during the fiscal year ending on the 31st March, 1908, electrical energy at a rate not to exceed thirty-four thousand three hundred and sixteen (34,316) kilowatts.

This license is subject to the provisions of the Regulations, in reference to the governance of electrical power etc., approved by the Governor General in Council on the fourth day of November, 1907; which regulations are made conditions hereof.

(Sgd.) W. J. Gerald,
Deputy Minister of Inland Revenue.

Countersigned.
(Sgd.) Ormond Higman,
Chief Electrical Engineer.

Dated at Ottawa this ninth day of November, 1907.

Extracts from Regulations

Sec. 4. Any license issued hereunder shall be revocable at will by the Governor in Council if the licensee refuses or neglects to comply with any of the conditions from time to time imposed by the Governor in Council with regard to the supply and distribution of electrical energy, gas or fluid in Canada, and moreover, whenever such electrical energy, gas or fluid is required for the use of purchasers in Canada any such license shall be revocable upon such notice to the licensee as the Governor in Council deems reasonable in each case.

Sec. 8. Where a supply of electrical energy, gas or fluid is provided in any part of Canada by the contractor for export and home consumption then the price charged to any person or company in Canada by the contractor shall not exceed the prices at which electrical energy, gas or fluid is sold by the contractor for export in like quantities under similar circumstances.

I am laying on the table a blank copy of the present form of license to export electrical energy under the provisions of the Electricity and Fluid Exportation Act.

Dominion of Canada

Department of Trade and Commerce

A license to export electrical energy under the provisions of the Electricity and Fluid Exportation Act, Chapter 54, R.S. 1927, and the regulations made thereunder.

License number..... is hereby granted to the..... doing business at....., in the County of..... and Province of .....to export or to sell for export from Canada during the fiscal year ending 31st March, 19...., electrical energy at a rate not to exceed at any time during the continuance of the license.... kilowatts, provided:—

(a) That momentary indications in excess of the authorized quantity, due to short circuits, grounds, etc., will not be considered as violations of this license, and

(b) That the maximum demand or peak of load curves, will not be considered as a violation of the license when such peak does not exceed twenty-five percentum of the quantity herein stated, and does not continue above the licensed rate for a longer period than one hour at any time, and for not more than two hours altogether in any twenty-four hours.

This license being only for one year, licensees must not enter into any contract which they will not be able to carry out if this license is not renewed, or if the Electricity and Fluid Exportation Act or the Regulations made thereunder are changed.

This license is subject to the Statutes of Canada, now in force, or hereafter to be enacted and also to the provisions of the Regulations regarding electrical power, etc., approved by the Governor General in Council on the 4th day of November, 1907, and to any Regulations which may hereafter be made, which Statutes and Regulations are made conditions hereof.

Every contract made under this license shall contain a clause or clauses expressly setting forth that it is made by virtue of this license, which is subject to the Electricity and Fluid Exportation Act and any amendments that may be made to it, and also is subject to the Regulations made or which may be made by the Governor General in Council regarding the same; and every contract made under this license shall have attached thereto a copy of this license and of the Electricity and Fluid Exportation Act, and of the Regulations approved by the Governor General in Council on the 4th day of November, 1907.

This license, if renewed, shall be subject to the terms and conditions of such Regulations as may be made from time to time, either by Statute or the Governor General in Council.

.....

Deputy Minister.

Countersigned by
....., Director.

Dated at Ottawa this
..... day of ....., 19...

I produce also a file of correspondence that passed between the Hydro-Electric Power Commission of Ontario and the Department of Trade and Commerce, respecting an application for the right to export off-peak or surplus power. The correspondence, with the exception of one letter, is between the Secretary of the Hydro-Electric Power Commission, Mr. Pope, and Mr. Ormond Higman, who was then Director of the Electrical and Gas Standards Laboratories of the Department of Trade and Commerce.

Hon. Mr. SHARPE: On what date did the correspondence start?

Hon. Mr. DANDURAND: The correspondence started on the 13th of March, 1924.

Hydro-Electric Power Commission of Ontario

Toronto, 13th March, 1924.

Mr. Ormond Higman, Director,
Electrical and Gas Standards Laboratories,
Department of Trade and Commerce,
Ottawa, Ontario.

Dear Sir:—Your letters to the Toronto Power Company and the Ontario Power Company dated the 12th ultimo in regard to the renewals of the export licenses have been received.

Will you please be advised that the Hydro-Electric Power Commission of Ontario owns and operates the properties of the above-mentioned Companies. Enclosed herewith you will find the application of the Hydro-Electric Power Commission of Ontario to export 80,000 kilowatts of electrical energy during the fiscal year ending March 31st, 1925. This amount you will note represents the sum of two quantities of power for which license to export has previously been granted to the Toronto Power Company and the Ontario Power Company.

I am also attaching another application to export 45,000 kilowatts of off-peak or interruptible power during the fiscal year ending March 31st, 1925.

Two cheques each for Fifty Dollars ($50.00), being the amount of the fee required with the application, are enclosed herewith.

Yours truly,

(Sgd.) W. W. Pope,
Secretary.

Ottawa, March 14, 1924.

Hydro Electric Power Commission of Ontario,
190 University Avenue,
Toronto.

Attention Mr. W. W. Pope, Secretary

Dear Sirs,—I am in receipt of your letter of the 13th instant, enclosing application forms with two cheques for Fifty Dollars ($50.00) each covering the fees connected therewith.

I note that your application asks for an increase in the exportation of 45,000 kilowatts and in view of the shortage of power in Ontario persistently and insistently stressed by the Hydro Electric Power Commission, I do not see how the increase can be granted.

Meanwhile the application for the export of 80,000 kilowatts covering the output of both the Ontario Power Company and the Electrical Development Company will be submitted to Council without delay in order that the license may be available by the 1st of April.

The question of the increase will be laid before the Honourable the Minister, who will decide as to whether the increase may be granted or not.

Yours very truly,

(Sgd.) O. Higman,
Director.

Hydro Electric Power Commission
190 University Avenue,

Toronto, March 28, 1924.

Mr. Ormond Higman,
Director,
Electrical and Gas Standards Laboratories,
Department of Trade and Commerce,
Ottawa.

Dear Sir,—I have your letter of the 14th instant in reference to the Commission's application for license to export electricity during the year 1924.

I note that the usual steps are being taken by your Department in regard to the application made by the Hydro Electric Power Commission of Ontario for 80,000 kilowatts covering the combined licenses previously granted to us in the name of the Ontario Power Company and the Toronto Power Company, in order that the license may be available by the 1st of April.

I also note that in your opinion some objection would be raised to the granting of a license for the additional 45,000 kilowatts mentioned in my letter of the 13th instant in view of the shortage of power in Ontario. Apparently you do not fully appreciate the exact nature of our application. If you will refer to the application enclosed with our letter of the 13th instant you will observe that the application is specifically made to apply to "off peak" or "interruptible" power. By "off peak" or "interruptible" power is meant the export of such power for which no demand exists in Ontario, with the definite understanding that the export of such power when required in Ontario shall be immediately discontinued. You will observe therefore that our application has no connection with the shortage of power, and I trust that you will endeavour to place this matter in its proper light at the time it is being considered by the Department. If any further information is required will you please advise me.

Yours truly,

(Sgd.) W. W. Pope,
Secretary.

Hydro Electric Power Commission of Ontario
190 University Avenue,

Toronto, April 26, 1924.

Mr. Ormond Higman,
Director,
Electrical & Gas Standards Laboratory,
Department of Trade & Commerce,
Ottawa.

Dear Sir,—Referring further to our letter to you of the 28th ultimo, and to your recent conversation with Mr. Gaby, in regard to the Commission's application for license to export

45,000 kilowatts of "off-peak" or "interruptible" power, please note in making this application it is understood on the part of the Commission that this is to be "interruptible" power which may be recalled for use in Canada at any time by twenty-four hours' notice when required; and it is also understood that the Commission will not enter into any contract for any definite period for the sale of additional "firm" power to be exported under this permit.

The above I believe practically reiterates the information given to you in our letter of March 28th, and any effort on your part to further the matter in the Department will be thoroughly appreciated.

Yours truly,

(Sgd.) W. W. Pope,
Secretary.

May 2, 1924.

Major J. G. Parmalee,
Acting Deputy Minister.

I am submitting for consideration a further application from the Hydro Electric Power Commission of Ontario for a license to export "off-peak" or "interruptible" power.

This application is in addition to the regular license to export, which they have enjoyed for many years past, and relates solely to "off-peak" power. There are "off-peak" periods during the twenty-four hours when a large quantity of power is not being used by Canadian customers, and remains idle.

From inquiries made, I find that the Lockport Transmission Company in the State of New York, the principal customers for Canadian Hydro-Electric Power, have frequently to use steam plants to generate power, in order to cover their peak periods. To avoid this necessity, they are willing to purchase the "off-peak" power from the Hydro Electric Power Commission without any contractual arrangement, and permitting the discontinuance of the supply whenever the power is needed in Canada.

Inasmuch as the cost of developing power at Niagara Falls and Chippewa has been very high, and still remains a serious charge on the Commission and Province, I see no reason why this idle power should not be sold to customers across the line, subject, of course, to immediate discontinuance if needed in Canada.

Under the circumstances, therefore, I would recommend that a license, in terms outlined, be granted for the export of this "off-peak" or "interruptible" power.

(Sgd.) O. Higman,
Director.

And there is a copy of an Order in Council of the 14th of May, 1924; also a copy of the license which was granted on the 15th of May the same year.

P.C. 791

Certified copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 14th May, 1924.

The Committee of the Privy Council, on the recommendation of the Minister of Trade and Commerce, advise that under the provisions contained in Section 4, Chapter 16, Edward VII, 1907, entitled an Act to Regulate the Exportation of Electrical Energy and Certain Liquids and Gases, a license to export "off-peak" or "interruptible" power from Canada during the fiscal year ending 31st March, 1925, be granted to the Hydro-Electric Power Commission of Ontario to export 45,000 kilowatts, subject to the requirements of the regulations established under the Act and the terms of the license.

Furthermore, in the event of the power being needed in Canada, the exportation shall cease at the expiration of twenty-four hours' notice given in writing.

(Sgd.) E. J. Lemaire,
Clerk of the Privy Council.

Dominion of Canada

Department of Trade and Commerce

A License to Export Electrical Energy under the Provisions of The Electricity and Fluid Exportation Act, 6-7, Edward VII, Chap. 16, and the Regulations made thereunder.

License number 168 is hereby granted to the Hydro Electric Power Commission of Ontario, doing business at Toronto in the County of York, Province of Ontario, to export from Canada during the fiscal year ending 31st March, 1925, "off-peak" or "interruptible" electrical energy at a rate not to exceed at any time during the continuance of the license, 45,000 kilowatts, provided:—

This licence being only for one year, licensees must not enter into any contract which they will not be able to carry out if this license is not renewed, or if the Electricity and Fluid Exportation Act or the Regulations made thereunder are changed.

This license is subject to the Statutes of Canada, now in force, or hereafter to be enacted and also to the provisions of the Regulations regarding electrical power etc., approved by the Governor General in Council on the 4th day of November, 1907, and to any Regulations which may hereafter be made, which statutes and Regulations are made conditions hereof.

Furthermore, in the event of the power being needed in Canada, the exportation shall cease at the expiration of twenty-four hours' notice given in writing.

(Sgd.) F. C. T. O'Hara,
Deputy Minister.

Countersigned by
(Sgd.) O. Higman,
Director.

Dated at Ottawa this 15th day of May, 1924.

I think my honourable friend (Hon. Mr. Bureau) will find in these documents, under different headings, all the information he has asked for.

There is a letter, which I desire to read, from the present Chairman of the Hydro-Electric Power Commission of Ontario, Mr. Magrath. I had a long discussion with him last week over the activities of the Com-

mission on the Niagara border, and he writes to me as follows:

Hydro-Electric Power Commission of Ontario
Office of the Chairman
190 University Avenue,
Toronto 2, May 6, 1929.

Honourable Raoul Dandurand, P.C.,
The Senate,
Ottawa.

Re: Discussion of export of power in Senate on May 1, 1929

Dear Senator Dandurand:

The Commission has three plants operating on the Niagara River with a total capacity of about 850,000 h.p. Our load is of such a character in this Province that we have been having from those plants considerable surplus off-peak power. We are endeavouring to dispose of as much of that power as possible in this Province, and are meeting with a fair amount of success, especially in so far as the firm off-peak power is concerned.

In the arrangement that we have been operating under, with respect to the export of same, I want to repeat what I said to you when discussing this matter on Friday last, namely that no interests in the United States have the right to demand a particle of that class of power from this Commission. The situation is that any of such power that we may wish to offer for sale across the border in the State of New York, the interests that we have been dealing with, having had to build certain transmission lines, naturally asked to be given the first right to take such power, and in view of our being willing to agree to that there was a time limit fixed, which runs for a few years longer.

The question of exporting power from this Province is more or less academic, because, as you know, we have been buying power in the Province of Quebec.

I am aware that some concern has been expressed as to the Commission indirectly making use of power from the Province of Quebec for export purposes. I believe the Government of the Province of Quebec is satisfied that that is not being done.

Let me, however, say that neither directly nor indirectly are we in any way attempting to take advantage of the power that we buy from the Province of Quebec for export purposes. Furthermore may I say that our records and works are available for inspection at any time by the officials of the Government of that Province, which I believe is already well understood by its Government.

In respect to the export from Niagara Falls of firm power, as I told you, the Ontario Power Company controlled by American interests made a contract for the export of 60,000 h.p. a few years before Parliament passed an Act in 1907 bearing upon the exportation of electricity. When this Commission was negotiating for the purchase of the Ontario Power Company it endeavoured to have the contract expiring in 2010 cancelled. It, however, succeeded in having the date brought back to 1950. In other words that contract will expire in a little over twenty years' time.

Yours very truly,

C. A. Magrath,
Chairman.

Hon. Mr. GRIESBACH: Who signs that?

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: Mr. Charles A. Magrath, Chairman of the Hydro-Electric Power Commission of Ontario.

I do not know whether honourable gentlemen will require further information after they have perused these documents. If it appears that the situation should be made clearer, perhaps it would not be out of the way to suggest that next Session we might well appoint a Committee of this Chamber to examine into the business of these various companies and procure definite information on the working of the contracts under which power is exported.

Hon. Mr. GRIESBACH: My honourable friend may remember that I asked him if he could give me an explanation of the words "temporary emergency." It makes a lot of difference whether that temporary emergency is defined as the result of having too much power on this side of the line, or the result of a great need on the other side.

Hon. Mr. DANDURAND: I confess that I did not know exactly what the word implied, and in what direction its meaning could be extended. I put the question to the promoter of this Bill, and his view was that it meant a temporary breakdown on the other side of the line, or a flood preventing the operation of the power plants at some point on the border where we distribute that power. But this is only the opinion of one person, and his neighbour may have another conception of the meaning. Perhaps it would be well to define the expression. As to how that could be done, and whether it should be defined in detail in the Bill, I am ready to ask the opinion of the Department of Justice. I confess that I had forgotten the question which my honourable friend has just renewed. I will try to find out from what authority we can secure an expression of opinion satisfactory to this Chamber.

Hon. Mr. GRIESBACH: In the interpretation of statutes, as I have recently heard, officials of the Government are inclined to arrogate to themselves the right, which belongs to the courts, to construe a document as to the intent and meaning thereof. I have always understood that the duty of Government officials was to construe a statute in the light of such explanations as officials of the Government might have offered on such statute when it was in Parliament. After all, it is the Government's policy that is being carried out.

This Bill was introduced by a private member, but I understand it has been accepted, at all events to some extent, by the Minister, and if that is correct, the explanation that my

honourable friend might make as to the meaning of this clause should have a profound effect on the interpretation of the clause subsequently, when officials of the Government are called upon to administer it.

Hon. Mr. DANDURAND: I admit that any statement that would be made by the present Government as to the construction to be placed upon these words would bind that Government in its action.

Hon. Mr. GRIESBACH: That is what I am after.

Hon. Mr. DANDURAND: I move that the Committee rise and report progress.

Hon. Mr. BUREAU: Before the Committee rises I should like to know if all the papers that have been tabled will be printed in Hansard.

Hon. Mr. DANDURAND: That is my intention.

Hon. Mr. BUREAU: The same as if they were spoken?

Hon. Mr. DANDURAND: Yes.

Progress was reported.

RUGGLES DIVORCE PETITION

REPORT OF COMMITTEE

Hon. Mr. McMEANS moved concurrence in the one hundred and sixty-third Report of the Standing Committee on Divorce, to whom was referred the petition of Frank Milsom Ruggles.

The motion was agreed to, on division: contents, 24; non-contents, 6.

CRIMINAL CODE (ESCAPES BY FLIGHT) BILL

DEBATE ON SECOND READING ADJOURNED

On the Order:

Resuming the adjourned debate on Second Reading Bill D, an Act to amend the Criminal Code as regards the use of force to prevent escapes by flight.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: Honourable gentlemen, I have received from the Department of Justice a statement, accompanied by a number of documents constituting practically a dossier or file. I have not had time to peruse it. I desire to ask that we defer consideration of this Bill until next week; but in order to appease the minds of a number of people who have been communicating with the Department of Justice, and also of some Governments, I may say that the Department of Justice does not see its way to accept the Bill which my honourable friend proposes. However, I will reserve a statement of the reasons given by the Department until the next sitting.

Hon. Mr. McMEANS: I should like to say that I have received a long telegram from the Manitoba Government, who desire to place themselves on record as being absolutely opposed in every way to this Bill. The message is signed by the Attorney-General of the Province. It may not be in order to bring it up now, but I wish to have it brought to the attention of the House.

Hon. Mr. DANDURAND: The honourable gentleman may read it next week.

Hon. Mr. WILLOUGHBY: Later on, during the debate.

Hon. Mr. DANDURAND: Yes. I move that the Order be discharged, and placed on the Orders of the Day for Wednesday next.

The motion was agreed to.

The Senate adjourned until Tuesday, May 14, at 8 p.m.

THE SENATE

Tuesday, May 14, 1929.

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

Prayers and routine proceedings.

INCOME TAX COLLECTIONS, 1927-28

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What was the total of income taxes received in the fiscal year 1927-1928?
2. What was the cost in each inspectoral district of collecting income taxes in the fiscal year mentioned?
3. What was the total cost of collecting income taxes in the said fiscal year?

Hon. Mr. DANDURAND:

1.

Income Tax	$56,571,047 39
Business Profits	956,031 44
Total	$57,527,078 83

2. Cost covering Income and Business Profits collections by districts:—

Districts	Cost of Administration
Halifax	$ 67,199 60
Saint John	29,420 50
Quebec	80,113 74
Montreal	341,779 24
Ottawa	101,449 41
Kingston	27,738 69
Belleville	19,518 43
Toronto	201,584 51
Hamilton	102,519 10
London	81,447 14
Fort William	18,172 86
Winnipeg	102,467 60
Regina	87,776 33
Prince Albert	20,287 57
Calgary	90,002 51
Vancouver	86,789 57
Dawson	3,482 12
Head Office	486,327 68

3. Total cost, including Business Profits collections, $1,948,076.60.

DIVORCE BILLS

SECOND READINGS

Bill H6, an Act for the relief of Marion Rose Harrison.

Bill I6, an Act for the relief of Dean William Moncrieff.

Bill J6, an Act for the relief of William John Brett.

Bill K6, an Act for the relief of Robert Wilson Reoch.

Bill L6, an Act for the relief of Grace Viola Byers.

Bill M6, an Act for the relief of Mildred Soden.

Bill N6, an Act for the relief of Mabel Graham.

Bill O6, an Act for the relief of Velma Stella Seadon.

Bill P6, an Act for the relief of Emma O'Grady.

Bill Q6, an Act for the relief of Edna Marguerite Stroud Robinson.

Bill R6, an Act for the relief of Gordon Hanna.

Bill S6, an Act for the relief of Joseph Richardson.

Bill T6, an Act for the relief of William Edward King.

Bill U6, an Act for the relief of John Wilson Pickering.

Bill V6, an Act for the relief of Angus John Archibald Blaine.

Bill W6, an Act for the relief of Thomas Horace Sillery.

Hon. Mr. DANDURAND.

Bill X6, an Act for the relief of George Melville Fulton.

Bill Y6, an Act for the relief of Gladys Elizabeth Boyd.

Bill Z6, an Act for the relief of Wallace Wellington Corkum.

Bill A7, an Act for the relief of Annie Fraser Rice.

Bill B7, an Act for the relief of Clarence Spurgeon White.

Bill C7, an Act for the relief of Gertrude Georgeanna Anderson.

Bill D7, an Act for the relief of Lloyd Edward Angel.

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill E7, an Act for the relief of Marion Anne Terry.

Bill F7, an Act for the relief of Frank Milson Ruggles.

Bill G7, an Act for the relief of George Stanley Warner.

Bill H7, an Act for the relief of Vincenzina Gramigna.

Bill I7, an Act for the relief of Joseph Edwin Wood.

Bill J7, an Act for the relief of Dora Chearnley Chearnley.

Bill K7, an Act for the relief of Kenneth Evan Thompson.

Bill L7, an Act for the relief of Thomas Matthews Moland.

Bill M7, an Act for the relief of Andrew Townsley Hirsch.

Bill N7, an Act for the relief of William Edgar Baird.

Bill O7, an Act for the relief of Charles Edwin Walker.

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

THE SENATE

Wednesday, May 15, 1929.

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

Prayers and routine proceedings.

CANADIAN NATIONAL RAILWAYS BRANCH LINE BILLS

THIRD READINGS

MURRAY HARBOUR—GEORGETOWN SUBDIVISION

Hon. Mr. ROBERTSON moved the third reading of Bill 43, an Act respecting the

construction of a Canadian National Railway Line from a point on the Murray Harbour Branch to a point on the Georgetown Subdivision of the Canadian Government Railways, in the Province of Prince Edward Island.—Rt. Hon. Mr. Graham.

He said: Honourable gentlemen, it was pointed out to the Railway Committee this morning by those directly concerned in these Bills, that, as the good weather is here and time is rapidly passing, the Canadian National Railways are anxious to make arrangements to proceed with the work as quickly as possible. As every day counts, I would suggest, with the consent of the House, that we give third reading to these branch line Bills to-day.

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

On motion of Hon. Mr. Robertson, the following Bills were severally read the third time and passed:

SUNNYBRAE—GUYSBOROUGH

Bill 44, an Act respecting the construction of a Canadian National Railway Line from Sunnybrae to Guysborough, in the Province of Nova Scotia.—Rt. Hon. Mr. Graham.

DUNDAS—DUNNVILLE

Bill 45, an Act respecting the construction of a Canadian National Railway Line from a point on the Dundas subdivision near Brantford to a point on the Dunnville subdivision near Cainsville, in the Province of Ontario.—Right Hon. Mr. Graham.

GARSON—FALCONBRIDGE MINE

Bill 46, an Act respecting the construction of a Canadian National Railway Line from a point on the Garson Branch to the Falconbridge Mine, in the Province of Ontario.—Right Hon. Mr. Graham.

SUDBURY—FAIRBANK

Bill 47, an Act respecting the construction of a Canadian National Railway Line from a point on the Sudbury Branch to a point in the Township of Fairbank, in the Province of Ontario.—Right Hon. Mr. Graham.

MELFORT—ABERDEEN

Bill 48, an Act respecting the construction of a Canadian National Railway Line from a point near Melfort to a point near Aberdeen, in the Province of Saskatchewan.—Right Hon. Mr. Graham.

CENTRAL BUTTE—TOWNSHIP 18 OR 19

Bill 49, an Act respecting the construction of a Canadian National Railway Line from a point near Central Butte or Mawer to a point in Township 18 or 19, Range 10, 11 or 12, west of the Third Meridian, in the Province of Saskatchewan.—Right Hon. Mr. Graham.

NEIDPATH—SWIFT CURRENT

Bill 50, an Act respecting the construction of a Canadian National Railway Line from Neidpath to a point on the Canadian Pacific Railway near Swift Current, in the Province of Saskatchewan.—Right Hon. Mr. Graham.

RIDGEDALE—THE PAS

Bill 51, an Act respecting the construction of a Canadian National Railway Line from Ridgedale, in the Province of Saskatchewan, thirty miles towards The Pas, in the Province of Manitoba.—Right Hon. Mr. Graham.

UNITY—PROVINCIAL BOUNDARY

Bill 52, an Act respecting the construction of a Canadian National Railway Line from a point near Unity to a point near the Provincial Boundary in Township 36 or 37, in the Province of Saskatchewan.—Right Hon. Mr. Graham.

HAMLIN—GLENBUSH, MEDSTEAD OR ROBIN HOOD

Bill 53, an Act respecting the construction of a Canadian National Railway Line from a point near Hamlin to a point near Glenbush, Medstead or Robin Hood, in the Province of Saskatchewan.—Right Hon. Mr. Graham.

ST. WALBURG—BONNYVILLE

Bill 54, an Act respecting the construction of a Canadian National Railway Line from St. Walburg, in the Province of Saskatchewan, to Bonnyville, in the Province of Alberta.—Right Hon. Mr. Graham.

ALLIANCE--YOUNGSTOWN OR DOBSON

Bill 55, an Act respecting the construction of a Canadian National Railway Line from Alliance to a point near Youngstown or Dobson, in the Province of Alberta.—Right Hon. Mr. Graham.

BULWARK—TOWNSHIP 38 OR 39

Bill 56, an Act respecting the construction of a Canadian National Railway Line from a point at or near Bulwark to a point in Township 38 or 39, Range 8, west of the Fourth Meridian, in the Province of Alberta.—Right Hon. Mr. Graham.

HEMARUKA—SCAPA

Bill 57, an Act respecting the construction of a Canadian National Railway Line from Hemaruka to Scapa, in the Province of Alberta.—Right Hon. Mr. Graham.

SWIFT CREEK—TETE JAUNE

Bill 58, an Act respecting the construction of a Canadian National Railway Line from a point near Swift Creek to a point near Tête Jaune, in the Province of British Columbia.—Right Hon. Mr. Graham.

NEW WESTMINSTER—LULU ISLAND

Bill 59, an Act respecting the construction of a Canadian National Railway Line from New Westminster to a point on Lulu Island, in the Province of British Columbia, with branches therefrom.—Right Hon. Mr. Graham.

CANADIAN NATIONAL RAILWAYS AND QUEBEC, MONTREAL AND SOUTHERN RAILWAY BILL

REPORT OF COMMITTEE—MOTION FOR RECONSIDERATION

Hon. G. D. ROBERTSON moved concurrence in the report of the Standing Committee on Railways, Telegraphs and Harbours, to whom was referred Bill 72, an Act respecting Canadian National Railways and to authorize the acquisition of the Quebec, Montreal and Southern Railway.

Hon. Mr. DONNELLY: Honourable gentlemen, I am strongly of the opinion that before this report is concurred in the Senate should have some further information, and I intend before sitting down to move that the Bill be referred back to the Committee for that purpose.

For the information of the members of the Senate who did not attend the Railway Committee meeting this morning I shall give a brief outline of the Bill and of the information that was brought out before the Committee. The object of the Bill is the purchase of the Quebec, Montreal and Southern Railway. This road runs for 191 miles in the Province of Quebec, somewhere south of Montreal, and is owned, I think, by the Delaware and Hudson Railway people. It was explained in the Committee this morning by some honourable senators from Montreal that this railway serves a very good section of the country and has great possibilities, and that the people adjacent to it are entitled to better railway facilities. Sir Henry Thornton, who attended the Committee, stated that he believed the price was a fair one.

I do not rise for the purpose of opposing the contention of those honourable senators that it might be well at some time to take over this railway, or for the purpose of stating that the purchase price is exorbitant; but during the discussion it was brought out that the negotiations for the purchase of the railway had been carried on between the Canadian National Railways, or the president of that railway system, and a Mr. Burnett, a broker of New York, and not between the two principals in the transaction. The correspondence read by Sir Henry Thornton went to show that he wrote to the Delaware and Hudson people to ask them if Mr. Burnett had an option on the railway, and their reply was that he had and that the Canadian National should deal with him.

Now, in my opinion, if we adopt this legislation we are introducing, or at least condoning, a vicious principle, whereby if the Canadian National Railways or the Government of Canada desire to purchase a certain line of railway a middleman may step in and establish practically a toll-gate between the two parties. I do not think that the public interest would suffer at all if this matter should stand over until the two principals interested might deal with each other directly, without having a middleman collecting a toll between them.

It was explained this morning by honourable senators from Montreal, that the present owners of the road are not giving good service. If so, the people interested are in a position to apply to the Railway Commission and have that condition remedied.

I think that before this report is concurred in we should be informed as to the date on which this option was given, the period for which it was given, and the price which the broker was to pay to the Delaware and Hudson Railway Company. With that object in view I move, seconded by Hon. Mr. Gillis, that this report be referred back to the Railway Committee with instructions to get information along the lines I have indicated. It is inconceivable to me that any large railway corporation would give to any broker an unlimited option, or one setting out any great length of time, and I think this matter may very well stand until the option has expired.

Right Hon. Mr. GRAHAM: Honourable gentlemen, as the sponsor for this Bill I want to point out to the House that it was passed unanimously this morning at the largest Railway Committee meeting that I ever attended. We had all the chief officers of the Canadian National Railways there to answer questions, which they did satisfactorily to the Committee. My honourable friend says that

a third party stepped in to collect toll. Not at all. An option was given to that gentleman. This, I might say, is in accordance with the way in which our American friends usually do things. Usually in such large transactions you have to deal with a representative, who is generally a broker, as brokers are the men who naturally have such business matters in hand. So an option is not at all an uncommon thing. When that gentleman approached the Canadian National Railways their president immediately wrote to the president of the Delaware and Hudson asking if they must deal with this third man, and the reply was that he had the option.

My honourable friend says, "Let us wait until the option expires." Probably that option will not expire, and possibly some person else may step in and buy the railroad, which the Canadian National very much needs, as the president told us this morning. If there were any hiding of anything I would say yes, refer the question back to the Committee; but it is only an hour or two since the Committee sat and heard this whole matter at length. There is no doubt as to the Committee being convinced that the Canadian National Railways had acted properly. There was no question or even suspicion of wrongdoing. So I think that we had better not run the risk, by delay, of losing this railway which is so much needed by the Canadian National system and by the people of that vicinity. As you know, there are two ways of opposing a thing: one way is to say no; the other is to say, "Let us delay and see if something will not turn up." I think that now is the time to put this transaction through. It has been thoroughly discussed and is fresh in the mind of every person, and there is not even a suspicion that the railway is not being purchased as cheaply as it can be. It costs, apart from the equipment, I think, a little over $20,000 a mile. Well, it takes a very poor railway to be worth less than $20,000 a mile. Then there is the good-will of the railway; and there is also the fact that the people along this line want the service from a Canadian company that will develop Canadian trade, the American company not being in a position to develop that trade and give adequate service to the people.

I am strongly of the view that the Committee should not accept this motion to refer back, but should adopt the report.

Hon. Sir EDWARD KEMP: Honourable gentlemen, I have been wondering whether my right honourable friend could tell us what are the earnings of this railroad that we are about to purchase. We did not ask that question this morning in the Committee. I am afraid it was overlooked. I suppose there are no earnings; I presume the expenses are greater than the revenue.

Right Hon. Mr. GRAHAM: I do not think that is the case, but I certainly have not the details. We should have asked the Canadian National officers this morning when they were there with all the data.

Hon. Mr. MACDONELL: That is surely a very good reason why the thing should be referred back to the Committee, so that the question might be asked.

Hon. Sir EDWARD KEMP: I doubt that there are many people wanting this railway in such a hurry as my right honourable friend thinks. This railroad has been on the market probably for many years. There are only two possible purchasers, namely, the Canadian Pacific and the Canadian National. The road commences nowhere, so to speak, and it ends nowhere. It has no terminus in Montreal or in Quebec. It is connected at the southern end with the Canadian National System. What I object to about this transaction is that a third man enters into it. Here is the Delaware and Hudson Railway Company, which is in touch with the Canadian National System in a friendly way, and also with the Canadian Pacific Railway. Surely these companies must have been approached many times and asked whether or not they would take over this line. As a matter of fact it has been regarded by people living adjacent to it as a white elephant in the possession of the Delaware and Hudson Railway Company. It has no earning power; it has a poor roadbed, which will have to be improved; and now we are being asked to pay the sum of $28,000 a mile for it.

Right Hon. Mr. GRAHAM: Including equipment.

Hon. Sir EDWARD KEMP: Including the equipment; and, as my right honourable friend has said, something over $20,000 a mile, perhaps, excluding equipment. For this country to enter into negotiations through a third party, regarding an enterprise which is paying no profit, seems to me to be an extraordinary thing; it does not seem to me to be quite right. I have never liked the appearance of third parties in such transactions. Ever since we took over the Canadian National Railways in 1919-20 we have been very generous in voting money. We have put into the Canadian National Railways, as you will see in the Senate Hansard of April 12, the sum of $898,989,322; we have not been mean

or penurious; but that we have been generous in the past is no reason why we should accept everything that comes before us and not warn those in charge of the railroad that such matters require careful scrutiny and should be handled with discretion.

I object very strongly to a third party, a gentleman who is not known to the Canadian National Railways or to the members of this House, coming up in the dark and saying, "I have it fixed that you must deal with me and no one else." Who wants a railroad that has no terminal accommodation in either Montreal or Quebec? Who on earth would buy such a railroad, considering the whole circumstances?

I spoke this morning in regard to the general financial situation, and I do not intend to deal with that here. But we have to raise $352,000,000 in twelve months, $227,000,000 of which is for Canadian National projects, and considering the condition of the financial world, and viewing the whole situation, I think it is about time that we slackened our pace.

Hon. Mr. LYNCH-STAUNTON: What reason has the right honourable gentleman to think this elephant would escape?

Right Hon. Mr. GRAHAM: That might be giving some information my honourable friend would not want as he wants the other.

Hon. F. L. BEIQUE: The Committee has passed some twenty odd Bills relating to the West, and for some sessions Parliament, quite properly, I think, has been providing money very freely for the construction of railways for the accommodation of the people of the West. The territory served by this railway, with which several members of this House are familiar, is a very rich agricultural area in the Province of Quebec extending along the St. Lawrence river from St. Lambert, opposite Montreal, to some twenty miles from the Quebec bridge. I think I am in a position to say that this railway is earning more than its expenditures. From the outset it has been starved because of not having access to either the city of Montreal or the city of Quebec; and the people at Sorel, Nicolet, and all the other village municipalities along the line have been clamouring for the improvement of the railway. It cannot be made to serve that territory adequately without passing into the hands of the Canadian National.

It seems to me that there would be nothing to be gained by delay. Is it reasonable to suppose that the Delaware and Hudson, knowing that $6,000,000 had been spoken of as a fair price, would lower that price even if the middleman were to disappear? Evidently the option mentioned has been in existence for a considerable time, and we do not know when it will expire. For my part, I hope that this Bill, which is to enable the Canadian National Railways to serve that territory properly, will not be delayed.

Hon. J. D. REID: Honourable gentlemen, I was at the Committee meeting this morning, but had to leave before this Bill came up for consideration. I have no objection whatever to the taking over of this railway by the Canadian National or the Canadian Pacific, but we must not disregard the question of the price to be paid. It seems from the statement made by the right honourable gentleman from Eganville (Right Hon. Mr. Graham) that $28,000 a mile is not very much to pay for a railroad with its equipment, but I remember that when we took over all the railways in the provinces of New Brunswick and Nova Scotia we set a price of $2,000 per mile, because none of them were paying. We were simply relieving the owners of the responsibility of carrying on those railways. Under the Railway Act they could not abandon them, but must either carry them on or sell them. One line in the county of Gloucester, which was about the same length as this road, was owned by a company of which Sir John Gibson was president. We dealt directly with the company and made an offer of $2,000 a mile. This offer was not accepted while I was minister, but I think it was afterwards, and I believe the road now belongs to the Canadian National Railways. That line was in about the same condition as the one under consideration.

Right Hon. Mr. GRAHAM: Oh, no. I had that before me. It was not in the same class at all.

Hon. Mr. REID: It was in pretty bad condition.

Right Hon. Mr. GRAHAM: I admit that.

Hon. Mr. REID: At all events, I think $2,000 a mile is what we offered.

Right Hon. Mr. GRAHAM: That was a branch line.

Hon. Mr. REID: But it was connected with the Intercolonial, and was owned by the Caraquet and North Shore Railway Company. It ran for some two hundred miles.

Right Hon. Mr. GRAHAM: About ninety miles.

Hon. Mr. REID: At all events the offer was $2,000 a mile, and the reason we offered so little was that the railway was losing money. In comparison with that offer the present price would seem to be high; but if it is fair and reasonable I have no objection.

Hon. Mr. CASGRAIN: Two thousand dollars a mile? Would there be no bonds?

Hon. Mr. REID: Two thousand dollars a mile paid for everything. They had to release the bonds. We got it free and clear of encumbrance.

Hon. Mr. DANDURAND: Was it an air line?

Hon. Mr. REID: No, it was a line just like this one, with steam engines and rails and all that sort of thing, and in just about the condition that has been described by the honourable member.

Hon. G. D. ROBERTSON: Honourable gentlemen, as chairman of the Committee I do not desire to enter into a discussion of the merits or demerits of the motion that has been made, but in addition to what my right honourable friend opposite (Right Hon. Mr. Graham) has said, I think it only proper to point out that the president of the Canadian National Railways represented that this line had some potential value to the Canadian National as affording a better grade, and, with the addition of something like twenty miles which would have to be built to complete the scheme, would lower the cost of operation to Quebec. It was also represented that the prospective development of the port of Montreal might lead to the establishment of industrial sections which would justify action of this sort.

While I agree that it is unusual for a government or for two big railways to deal through a third party, thus perhaps allowing of suspicion that things have not been all that they ought to have been or might have been, I would point to this further fact. So far as I am aware, no member of the Committee had any knowledge of the existence of such an arrangement, but the president of the Canadian National Railways volunteered the information to the Committee. This rather indicated that he was not attempting to hide anything at all.

However, I have been wondering, as a result of the discussion here, whether it would be altogether desirable for the House to adopt or to reject the report by a vote taken this afternoon. It seems to me that enough information has been brought out in this discussion to justify us, not in acting hastily, but in referring the Bill back to the Committee for the purpose of securing further information from the officials, so that the proposal, when brought back to the Senate, may be dealt with on a business basis and decided on its merits. If we should now decide not to refer the Bill back, it might be felt in some quarters that there was something irregular and secret about the whole deal. I therefore hold that in the interests of the officials of the Canadian National Railway, who have been negotiating this deal on behalf of the people of Canada, it would be wise under all the circumstances to let the Committee discuss the Bill further.

Hon. JACQUES BUREAU: I am not a member of the Railway Committee, and I understand that some of the members of that Committee are now taking exception to the report presented by the chairman. I have listened to the arguments adduced, and the only reason against concurring in the report seems to be the fact that there is a third party interested in the transaction, or that the transaction, instead of having been made direct between the Canadian National Railways and the Delaware and Hudson, was made through a third party. I was wondering why that had not come out while the Committee was sitting.

Hon. Mr. ROBERTSON: It did come out.

Hon. Mr. BUREAU: Exactly. My honourable friend has said that the president of the National Railways volunteered the information, and that therefore he does not think that there is anything crooked.

The statement has been made that this railway runs from nowhere to nowhere. If I understand the matter rightly, this railway is to be connected with the Canadian National and is to have terminals in Montreal and in Quebec. As far as the territory traversed is concerned, my honourable friend (Hon. Mr. Reid) said it was just as poor as that of some Nova Scotia or New Brunswick railway that was taken over.

Hon. Mr. REID: I referred to the condition of the railway.

Hon. Mr. BUREAU: This line traverses the finest country on the southern shore of the St. Lawrence, in the Province of Quebec, and there is perhaps no better country to compare it with than the Niagara Peninsula. The country has been settled for over two hundred years and its people are entitled to transportation accommodation.

If I were a member of the Railway Committee I would not consent to the Bill being referred back, for I would regard it as a

censure upon the Committee. The Committee met this morning, they had the officials of the railway present, and were at liberty to examine them as much as they chose. The Committee made a unanimous report in favour of the line being taken over, and then honourable gentlemen get up in the House and say, "We have heard that this transaction was made through a third party." At first that may look suspicious; but when the chairman explains that the third party was mentioned in a statement volunteered by the chairman of the Canadian National Railways, and that this statement washed away any suspicion of the transaction, I do not see why we should refer the Bill back to the Committee. Naturally, if the members of the Committee are willing to admit that they did not perform their duty or that they should investigate further, then I vote that it be referred back with instructions to the members of the Committee to do their duty this time.

Hon. GEORGE GORDON: As a member of that Committee I feel there is a certain responsibility resting upon me for the bringing in of that report. I do not think that there is anything in the contention that it was not the proper thing for the Canadian National Railways to agree to buy this road or to treat with the Delaware and Hudson through a commission man. As a business man I have often bought and sold property through a commission man to better advantage than I could have done directly. I think there is only one question, and that is whether or not the railway company would get value for the $6,000,000. I am of the opinion, based on statements that were presented to the Committee, that they would be getting a good bargain. I understand that the cost of $6,000,000 includes the price of eleven hundred cars. Allowance being made for this and some other equipment, the cost of the road comes down to around $4,000,000, or about $20,000 a mile.

We must be fair with ourselves as well as with the railway companies. I imagine that the right of way alone, even if no railroad were there at all, would be valuable. I can hardly conceive that the value of the road would be less than the agreed purchase price.

We have to depend upon the President of the Canadian National Railways and his officials to tell us whether too high a price or a reasonable figure is being paid for this road. If it is not worth the price they are willing to pay for it, then they are not worth their salaries and should not be left in their positions. I believe from the evidence that was given at the Committee this morning that the bargain is a good one, in the interest of the railway and of the country as a whole, and therefore I cannot see eye to eye with my colleague who has brought in this amendment.

Hon. R. DANDURAND: Honourable gentlemen, I am quite sure that this motion would not have been made if it had not transpired during the discussion in Committee that the President of the Canadian National Railways, Sir Henry Thornton, had negotiated with a third party. But it must be remembered that the third party came to the Canadian National Railways with an offer to sell the Quebec, Montreal and Southern Railway, on which he said he held an option. Some discussion may have taken place between that agent and the Canadian National Railways, but before going much farther the President of the Canadian National wrote to the President of the Delaware and Hudson Railway, an old friend of his, a man under whom he had worked and to whom he could talk very freely, and said: "I am offered through an agent"—whose name he disclosed —"the Delaware and Hudson Canadian Railway. I should like to know whether that gentleman has an option and represents the Delaware and Hudson, or whether we might discuss this matter between ourselves." Sir Henry Thornton added: "I should very much prefer to deal with you, because otherwise I have to explain to Parliament why I am dealing with a third party." He was answered very frankly by the President of the Delaware and Hudson that the agent had an option and that the Canadian National Railways, or any intending purchaser, would have to deal with that third party. The statement of the President of the Delaware and Hudson was quite clear. What could the intending purchasers, the Canadian National Railways, do—could they refuse to negotiate—when their Board felt that the offer was a fair one, or that a fair figure could be agreed upon? They had to bear in mind the risk that was involved in refusing to deal with the third party.

We have been discussing the question of dealing with a third party. If Parliament decides that it is in the interest of the Canadian National System that the railway under consideration should be bought, I can see no other way to purchase it than by closing with the party who has the option. I ask honourable members of this House, is it thinkable that if the proposal to deal with the agent were rejected the Delaware and Hudson Railway would

ignore the option it had given and open negotiations directly with the Canadian National Railways? No respectable institution in the world would withdraw an option that it had given to an agent under those circumstances. If the Canadian National Railways could wait a year or two, it would find the Delaware and Hudson Railway still maintaining the same position as it does now.

There is the risk, too, that since the price has been disclosed some other parties may go to that agent and make a proposition to buy the Quebec, Montreal and Southern Railway.

Honourable gentlemen who are not familiar with the location of the road may say that $6,000,000 is a high price, but those who live in the city of Montreal and know what the Canadian Pacific Railway line from Montreal to Quebec means to that railway will quite readily understand the value of a duplicate road on the opposite shore of the St. Lawrence to the Canadian National Railways. I hope to live a few years longer and see the development on the other side of the river. I hope to see Montreal within the next ten or fifteen years doubling its population, past two millions, and including the population on the other side of the St. Lawrence, just as the New Yorkers have done with regard to Brooklyn. There are splendid parishes on the south shore of the St. Lawrence, some of them larger than those on the north, with the exception of the city of Three Rivers, and I quite understand that the Canadian National Railways may value highly a railroad running from St. Lambert and reaching the bridge at Quebec, as it has not yet done. The railway which it is proposed to purchase starts from St. Lambert, but cannot enter the city of Montreal without an arrangement with the Canadian National Railways, and it cannot run into Quebec, because the Quebec Bridge does not belong to the Delaware and Hudson Railway.

I think those who know the surroundings and who have some vision of the future will agree with me that the Canadian National Railways should be given credit for deciding to close this bargain. The figure that has been quoted covers the purchase of two railways, one running from St. Lambert up to Fortierville, along the St. Lawrence past Nicolet, and the other from Sorel via St. Hyacinthe to Noyan, at the United States border, and both railways serve a splendid territory.

What shall we gain by sending this Bill back to the Railway Committee? Surely we can get no more information as to the offer of the agent or broker than we have had from Sir Henry Thornton, who laid the whole correspondence before us and disclosed the entire situation. He has nothing to hide. Is it desired to get some information as to the present situation of the road, as to its earning capacity and its record for some years past? I think Sir Henry Thornton said there was a large tonnage carried on these two roads. Personally, I am ready, as I was in the Committee, to support the Bill. I feel I owe some duty to the people living on that shore, whose ancestors have lived there for 250 years. These people have seen railways built and maintained in first-class condition, yet they have been obliged to accept a somewhat inferior service from a company that was administering the two lines from New York and realized that these lines had no special connection with any of the American railroads and should be attached to a Canadian railway system. We were told in Committee that various railways in the United States are being formed into regional systems and that it was perhaps time for the Delaware and Hudson Railway to consider transferring to a Canadian company its Canadian holdings, which started at St. Lambert and went on to twenty miles this side of Levis.

I believe that in view of the price, and of the duty we owe to that part of the country, and because of the safeguards that surrounded the negotiations between the agent of the Delaware and Hudson Railway and Sir Henry Thornton, we should decide to accept the unanimous report of the Railway Committee.

Hon. N. CURRY: My business for the last fifty-two years has been very largely with railways, and I think I have acquired a good knowledge of railway values. We know that this road, which runs through a splendid piece of country, is bound to be a good property. If this railway were not there and we decided to build it and equip it, I believe it would cost us probably 25 per cent more than the present road will have cost when we have put it into shape. I believe this particular Bill will give the country at least as good value for the money spent as any other of the twenty-three Bills that were passed this morning. I think it would be a very great mistake to send the Bill back to the Committee and perhaps get into all sorts of controversies. I therefore favour the adoption of the Committee's report.

Hon. R. H. POPE: I was late in getting to the Committee meeting this morning, and I would like to ask if the Committee had laid before them a report from any of the Canadian National Railways' engineers as to such matters as the exact condition and the estimated value of this road that it is proposed to purchase.

Hon. Mr. DANDURAND: My honourable friend, unfortunately for himself and perhaps for the Committee, was not present this morning. The Canadian National Railways had mobilized its important officials, engineers, barristers, and others, for the purpose of giving all the information that the Committee required. They were there with books, records, correspondence and maps, ready to answer any question that might be asked by any member of the Committee, and the only questions not put to those officials were those that no member of the Committee desired to ask.

Hon. Mr. POPE: Does it not appear from the discussion that has taken place this afternoon that possibly some member of the Committee—whoever it may be—neglected to get information that would enable this House to come to a unanimous conclusion on this Bill? And in asking that it be referred again to the Committee is not the object to get that information if it is available?

I do not take much stock in any objection to a commission man being involved in the transaction, because if the Canadian National Railways desire to say to the Delaware and Hudson railway, "Here is so much money," then the Delaware and Hudson can settle with their agent as they see fit. The matter of commission is one that can be settled between the two railway companies.

Hon. Mr. DANDURAND: I would ask my honourable friend (Hon. Mr. Pope) how he thinks Committees of this Chamber should operate? This Bill was sent to a Committee, and nearly all the members were present at its sitting this morning. The necessary inquiries were made of officials of the Canadian National Railways, and when the Committee felt that it had all the information required to reach a conclusion it came to a unanimous decision. We may send this report back to the Committee to have a few more questions asked, and when the Committee's report comes again to this Chamber any honourable member may inquire whether the Committee thought of putting such and such another question; and we may go on from week to week in this way, sending the report back to the Railway Committee for further information. My honourable friend must remember that there was a full discussion in the Committee, and it was only when it was felt that the price was a fair one, and the purchase in the interests of the Canadian National Railways and of the country, that the Committee's decision was made, and, I believe, wisely made.

Hon. Mr. POPE: I am not responsible for the elasticity of the imagination of my honourable friend (Hon. Mr. Dandurand). It is not my responsibility if he imagines this, that, and the other thing. We are dealing not with imagination, but with plain facts—with a real, material thing upon which we should have a report that should prove satisfactory to the honourable members of this House, or at least to a majority of them. The honourable gentleman can see from the discussion that there is a strong feeling—I do not know whether it is the feeling of the majority of honourable members—that the Committee's report is not satisfactory. It is quite true that this was a very busy morning for the Railway Committee; perhaps it was too busy; perhaps there were too many things to attend to and the Committee could not give sufficient consideration to some details. I do not think it would be unfair to the Canadian National Railways—on the contrary, I think it would be very fair—to ask Sir Henry Thornton and his associates to appear before the Committee once more and give certain information in order that this House may reach a unanimous conclusion on the acquisition of the railroad under discussion. It runs through a very beautiful part of Quebec, but we are not concerned so much about the beauty, as we are not buying scenery.

Hon. Mr. DONNELLY: I wish to refer briefly to two points made by the right honourable gentleman in whose name the Bill stands (Rt. Hon. Mr. Graham) and the honourable leader of the Government (Hon. Mr. Dandurand). They emphasized the fact that this Bill was passed unanimously by the Committee on Railways. I have no desire to reflect on any member of that Committee, of which I myself am a member, but it will be noticed that a great many other Bills were considered in that Committee this morning; and I think the Committee have got into the habit of passing all Canadian National Railway Bills. Speaking for myself, and possibly for other members of the Committee, I may say that the information disclosed by Sir Henry Thornton was of a surprising nature, and that I did not grasp the importance of it until after the Bill was passed by the Committee. That is my reason for bringing the matter up now.

The right honourable gentleman stated that if we deferred the purchase of this railway some other road might purchase it. Speaking frankly, I think there are only two possible purchasers, the Canadian National and the Canadian Pacific Railways, and if the other company should purchase it the people in that section would be well served and the people of the Dominion of Canada would be

relieved of the responsibility of borrowing $6,000,000 to purchase the road and another $2,000,000 or $3,000,000 required for betterment. We were told in the Committee that the roadbed was in very bad condition, though the equipment was stated to be better.

I think my motion should be agreed to.

Hon. Mr. WILLOUGHBY: Honourable gentlemen I think we should lose nothing if the honourable leader of the Government allowed this matter to stand over, for perhaps fuller consideration, until to-morrow. We have passed all the other Bills, and there are possibly some members who had not the opportunity of attending the Railway Committee meeting and who have heard something that has disturbed their minds, as to whether we are making a good bargain, and one which will be of advantage to the National Railway Company. I think it would be an advantage to Sir Henry Thornton and his associates that there should be no suspicion in this House—not of corrupt dealing on their part, because that does not enter the mind of anybody—but that they have made an imprudent bargain, that all the circumstances in connection with it have not come out, and that they are now leaking out. In case there is any uncertainty on these points it will all come out if we defer the matter until to-morrow.

I should be very sorry if we had to vote on this matter, because it might somewhat reflect on the Committee, of whom I am one—though I am not thin-skinned—that we had not adequately reported on the Bill. I think it would be the part of widsom to defer the question until to-morrow. I would ask the honourable leader of the Government if he would not do that, for then we should lose nothing and perhaps gain a great deal.

Hon. Mr. DANDURAND: I thought perhaps we might accept the report and put the Bill down for third reading to-morrow.

Hon. Mr. WILLOUGHBY: Friday will follow to-morrow. It may be that the mover would not want to move. Of course if it stood over until to-morrow, and the mover and the seconder of this motion wanted it to come before the House, they could bring it up then. Perhaps by to-morrow they will not wish to press the motion. I do not at the present time see any serious objection to our accepting it.

Hon. Mr. DANDURAND: The matter is in the hands of my right honourable friend (Rt. Hon. Mr. Graham). I am disposed to agree to having it adjourned until to-morrow

Hon. Mr. CURRY: I think that would be the best thing to do.

Hon. Mr. CASGRAIN: I will move the adjournment of the debate until to-morrow, and that will attain the point.

Hon. Mr. CURRY: That will do it.

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

CRIMINAL CODE (FINES AND FORFEITURES) AMENDMENT BILL

FIRST READING

Hon. Mr. BEAUBIEN introduced Bill P7, an Act to amend the Criminal Code (Fines and Forfeitures).

He said: I have the honour to introduce a Bill whose purpose is to amend section 1035 of of the Criminal Code.

The Bill was read the first time.

Some Hon. SENATORS: Explain.

Hon. Mr. BEAUBIEN: The purpose of this Bill, honourable gentlemen, is to permit the court to give to anybody sentenced for an offence punishable by imprisonment not exceeding five years the option of paying his fine by instalments. The article as amended comprises the old section entirely, and the three following lines are added as the amendment:

> The sentence may further direct that the fine shall be paid by instalments, or within a certain period, or that the person so convicted shall, until payment of the fine, be admitted to bail.

The object of the amendment is to place on the same footing all convicted persons, those who are fortunate and those who are not. The vital statistics show that in the year 1927, the last year for which we have such statistics, there were 220,000 convictions. Of this number 16,000 were without the option of paying a fine, and 206,000 with such option; but of the 206,000 the fines were paid in only about 40,000 cases. In other words, out of over 200,000 condemnations only one-fifth of the number sentenced paid their fine, kept out of prison, and were not afterwards branded as jail-birds. The others, not being fortunate enough, had to go to jail. Over 166,000 went to jail, came out as jail-birds, and were branded and degraded as such, and the children of a great many of them were degraded as being children of men who had been sent to jail.

I need not elaborate the subject. Everybody knows how difficult it is for a man who has been in jail to re-establish himself in the esteem of his fellow men, and how difficult it is for him to earn his livelihood. I know of two fine institutions in Montreal that are kind enough to extend a charitable hand to the man who has been in jail: those are the Sal-

vation Army on the one hand, and on the other an association which has been created for the sole purpose of helping such men, trying to find places for them, and vouching for them; for, as honourable gentlemen know perfectly well, no person will accept a man who has been in jail unless he has a reliable reference.

Now, if this amendment is adopted, as I hope it will be, it will allow the judge to say to the man about to be sentenced: "I am condemning you to prison if you do not pay your fine, but I am going to give you the opportunity of paying it at so much a week or so much a month, and if you take advantage of this, I will hold you under bail until such time as you have paid your fine."

I have nothing to add except this. We have now a prison population of 166,000. How much do they cost the country? How much does it cost to keep a man in prison for a year? How much does it cost the moral fibre of the people of the country to have 166,000 persons in prison, who will be degraded, and very often corrupted, when they come out of jail? I think that from the moral point of view what I propose will effect a great saving; from the financial point of view it will mean a great economy; and above all, this will be a measure of justice. When a man comes before his judge he should have the same chance, whether he is rich or poor. The purpose of this Bill is to give the poor man a fair deal.

Hon. Mr. HAYDON: I do not understand the statistics—the 200,000 and the 40,000. What period do they cover?

Hon. Mr. BEAUBIEN: The year 1927.

Hon. Mr. HAYDON: One year?

Hon. Mr. BEAUBIEN: One year.

Hon. Mr. HAYDON: In Canada?

Hon. Mr. BEAUBIEN: Yes; 220,000 were convicted; 16,066 went to jail because they had no option to pay a fine; 206,000 were condemned with option of paying a fine; out of the 206,000, there were 40,379 who paid their fine and 166,401 who went to jail because they did not pay their fine.

CRIMINAL CODE AMENDMENT BILL

FIRST READING

Hon. Mr. BUREAU introduced Bill Q7, an Act to amend the Criminal Code.

Some hon. SENATORS: Explain.

Hon. Mr. BUREAU: This Bill amends subsection 2 of section 580 of the principal Act. The object of the amendment is to allow the Clerk of the Crown, in rural districts, to adjourn to another term.

The second amendment is to give the Clerk of the Court power to summon witnesses.

The next is a change of the form to meet the requirements of the amendments. There are two other amendments. One is to give the Lieutenant-Governor in Council power, in cases of juvenile offenders found mentally deficient, to send them to a mental hospital. Under the present section as it stands a man or child must be found insane before the Lieutenant-Governor in Council may have him transferred from the jail to an institution.

The Bill was read the first time.

GERMAN REPARATIONS

INQUIRY

Before the Orders of the Day:

Hon. Sir EDWARD KEMP: Honourable gentlemen, I should like to ask the honourable leader of the House for some information respecting the Commission which has been sitting in connection with the question of German reparations. Press reports state that the amount which Great Britain has received in the past is to be reduced, and that the Dominions have been entirely ignored. I would ask the honourable leader of the House if we have a representative sitting on that Commission, or who represents us, and whether he has heard anything about Canada being cut off from receiving reparations in the future as in the past.

Hon. Mr. DANDURAND: A Commission of experts are examining into the possibility of finding a ground which would be satisfactory to the creditor nations and to the debtor nations. Those experts have no power to conclude a treaty or a convention; they can only examine into the proposals that are submitted by the various countries and make a report to their respective governments. I know that considerable work has been done, but I am no better informed than my honourable friend, because I have simply followed the press reports of the discussion.

I do not think that there has been any mention of the Dominions at those meetings, but the figures that have been discussed would lead one to the conclusion that the proposed reductions would wipe out any possibility of distribution to the Dominions. I cannot understand, however, how the Dominions' share could vanish completely while the Allies receive something, because there is a certain division among the Allies, whereby Great Britain receives a certain amount, of which

the Dominions obtain a share. I may tell my honourable friend that if the work of that Commission should result in anything which would seem acceptable to all parties, it will be submitted to the Canadian Government, and perhaps to Parliament. I am not sure as to the procedure.

Hon. Sir EDWARD KEMP: Before a final decision is made.

DIVORCE BILLS

THIRD READINGS

Bill H6, an Act for the relief of Marion Rose Harrison.

Bill I6, an Act for the relief of Dean William Moncrieff.

Bill J6, an Act for the relief of William John Brett.

Bill K6, an Act for the relief of Robert Wilson Reoch.

Bill L6, an Act for the relief of Grace Viola Byers.

Bill M6, an Act for the relief of Mildred Soden.

Bill N6, an Act for the relief of Mabel Graham.

Bill O6, an Act for the relief of Velma Stella Seadon.

Bill P6, an Act for the relief of Emma O'Grady.

Bill Q6, an Act for the relief of Edna Marguerite Stroud Robinson.

Bill R6, an Act for the relief of Gordon Hanna.

Bill S6, an Act for the relief of Joseph Richardson.

Bill T6, an Act for the relief of William Edward King.

Bill U6, an Act for the relief of John Wilson Pickering.

Bill V6, an Act for the relief of Agnes John Archibald Blaine.

Bill W6, an Act for the relief of Thomas Horace Sillery.

Bill X6, an Act for the relief of George Melville Fulton.

Bill Y6, an Act for the relief of Gladys Elizabeth Boyd.

Bill Z6, an Act for the relief of Wallace Wellington Corkum.

Bill A7, an Act for the relief of Annie Fraser Rice.

Bill B7, an Act for the relief of Clarence Spurgeon White.

Bill C7, an Act for the relief of Gertrude Georgeanna Anderson.

Bill D7, an Act for the relief of Lloyd Edward Angel.

ELECTRICITY AND FLUID EXPORTATION BILL

FURTHER CONSIDERATION IN COMMITTEE POSTPONED

On the Order:

The House again in Committee of the Whole on Bill 15, an Act to amend the Electricity and Fluid Exportation Act (Exportation of Electric Power).—Hon. Mr. Tanner.

Hon. Mr. BEIQUE: Honourable gentlemen, I have taken communication of the information which was placed on record the other day, and as I think it is somewhat difficult to obtain from that a proper idea of the whole matter, I would ask the honourable leader of the Government if he would not think it proper to have the information given in this form: The name of each company which has agreed to lease a part of its hydraulic or electric power for export; the date of each contract; the term of the lease, and the amount of power agreed upon and actually exported. That information could be given in ten lines, it could be understood by everybody, and it would cover everything necessary to give an adequate idea of the situation.

I desire to add this. We have been told, and I think the statement is correct, that already in one or two cases when attempts have been made to cancel exportation, the expenditure incurred by the lessee has been urged as a reason for non-cancellation. I am afraid that there is danger that claims of that kind may be urged hereafter—of course, without any absolute right—and may create international friction, which should be avoided, if possible. I would therefore suggest to the honourable leader of the Government the advisability of a letter being sent by the proper Department of the Government to all lessees of such power, putting them on their guard as to the expenditures they may make, and asking them to bear in mind that the policy of allowing the export of power may be rescinded at any moment. Then, five or ten years later, it would be with bad grace that they would urge as a reason why there should be no cancellation or discontinuance of the license, the expenditure upon which they had entered.

I think we are interested in avoiding friction between the Government on the other side of the line and this Government, but I must say that if the tariff on the other side is raised as it is threatened to raise it, we must be prepared to try to reduce as much as possible our imports from the United States and to encourage trade with other countries with which we have treaties.

Hon. Mr. BUREAU: Do I understand that the question put is for the sake of getting information, or is it for the purpose of giving notice to the lessees?

Hon. Mr. BEIQUE: First I ask the Government to give the information which I have mentioned; then I suggest the advisability of sending a letter to each lessee of power asking him to bear in mind that the policy of permitting power to be exported may be changed at any time.

Hon. Mr. BUREAU: I did not catch exactly what my honourable friend said when he was reading from his notes. Will that information include the conditions of the lease between the exporter and his lessee?

Hon. Mr. BEIQUE: Yes, the whole of the conditions.

Hon. Mr. REID: I should like to say, honourable gentlemen, that that notice has already been given each and every year. In the licenses that have been granted it is stated that they are for only one year and may be cancelled without further notice. In addition to that, I might point out that at the time when the Dominion Government wanted some of this power back—it was urgently needed in the Province of Ontario for the manufacture of munitions during the war—an Order-in-Council was passed, dated August 25, 1914, which was sent to the United States Government. I have the Order-in-Council here. As it is somewhat lengthy, I will read only part of it:

The Committee of the Privy Council have had before them a Report, dated 16th June, 1914, from the Right Honourable the Secretary of State for External Affairs, calling attention to a recent opinion of the Public Service Commission of the State of New York in the matter of the application of the Canadian-American Power Corporation for permission to import an additional 46,000 horse-power of electrical energy from Canada into the United States.

The Minister observes that the opinion, in discussing the laws and regulations of the Dominion of Canada relating to the exportation of electrical energy and their effect on the question of granting the desired permit, uses the following language:—

This is what the Public Service Commission of New York State said:

Government Limitations upon the Export of Electric Power from Canada

The Canadian Government requires the taking out of yearly license permitting exportation of Niagara electric power. Upon the limitations existing as to the exportation of electric power from Canada into the United States, it appears that for many years, under the so-called Burton Act, and by action of the Canadian Government, a very large amount of Canadian produced Niagara electric power has been and is now being imported into this country at and about the Niagara Frontier, and is being distributed for light and industrial power and railroad purposes within the State of New York in many places, embracing Syracuse to the east, the southwestern part of the State, territory south of Lake Ontario and Buffalo, and Niagara Falls in the west. The companies distributing this imported power have issued stocks and bonds in very large amounts based upon their business of distributing Canadian power. This applicant is now seeking to enter the same field. Without going into details, it seems sufficient to say that the prohibition of exportation from Canada of this present electric power which now comes into this country would paralyze business and industry of many kinds and would deprive numerous localities of electricity for light. American produced Niagara power is so far from supplying the vital needs of the sections of the State above described that the immediate results of such prohibition would plainly amount to a great public calamity. . . The form of securing a license yearly from the Dominion Government is required by the Dominion law, but such license has been granted yearly to the other great producing electrical corporations of Canada, and no reason appears for apprehension that any discrimination would be made against the Electrical Development Company or the Toronto Power Company, lessee. We have nothing before us but the suggestion that the Dominion of Canada may at some future time forbid this exportation. This Commission must assume that international relations affecting so important a subject as the means of continuing great industries which have grown up in reliance upon the use of this imported power, and as well the interests of the Canadian producing companies themselves, have become fixed and subject only to such changes as will fully protect the great commercial and industrial interests and rights now served by this power brought from Canada. The time has long since passed when governments proceed ruthlessly from pure national rashness or anger to destroy the settled accepted commercial relations and formally vested rights of persons and corporations.

Hon. Mr. BUREAU: Where are the vested rights?

Hon. Mr. REID: They have no vested rights. I have taken the position that the power was exported from year to year on a license, and on a direct understanding. But when we serve notice on these people, or tell them we want the power, they go to this Public Service Commission of New York State and that is the sort of reply we get. This Order-in-Council which was sent to the United States Government is too long for me to read it all, but it is to the effect that this Government draws to the attention of the Government at Washington the fact that licenses were issued from year to year and that when we wanted the power we could discontinue the export, and points out the position taken by the Public Service Commission of the State of New York. The attention of the United

States Government was drawn to these things so that they would have plenty of time to notify the companies and make arrangements for the future if we did cut off the power.

Hon. Mr. HAYDON: The honourable gentleman has said that the withdrawal by Canada would be looked upon by the United States as an unfriendly act. Is that referred to in that correspondence?

Hon. Mr. BUREAU: They use the word "calamity."

Hon. Mr. REID: That shows the opinion of New York State and the Government at Washington.

Hon. Mr. CURRY: They say it indirectly if not directly.

Hon. Mr. HAYDON: Was it so stated?

Hon. Mr. REID: I think there is another declaration, but even in this one they take the position that it would be an unfriendly act, though that is only indirectly stated.

In my opinion the amendment proposed by the honourable member from LaSalle (Hon. Mr. Bureau) is not unfair, because it gives the companies six years to make arrangements for some other supply of power.

I think I stated when this question was being considered before that there was a loss of about $1,000,000 per annum to the Province of Ontario because of this export of power. If we could cut off the export of the 145,000 horse-power when we needed it during the war years we could have delayed for a few years the building of the Chippawa plant and avoided the high construction costs prevailing at that time. The Chippawa plant, which was built by the Ontario Government, is now operated by the Hydro-Electric Commission of the Province of Ontario. The three electrical companies purchased by the Ontario Government, aside from the Chippawa, are producing at Niagara Falls about 300,000 horse-power a year, nearly half of which is sold to the United States. My information is that that power was sold to the United States corporation at about $9 or $10 per horse-power. Since that contract was made the demand for power in Ontario has increased by leaps and bounds and I believe that last year there was, roughly speaking, some 800,000 horse-power used in Ontario. Of course when we could not arrange to discontinue the export of the 145,000 or 125,000 horse-power, whatever the quantity was—I have the figures here—the Province had to arrange elsewhere for the supply of that power, and the present situation is that some 125,000 horse-power is being manufactured by the Hydro-Electric Commission, or by a company owned by the people of the Province of Ontario, and sold to companies in the United States for at least $5 or $6 less per horse-power than has to be paid for power in Ontario to replace this large quantity exported.

Hon. Mr. CURRY: Can the Hydro not raise that price?

Hon. Mr. REID: No.

Hon. Mr. HUGHES: Could not the price of the exported power be increased from year to year?

Hon. Mr. REID: I will answer it this way. These private companies that I am speaking of, knowing that the power could not be exported without the authority of this Government, made a contract first in the Province of Ontario for 100 years, with that private corporation, at a certain price. When Sir Adam Beck was the head of the Hydro-Electric Commission he took up the matter with the companies, and I think they became afraid of trouble and reduced the term to 50 years. These contracts expire in 1950; so for the next 20 years, at least, as well as for the time that has gone by since the contracts were made, the loss to the Province of Ontario on account of the exportation of power can be figured at probably $800,000 or $1,000,000 per annum.

In the Province of Quebec the Cedars Rapids Company are in a similar position. They made a contract for 85 years and the contract has 70 years yet to run. I think the Aluminum Company get their power at Cedars Rapids for $10 per horse-power. Honourable gentlemen can see how the power question has increased in importance in the vicinity of Montreal and in the Province of Ontario, and I think it is likely that the demand for power in both Ontario and Quebec will continue to grow in the future as in the past.

Surely if these companies made such long-term contracts—one for 85 years and another for 50 years—though without the consent or knowledge of the Dominion Government, we should be fair with them and give them several years' notice of our intention to discontinue the licenses to export, so that those concerned may have time to rearrange their business and the power may be procured from some other source.

There is a Treaty between the two countries that a certain amount of power at Niagara may be manufactured on both the American and the Canadian sides, and the Treaty says what proportion each country shall have. The United States are now producing all the

power to which they are entitled under the Treaty, and in addition they are getting 125,000 horse-power from Ontario.

I submit that all our power will be required for local consumption, both in the Province of Ontario and the Province of Quebec, and therefore no export licenses should be granted in the future without the consent of Parliament. This electrical power is one of the most valuable natural assets of this country. I agree with the honourable gentleman who has proposed this amendment (Hon. Mr. Bureau) that we should give the licensees notice that at a certain time their licenses will terminate and if they require any renewals after that date Parliament should be the authority to say whether any extension shall be granted or not. If there are good reasons in 1935 why Canada should renew in whole or in part the licenses to export, I have no doubt that Parliament will see that the United States are dealt with fairly. I should like to see the amendment carried, but if the majority of honourable members will not support the amendment, then I am in favour of the Bill, because it provides certain conditions that are preferable to those that exist at the present time.

Hon. Mr. DANDURAND: The honourable member for De Salaberry (Hon. Mr. Beique) suggested that before we deal further with this Bill the Government should furnish some additional information. I am ready to apply to the Department of Trade and Commerce for it, and if any honourable member has other questions he would like to have answered by the Department with a view to throwing more light upon this matter, I would suggest that he state them now, so that when we deal with the Bill again we may have before us all the information required.

Hon. Mr. GRIESBACH: Is there a method of differentiating between the plants established for the purpose of exporting power and the plants established for the production of power within Canada, but having a surplus to export from time to time? It is possible to differentiate between these two types of plants and bring down a return which, leaving out for the moment plants designed to export, will show us what the smaller plants are exporting incidentally?

Hon. Mr. DANDURAND: Of course my honourable friend will have noticed that in the documents I brought down there are reported a certain number of licenses for firm export, and separate licenses obtained by some of the same companies for surplus export.

Hon. Mr. GRIESBACH: The figures are not separated in the report that was brought down, nor are they separated in the blue book.

Hon. Mr. DANDURAND: They are separated in the report which I brought down. My honourable friend will find there what is exported under surplus licenses or off-peak licenses, and what is exported under ordinary licenses.

Hon. Mr. BUREAU: May I ask the honourable leader of the Government if it is understood that this Order of the Day will be adjourned?

Hon. Mr. DANDURAND: Nobody has asked that it be adjourned, but the honourable gentleman from De Salaberry (Hon. Mr. Béique) has asked for further information. I suppose that means he does not wish that the Bill be proceeded with now.

Hon. Mr. REID: I may say for the information of the honourable gentleman from De Salaberry that every license that is granted contains this clause:

> Every contract made under this license shall contain a clause or clauses expressly setting forth that it is made by virtue of this license, which is subject to the Electricity and Fluid Exportation Act and any amendments that may be made to it, and also is subject to the Regulations made or which may be made by the Governor General in Council regarding the same; and every contract made under this license shall have attached thereto a copy of this license and of the Electricity and Fluid Exportation Act, and of the Regulations approved by the Governor General in Council on the 4th day of November, 1907.
>
> This license, if renewed, shall be subject to the terms and conditions of such Regulations as may be made from time to time, either by Statute or the Governor General in Council.

I wish to mention that only to show the honourable gentleman that any contract made in connection with the export of power must have a copy of the license attached to it and that this serves notice on the companies that the license is granted for only one year and can be cancelled at any time.

Hon. Mr. BEIQUE: The information that I suggested should be furnished does not refer to that at all. I asked for the name of each company which has agreed to lease part of its hydraulic or electric power for export, the date of each contract, the terms of the lease—that is the number of years and the price—and the amount of power agreed upon and actually exported. That would give the whole thing in ten lines; and the documents that have been furnished do not give us that information.

Hon. Mr. BUREAU: Under the circumstances the adjournment must be proposed by some honourable member before we can get the information.

Hon. Mr. BEIQUE: I move that the Order stand.

Hon. Mr. TANNER: As the Bill stands in my name, I am a little interested in it. I am wondering under what process we are proceeding, as I understand there is no motion before the House.

Hon. Mr. DANDURAND: There is one just made by the honourable member from De Salaberry (Hon. Mr. Beique).

Hon. Mr. TANNER: I was wondering whether we were having a round table conference, or what it was. However, in view of the request for information, I move that the Order be discharged and placed on the Order Paper for Tuesday next.

Hon. Mr. BUREAU: Before this motion is put, I would like to make a statement. Since I have presented this amendment I have been asked on whose behalf I was presenting it.

Hon. Mr. DANDURAND: That was somewhat indiscreet.

Hon. Mr. BUREAU: I thought it was; so I desire to make my position absolutely clear, and I state that I am not acting for or on behalf of any person or corporation, nor am I in any way interested in or influenced by any individual or corporation. I am not acting on behalf of any political organization or trying to carry out suggestions made by any government or member thereof, or by any individual whomsoever. As I stated at the beginning of my remarks, I was taking the Bill and analysing it as it came before this House. So for the rest and the peace of the souls of those who were suspicious, I make this statement.

The motion was agreed to.

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

THE SENATE

Thursday, May 16, 1929.

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

Prayers and routine proceedings.

PRIVATE BILL

THIRD READING

Bill L5, an Act respecting the Royal Architectural Institute of Canada.—Hon. Mr. McGuire.

PENNY BANK BILL

FIRST READING

Hon. Mr. DANDURAND introduced Bill A8, an Act to amend the Penny Bank Act.

He said: Honourable gentlemen, as it is somewhat late in the session, I may give a short explanation of the Bill at this stage. The Penny Bank of Ontario serves a school population of 170,000 children in 360 schools in 85 municipalities throughout the country, all the chartered banks acting as local agents of the Penny Bank. Except for the necessary balances kept with these chartered banks, the funds of the Penny Bank, up to the total amount of the deposits, must be invested in securities issued by the Government of Canada. There are no shareholders. The Board of Directors and its officers serve without remuneration of any kind, but the expense of operation cannot be met at present out of the difference between the interest received from Dominion Government bonds and the three per cent paid to the depositors. The Bank has been operating for twenty-four years and is still growing rapidly. The deposits of the school children are now $1,250,000. This work cannot be extended or even maintained unless the income from investments can be increased, and the object of this Bill is to enlarge the right of investment.

The Bill was read the first time.

PRIVATE BILL

FIRST READING

Bill 22, an Act to incorporate Niagara Falls Memorial Bridge Company.—Hon. Mr. Rankin.

CANADIAN NATIONAL RAILWAYS BRANCH LINE BILLS

FIRST READINGS

GRAND'MERE—EAST BURRILLS

Bill 166, an Act to amend an Act respecting the construction of a Canadian National Railway Line between Grand'Mère and East Burrills, in the Province of Quebec.—Right Hon. Mr. Graham.

ROSEDALE SOUTHEASTERLY

Bill 168, an Act to amend an Act respecting the construction of a Canadian National Railway Line, being a joint section from Rosedale southeasterly in the Province of Alberta.—Right Hon. Mr. Graham.

NORTHERN ALBERTA RAILWAYS BILL

FIRST READING

Bill 71, an Act to incorporate the Northern Alberta Railways Company, and respecting the Canadian National Railway Company and the Canadian Pacific Railway Company.—Hon. Mr. Dandurand.

CANADIAN NATIONAL, QUEBEC ORIENTAL, AND ATLANTIC, QUEBEC AND WESTERN RAILWAYS BILL

FIRST READING

Bill 173, an Act respecting Canadian National Railways, and to authorize the acquisition of the Quebec Oriental Railway and the Atlantic, Quebec and Western Railway.—Right Hon. Mr. Graham.

CANADIAN NATIONAL AND SAINT JOHN AND QUEBEC RAILWAYS BILL

FIRST READING

Bill 174, an Act respecting Canadian National Railways, and to authorize the acquisition of the Saint John and Quebec Railway.—Right Hon. Mr. Graham.

CANADIAN NATIONAL AND KENT NORTHERN RAILWAYS BILL

FIRST READING

Bill 175, an Act respecting Canadian National Railways, and to authorize the acquisition of the Kent Northern Railway.—Right Hon. Mr. Graham.

CANADAN NATIONAL AND INVERNESS RAILWAYS BILL

FIRST READING

Bill 176, an Act respecting Canadian National Railways, and to authorize the acquisition of the Inverness Railway.—Right Hon. Mr. Graham.

PACIFIC CABLE AND WEST INDIAN ISLANDS (TELEGRAPH) BILL

FIRST READING

Bill 213, an Act to authorize consent to the sale of certain cable and wireless telegraph undertakings established under the Pacific Cable Acts, 1901 to 1924 (Imp.), and the West Indian Islands (Telegraph) Act, 1924 (Imp.). —Hon. Mr. Dandurand.

Hon. Mr. DANDURAND.

CANADIAN NATIONAL RAILWAYS REFUNDING BILL

FIRST READING

Bill 253, an Act respecting the Canadian National Railways, and to provide for the refunding of certain maturing financial obligations.—Hon. Mr. Dandurand.

MEETING OF RAILWAY COMMITTEE

Right Hon. Mr. GRAHAM: May I suggest that, if convenient to honourable members, the meeting of the Railway Committee to deal with these Railway Bills be called for next Wednesday, as the officials have instructed me that they could attend more conveniently on that day than any other.

Hon. Mr. WILLOUGHBY: Representatives of both companies?

Right Hon. Mr. GRAHAM: There is one Bill that relates to both companies, and if we arranged to meet on Wednesday we should notify the Canadian Pacific officials as well as those of the Canadian National, to be here then.

Hon. G. D. ROBERTSON: Wednesday is perfectly satisfactory as far as the Committee is concerned. Say 10.30 a.m.

MONTREAL RAILWAY TERMINALS

Right Hon. Mr. GRAHAM: I should like to make another announcement for the benefit of honourable members of the House. The Canadian National Railways have a project for the erection and completion of terminals in the city of Montreal. The scheme is a pretty large one, and the officials are bringing plans and models to Ottawa for inspection by members, and these will be in the Railway Committee room of the House of Commons after Monday. I would suggest that Senators who can do so should go and look them over before that Bill comes in. The Bill is not before us now.

Hon. Mr. ROBERTSON: Will the exhibit be here for the next meeting?

Right Hon. Mr. GRAHAM: It will be here on Monday. I do not know whether the Bill will be here then or not; I do not think it will.

CANADIAN NATIONAL RAILWAYS ACT AMENDMENT BILL

THIRD READING

Bill 130, an Act to amend the Canadian National Railways Act.—Right Hon. Mr. Graham.

PRIVATE BILLS

THIRD READINGS

Bill P2, an act respecting Central Finance Corporation.—Hon. Mr. McGuire.

Bill 74, an Act respecting the Premier Guarantee and Accident Insurance Company of Canada.—Hon. Mr. McGuire.

Bill R2, an Act respecting a certain patent of Cobb Connector Company.—Hon. Mr. Haydon.

Bill 78, an Act respecting a certain patent of Zebulum Colvin Ketchum.—Hon. Mr. Haydon.

Bill W3, an Act respecting Alliance Nationale.—Hon. Mr. Beaubien.

Bill 79, an Act respecting a certain patent of Jean Baptiste Hurteau.—Hon. G. V. White.

Bill 63, an Act respecting The Toronto Terminals Railway Company.—Hon. Mr. Spence.

Bill M5, an Act respecting the New Brunswick Railway Company.—Hon. Mr. Robinson.

REPORT OF COMMITTEE

Hon. Mr. ROBERTSON moved concurrence in the report of the Standing Committee on Railways, Telegraphs and Harbours, to whom was referred Bill 70, an Act respecting Joliette and Northern Railway Company.

He said: Honourable gentlemen, the amendments made by the Standing Committee on Railways, Telegraphs and Harbours were quite simple. The purpose of the Bill, consisting of one clause only, was to grant an extension of time within which to commence the building of this railway. This is the third occasion on which the applicants have appeared before us. In view of the fact that on the previous occasion they particularly stated that they were making their final request for an extension of time, and yet they came back again, the Committee saw fit to make an amendment giving them one year, instead of two as allowed by the Bill, within which to commence construction.

The motion was agreed to.

BANKRUPTCY BILL

FIRST READING

Bill B8, an Act to amend the Bankruptcy Act as respects the locality of a debtor.—Hon. Mr. Bureau.

DIVORCE BILLS

SECOND READINGS

Bill E7, an Act for the relief of Marion Anne Terry.

Bill F7, an Act for the relief of Frank Milsom Ruggles.

Bill G7, an Act for the relief of George Stanley Warner.

Bill H7, an Act for the relief of Vincenzina Gramigna.

Bill I7, an Act for the relief of Joseph Edwin Wood.

Bill J7, an Act for the relief of Dora Chearnley Chearnley.

Bill K7, an Act for the relief of Kenneth Evan Thompson.

Bill L7, an Act for the relief of Thomas Matthews Moland.

Bill M7, an Act for the relief of Andrew Townsley Hirsch.

Bill N7, an Act for the relief of William Edgar Baird.

Bill O7, an Act for the relief of Charles Edwin Walker.

CANADIAN NATIONAL RAILWAYS AND QUEBEC, MONTREAL AND SOUTHERN RAILWAY BILL

MOTION FOR RECONSIDERATION WITHDRAWN

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Donnelly with respect to the report of the Standing Committee on Railways, Telegraphs and Harbours on Bill 72, an Act respecting Canadian National Railways and to authorize the acquisition of the Quebec, Montreal and Southern Railway.

Hon. Mr. CASGRAIN: Honourable gentlemen, I moved the adjournment of the debate yesterday because the House appeared to have reached an impasse, and it seemed desirable to have the matter left over until to-day. I have nothing further to say on the question.

Hon. J. J. DONNELLY: Honourable gentlemen, at the close of the discussion on this subject yesterday it was suggested by the honourable leader on this side of the House (Hon. Mr. Willoughby) that the matter stand until to-day, and the honourable gentleman from DeLanaudière (Hon. Mr. Casgrain) was good enough to act on that suggestion and move the adjournment of the debate. I think it was the intention that the mover and the seconder of yesterday's motion should give some further consideration to the matter.

I wish now merely to clear up a misapprehension which appears to be in the minds of some honourable senators. I gathered yesterday from the remarks of an honourable member on the other side of the House, the honourable gentleman from DeSalaberry (Hon. Mr. Beique), that he was under the impression that there was a disposition to block

any railway legislation which was in the interest of the Province of Quebec. When I rose yesterday I had a fixed intention not to say anything that could be taken to mean that I was in favour of finally blocking legislation for the purpose of taking over the Quebec, Montreal and Southern Railway; and I think the report of the debate in Hansard shows that I followed my intention. I had a fixed intention, also, not to say anything that could be taken as a reflection on any of the officials of the Canadian National Railways, and I think honourable members who have read Hansard will agree that I did not step outside of my intention there. The main purpose of my remarks yesterday was to object to the inclusion of a middleman in the sale of the Quebec, Montreal and Southern Railway to the Canadian National Railways.

I felt yesterday that I was justified in stressing my objection to the Bill on that ground, and nothing that was brought out in the discussion has caused me to change my mind. However, I have since talked over the matter with some honourable senators and they have pointed out to me that the discussion will have a good effect, that it brought the objection to the attention of the Government, that the honourable member of the Government who occupies a seat in this Chamber (Hon. Mr. Dandurand) has taken the responsibility of telling us that the transaction is a good and proper one. Therefore I feel that I have fulfilled my duty and I am satisfied to leave the responsibility with the Government in power. With the consent of the seconder, I wish to withdraw the amendment which I moved yesterday.

Hon. Mr. BEIQUE: I should like to say that I had no thought of casting any reflection at all on the amendment moved by the honourable gentleman from South Bruce (Hon. Mr. Donnelly). I realized yesterday, as I do now, that he was perfectly within his rights in proposing the amendment, and I wanted merely to emphasize my strong opinion that in the interest of the territory through which the Quebec, Montreal and Southern Railway runs it is essential that that railway should be taken over by the Canadian National Railways. It has come to my knowledge that for some years repeated applications have been made to the Railway Board for an order on the Canadian National Railways or the Grand Trunk Railway permitting the cars of the Quebec, Montreal and Southern Railway to enter the city of Montreal; and, if I am not mistaken, there is now an application that has been pending before the Railway Board for several months. But no such order could ever be obtained, and the consequence was that the operations of the Quebec, Montreal and Southern Railway were paralyzed, to the great detriment of that section of the country.

Hon. Mr. DANDURAND: Passengers from points as far distant as one hundred miles are dumped on the platform at St. Lambert.

Hon. Mr. BEIQUE: Yes, they are dumped, as the honourable gentleman says, at St. Lambert, and they sometimes have to wait for one or two hours before they can get a train into Montreal; and passengers who leave Montreal are sometimes dumped at St. Lambert, across the river, and are forced to wait there for an hour or two before being taken farther on their journey.

Hon. Mr. McMEANS: Why do you not provide airplanes for them?

Hon. Mr. DONNELLY: Perhaps I should say that the reason I thought the honourable member from DeSalaberry (Hon. Mr. Beique) was under a misapprehension as to my stand yesterday was that at the opening of his remarks he stressed the fact that a large number of Bills had been freely voted for the expenditure of money in the West, and then remarked that the Bill in question was for the benefit of part of the Province of Quebec.

Hon. Mr. REID: I should like to ask the honourable leader of the Government a question. I take it for granted that the price we are paying for this railway gives us the railway free of any encumbrance; that is, as to bonds or anything of that kind.

Right Hon. Mr. GRAHAM: I had asked the Deputy Minister of Railways for some information, which I have now received, and I think the answer to my honourable friend probably will be found in that. In order not to delay proceedings, I will hand the statement in to have it put on Hansard.

Hon. Mr. McMEANS: Better let us have it now.

Right Hon. Mr. GRAHAM: I will read it.

The Quebec, Montreal and Southern Railway extends from the junction of the Canadian National Railway at St. Lambert, opposite the city of Montreal, easterly along the shore of the St. Lawrence River, running in a general north-easterly direction parallel to the St. Lawrence River, passing through Boucherville, Varennes, Vercheres, Contrecoeur, to the city of Sorel, a distance of 44.5 miles, thence continuing parallel to Lake St. Peter and the St. Lawrence River through Yamaska, Nicolet and Becancour to Fortierville, where it makes connection with the Canadian National Railway, a further distance of 65.5 miles. There is also a branch extending in a southerly direction from Belle-

vue Junction—approximately 5 miles south-east of Sorel—passing through St. Aimé, St. Judes, St. Hyacinthe, Iberville and Henryville to a junction with the Canadian National Railway at Noyan, a distance of 81 miles. The total mileage of the railway is 191 miles.

The railway throughout its entire distance passes through a very good agricultural country.

The population served exclusively by this railway is 85,000, and the total population of the territory served is 217,000, of which 135,000 is served jointly by the Quebec, Montreal and Southern and other railways.

The freight tonnage handled by this railway is 646,500 tons annually, divided as follows:—

	Tons
Products of agriculture.. ..	34,000
Animal products..	2,500
Mining products..	218,000
Forest products..	340,000
Manufactured products.. ..	52,000

The reasons which actuated the Canadian National Railway in acquiring this property are as follows:—

1. To enable it to consolidate its position in the territory south of the St. Lawrence River between Montreal and Quebec. It is estimated that through the purchase of this line the Canadian National Railways will be able to effect economies in the operation of the lines in the Levis Division to the extent of $150,000 per year on the basis of existing business.

2. For some time the management has been giving consideration to the improvement of the existing lines between Montreal and Quebec, both by way of possible grade reductions and by way of double tracking to relieve congestion. The controlling grades at the present time are 1 per cent. The acquisition of the Quebec, Montreal and Southern Railway will make it possible to obtain practically a water grade, namely, 4/10 of 1 per cent, between Montreal and Levis, through the construction of a 20-mile connection with the existing line from Fortierville. This will obviate the necessity of carrying on costly grade reduction on the existing line, and also the necessity of double tracking.

3. The consolidation of the position of the Canadian National in the territory south of the St. Lawrence, in an area where the industrial growth of Canada in the past has been great and the prospects of future growth promising.

4. The value of the line to the National Railway system through the control of 650,000 tons of freight per year, which is a very important factor.

The purchase price of this railway is $6,000,000, and is based upon approximate cost of reproduction less depreciation. The cost of reproduction of the railway, exclusive of equipment, is estimated at $4,200,000. Amongst the equipment to be acquired are 1,181 box cars of modern type. The cost of reproduction less depreciation of all the equipment to be acquired is $1,900,000. This equipment is much more than is necessary for the operation of a line of this length, and will be available for effective use on the balance of the National system. The value of the equipment which will be released for use on the National Railways, outside of that required for the operation of this line itself, is estimated at $1,100,000. The purchase price of the railway, exclusive of the equipment, is therefore approximately $21,500 per mile, which is a relatively low figure for a railway of this character.

Some reference has been made to the operating results of this railway under existing management. The returns available indicate that the available income for fixed charges during 1925, 1926 and 1927 has been as follows:

1925..	$174,000
1926..	255,000
1927..	142,000

I might add that the rails over a large proportion of this railroad's mileage are 80-pounds, the balance being 56-pounds.

Hon. Mr. REID: I did not ask that question for the purpose of continuing discussion on the Bill. As a rule many railways have bonds against them, and their cars and other equipment are encumbered by equipment bonds. If honourable members will look at the annual report of the Delaware and Hudson Railway they will see that there are bonds issued against nearly every one of its branches. There may be a general bond over the whole Delaware and Hudson system. As long as we have it thoroughly understood that we are not taking on any additional encumbrance, I am satisfied. I am not asking that the progress of the Bill be delayed. I take it that the sponsor of the Bill, the right honourable gentleman from Eganville (Right Hon. Mr. Graham), is able to give the necessary assurance, or that, if he cannot do so now, he will before the Bill is finally passed.

Right Hon. Mr. GRAHAM: I have had the privilege of looking up some correspondence. It was suggested that the liability for some outstanding bonds be considered; but this contract price is exclusive of all liabilities, and the railway, with all its equipment and right of way, is handed over to the Canadian National Railways for $6,000,000.

Hon. Sir EDWARD KEMP: Free of bond issues?

Right Hon. Mr. GRAHAM: Yes.

Hon. Mr. McMEANS: Will the right honourable gentleman permit me to ask him if the operation of the road will ever pay the interest on the $6,000,000 and the operating expenses?

Right Hon. Mr. GRAHAM: The President of the Canadian National Railways is very optimistic as to the possibilities of this road which they are acquiring; and I might say that Mr. Henry, the Deputy Minister of Railways, who has made a specialty of railway operations and is without question one of the leading economists on this continent, assures me he believes that in a short time this road will pay its way thoroughly and more. The

Canadian National Railways will save $150,000 annually on the carrying of certain freight, particularly freight to the United States.

The situation is that this line, which is on the south side of the St. Lawrence River, stops at St. Lambert and cannot get into Montreal—

Hon. Mr. McMEANS: There are several competing lines that can take traffic to Montreal, are there not?

Hon. Mr. GRAHAM: Not on the south side of the river. The acquisition of this line practically gives the Canadian National Railways a double track and reduces the grade from one per cent to four-tenths of one per cent. No doubt, considerable money will have to be expended on this line to bring it up to through-line standard, but when that is done the Canadian National Railways will have a through line over both bridges between Montreal and Quebec.

Hon. Mr. McMEANS: But the right honourable gentleman has not answered my question, whether the Quebec, Montreal and Southern Railway will pay interest on the investment, as well as the carrying charges.

Right Hon. Mr. GRAHAM: What will be the carrying charges outside the charges on the investment?

Hon. Mr. McMEANS: The operating charges.

Right Hon. Mr. GRAHAM: It pays the operating charges now. The Canadian National Railways will control that territory, which it is believed will develop into a great industrial centre, if it can be properly served by a railroad. I have no hesitation in saying that this will be one of the best paying parts of the Canadian National Railways.

Hon. Mr. McMEANS: I believe the country would be better off if the Canadian National Railways would sell some of their lines instead of buying more.

Hon. Mr. DANDURAND: My honourable friend can perhaps give us the names and the locations of the lines that should be sold.

Hon. Mr. McMEANS: The Grand Trunk Pacific.

Hon. W. A. GRIESBACH: Honourable gentlemen, we heard yesterday all the information that was necessary to justify us in concluding that we have to support the President of the Canadian National Railways in the acquisition of this railway. He gave us all the facts: the territory is good, the people there are deserving of better railway facilties, and the Canadian National Railways require this addition to the system. All that was said yesterday and agreed to.

The discussion resulted from the objection of certain honourable gentlemen on this side of the House to the method of carrying on the transaction so far. We were told yesterday, in addition to other information, that a gentleman in New York has procured an option on this railway and he in turn is selling the railway to the Canadian National System. That is what we do not like. I am putting it in plain English. Some of us on this side of the House think it smells of graft. The right honourable gentleman from Eganville (Right Hon. Mr. Graham) said yesterday that dealing through a third party was the American way of doing business. Well, then, let us say at once that we do not like the American way of doing business and we do not want this sort of transaction in connection with the acquisition of railways on this side of the line. We do not think it is necessary.

Here is a railway company in the United States that owns a piece of railway in Canada and wants to sell it, and the only two possible purchasers in Canada are the Canadian Pacific Railway and the Canadian National Railways. If the Delaware and Hudson wanted to sell its property in Canada, all it had to do—especially in view of the close friendship between the President of that line and the President of the Canadian National Railways—was to circularize both the railways in Canada and say: "We have a piece of railway to sell. What will you give us for it?" But we are told that that has not been done; that what has happened is that a gentleman in New York—and he may be acting for undisclosed principals—has acquired an option on the railway and is going to sell it to the Canadian National. That is what we did not like, and I am bound to say, as a member of the Committee, that I was taken by surprise. Some honourable gentlemen opposite may not have been taken by surprise; they may have heard of it before; but I was taken by surprise and it was not until I discussed the matter with some other honourable members that the real objection became clear to me.

When the honourable gentleman from Bruce (Hon. Mr. Donnelly) moved his amendment yesterday it was open to the objection that we had not made any complaint at the time. I am willing to let it go at that. I agree that the honourable gentleman from Bruce should

withdraw his motion, but as a member of the Committee I desire to make it clear that I do not like the transaction. I entirely disapprove of it, and think it is entirely unnecessary, and I say that it devolves upon the Government to see that there is no undue profit for either the gentleman in New York or any person else, and to enter upon the transaction with its eyes open and fully on its guard.

Hon. Mr. GORDON: Had my honourable friend spoken for himself, or for some other members of the Committee, I should have nothing to say, but my interpretation of what he said was that he purported to speak for all the members on this side of the House.

Hon. Mr. GRIESBACH: Oh, no. I said I was speaking for myself and some honourable gentlemen on this side of the House. I understood quite well, from what the honourable gentleman said yesterday, that he approved of the whole transaction and the method whereby it was being carried out.

Hon. Mr. GORDON: I have just to emphasize what I said yesterday, that I am not at all interested in the commission man, or the man who had the option upon the railway. The only thing that I am interested in is whether or not we are to get value for what is to be paid; and I assume from the evidence adduced before the Committee, and from what has been said by the honourable members of this House who know the railroad, that we are getting value, and therefore I am perfectly satisfied with the whole transaction.

The amendment of Hon. Mr. Donnelly was withdrawn.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill R7, an Act for the relief of Edith Laura Hewitt.

Bill S7, an Act for the relief of Stella Pearl Duncan.

Bill T7, an Act for the relief of Bertha Jane Phelan.

Bill U7, an Act for the relief of Hurley Alexander Fummerton.

Bill V7, an Act for the relief of Roland Emory Anderson.

Bill W7, an Act for the relief of Olive Manion Gerrard.

78600—14½

Bill X7, an Act for the relief of John Beck.

Bill Y7, an Act for the relief of Ruth Leonard Wiser.

Bill Z7, an Act for the relief of George King.

EXPORT OF PROHIBITED MERCHANDISE TO UNITED STATES

RETURN

Hon. Mr. DANDURAND: Honourable gentlemen, I desire to lay on the Table a return to an Order of the Senate dated April 18, 1929, showing:

All proposals made by the Government of the United States to the Government of Canada looking to the regulation or prevention of exports from Canadian ports to ports of the United States of merchandise prohibited by the laws of the United States from entrance into their territory, and the action taken thereon and replies made thereto by the Canadian Government.

This is brought down at the request of the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster).

I desire to add to this return a copy of the Treaty, signed on the 6th day of June, 1924, for the Suppression of Smuggling Operations along the International Boundary between the Dominion of Canada and the United States; also the Convention between His Britannic Majesty and the President of the United States of America, dated January 23, 1924, respecting the regulation of the liquor traffic.

Hon. Mr. GRIESBACH: That is the Treaty which fixes the hour's steaming limit.

Hon. Mr. DANDURAND: I do not know. It may be found in the Treaty and Convention. I have not recently read the two documents. These were not asked for by the right honourable gentleman, but, as he has placed on the Order Paper a notice of his intention to discuss this matter on Thursday next, I believe they will be of assistance to him.

Hon. Sir EDWARD KEMP: As the honourable gentleman has the documents in his hands, may I ask what is the principal merchandise referred to in the return?

Hon. Mr. CASGRAIN: Liquid.

Hon. Mr. DANDURAND: My honourable friend has been abroad lately. As he was in Toronto when it was dry, he may be surprised to learn that it concerns alcohol emanating chiefly from his own province.

Hon. Mr. REID: "Canada Dry."

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

THE SENATE

Friday, May 17, 1929.

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

Prayers and routine proceedings.

FISH INSPECTION BILL

FIRST READING

Bill 25, an Act to amend the Fish Inspection Act.—Hon. Mr. Dandurand.

INSURANCE BILL

FIRST READING

Bill 42, an Act to amend the Insurance Act.—Hon. Mr. Dandurand.

VANCOUVER HARBOUR LOAN BILL

FIRST READING

Bill 66, an Act to provide for a further loan to the Vancouver Harbour Commissioners. —Hon. Mr. Dandurand.

THREE RIVERS HARBOUR LOAN BILL

FIRST READING

Bill 67, an Act to provide for a loan to the Three Rivers Harbour Commissioners.—Hon. Mr. Dandurand.

CHICOUTIMI HARBOUR LOAN BILL

FIRST READING

Bill 68, an Act to provide for a further loan to the Chicoutimi Harbour Commissioners.— Hon. Mr. Dandurand.

HALIFAX HARBOUR LOAN BILL

FIRST READING

Bill 69, an Act to provide for a further loan to the Halifax Harbour Commissioners.—Hon. Mr. Dandurand.

YUKON TERRITORY ADMINISTRATION OF JUSTICE BILL

FIRST READING

Bill 131, an Act respecting the administration of justice in the Yukon Territory.—Hon. Mr. Dandurand.

NOVA SCOTIA COAT OF ARMS

INQUIRY

Before the Orders of the Day:

Hon. C. E. TANNER: I should like to call the attention of the honourable leader of the Senate to the fact that the other day some correspondence and other papers in regard to the coat of arms of Nova Scotia were laid on the Table of the House of Commons. If my honourable friend would be good enough to lay copies on the Table of this House I should be very much obliged.

Hon. Mr. DANDURAND: Can my honourable friend tell me from what Department they emanated?

Hon. Mr. TANNER: It was correspondence between the Secretary of State and the Government of Nova Scotia. I should like to have that laid on the Table.

Hon. Mr. DANDURAND: I will do that with pleasure.

GERMAN REPARATIONS

ANSWER TO INQUIRY

Before the Orders of the Day:

Hon. R. DANDURAND: I was asked by the honourable gentleman from Toronto (Hon. Sir Edward Kemp) to furnish the House with some information respecting the Committee which is now sitting in Paris and considering the question of German reparations. I shall read to the House a statement in answer to the inquiry of my honourable friend.

The payments being made at present by Germany on reparations account are based upon the recommendations of the Dawes Committee which met in Paris in 1924. The report of the Dawes Committee provided for total payments of the following amounts:

	Gold Marks
1924-1925	1,000,000,000
1925-1926	1,220,000,000
1926-1927	1,200,000,000
1927-1928	1,750,000,000
1928-1929 (and later years)	2,500,000,000
	(approximately $625,000,000)

The sum of two and a half billion marks was to be the standard, but it was proposed that this amount should be increased in case of the increasing prosperity of Germany, to be determined by a "prosperity index." No recommendation was made as to the length of time during which the payments should continue.

The Committee recommended that funds for these payments should be provided by Germany from certain allocated taxes, profits of the German railway system and industrial debentures. They proposed further that a transfer committee should be set up to receive payments in marks in Germany and to provide for their transfer in foreign currencies. If in view of the position of German foreign

trade the transfer committee could not succeed in transferring the whole sum to the Allies, it was recommended that the funds should be accumulated in Germany up to a maximum of five billion marks, and that, if necessary, further payments should then be reduced.

The Committee put forward its plan as providing "a settlement extending in its application for a sufficient time to restore confidence," and as being so framed as to permit a final and comprehensive settlement "as soon as circumstances make this possible."

The report of the Dawes Committee was adopted by the governments concerned, including Germany, in the London Agreement of August 30, 1924, and was at once put into operation. The payments provided for in the report have been made since that period without default.

In a supplementary Finance Ministers' agreement made at Paris in 1925 provision was made for deducting from the total of the Dawes annuities, which were to cover all payments due from Germany, certain priority obligations, consisting chiefly of interest on the new loan made to Germany for currency stabilization, cost of the Reparation and other commissions, certain costs of armies of occupation, and certain restitution and Belgian priority claims. The net balance was divisible in the proportions agreed upon in the Spa Conference of 1920, under which France was to receive 52 per cent of the total, the British Empire 22 per cent, Italy 10 per cent, Belgium 8 per cent, and other Allied Powers 8 per cent.

At the Imperial Conference of 1921 it was agreed that the British Empire share of reparation payments should be allocated as follows:

	Per cent
Great Britain	86.85
Canada	4.35
Australia	4.35
New Zealand	1.75
India	1.20
Minor Colonies	.80
South Africa	.60
Newfoundland	.10

Canada thus receives 4.35 per cent of the British Empire share, or .96 per cent of the total net Dawes payments.

The amounts received by Canada have been as follows:

Cost of Army of Occupation, 1921-22—on account	$6,314,500 00
Pre-Dawes Reparations	3,789,430 00
Pre-Dawes Repatriation of Prisoners	118,986 86
Annuities under Dawes Plan:	
1st year, Sept. 1, 1924—Aug. 31, 1925	$1,398,454 68
2nd year, Sept. 1, 1925—Aug. 31, 1926	1,767,464 82
3rd year, Sept. 1, 1926—Aug. 31, 1927	2,565,971 82
4th year, Sept. 1, 1927—Aug. 31, 1928	3,172,792 05
5th year, Sept. 1, 1928—March 15, 1929	2,132,048 96

In September, 1928, it was agreed by the Governments of Great Britain, France, Belgium, Italy, Japan and Germany, that it was advisable to seek a definitive settlement of the reparations problem, including agreement as to the period during which the annual payments were to continue. As a first step toward this settlement, it was agreed to set up a committee of independent financial experts to draw up proposals. An Experts Committee was accordingly constituted as follows, the members being named by the Governments, except in the case of the United States:

Great Britain: Lord Revelstoke (succeeding Sir Charles Addis) and Sir Josiah Stamp.

France: Messrs. Moreau and Parmentier.

Germany: Herren Schacht and Voegler.

Italy: Dr. Alberto Pirelli and Camillo Cutt.

Japan: Kengo Mori and Takashi Aoki.

United States: Messrs. Owen Young and J. P. Morgan.

The Committee is still in session and has made no report. Press statements have appeared from time to time purporting to indicate the trend of the discussion. In view of statements indicating that a plan would be proposed which would involve a substantial reduction in the proportion of reparations payable to the British Empire and would not meet the condition frequently laid down by the Government of Great Britain that it would required a share of reparations receipts at least sufficient to meet its debt payments to the United States, the following statement was made in the British House of Commons by the Chancellor of the Exchequer on May 10:

> The Committee of Experts now sitting in Paris is composed of independent representatives of the various countries concerned. We have of course kept in touch with British members throughout those protracted proceedings and have been impressed by their admirable grasp and comprehension of the whole position. We have not however at any time sent definite instructions to these gentlemen, nor do we propose to do so on this occasion. The Expert Committee must be left to reach their own conclusions. These conclusions, whatever they may be, and whether agreed to or not, in no way commit His Majesty's Government, who remain entirely free to review the whole question and to take their own decisions upon the

work and recommendations of the Expert Committee. It is clear therefore that no urgency exists and that it would be premature as well as inexpedient for His Majesty's Government to pronounce upon particular aspects, however important they may be at present juncture.

However, in order to prevent misconception abroad and alarm at home, it is perhaps desirable that I should say that the kind of proposals foreshadowed in newspapers yesterday would in our opinion be inacceptable and that His Majesty's Government would in no circumstances entertain them.

With reference to press reports that plans have been submitted to the Conference which would reduce payments to the Dominion to zero, it may be stated that these reports rest upon a misunderstanding and that so far as can be ascertained, no proposals of that character have been made. In any case it is hardly necessary to state that they would not be accepted when the time comes for consideration of the report of the Experts Committee by the governments concerned, including the governments of the Dominions.

Hon. Mr. WILLOUGHBY: I would ask the honourable leader of the Government if he is aware whether any speedy action is likely to be taken in the settlement of our private reparations in Canada out of that fund. We have more money now than it will be necessary to disburse under the Friel and the Pugsley Reports, but no money has been paid.

Hon. Mr. DANDURAND: A resolution proposed by the Secretary of State is before the other House and may be taken up today. My honourable friend will be able to ascertain what that resolution is, and what progress is made with it there.

BUSINESS OF THE SENATE

Before the Orders of the Day:

Hon. J. J. HUGHES: I should like to ask the honourable leader of the Government whether any decision has been reached with respect to the adjournment of the Senate. Will there be an adjournment merely over the week-end or for a longer period? We who live at some distance from Ottawa are not able to take advantage of the ordinary week-end adjournments to proceed to our homes, and I thought that for next week, on account of the holiday, there might be a change. I should like to have some information on this matter.

Hon. Mr. DANDURAND: I am not aware at the present moment that there will be any special adjournment during the course of next week in the House of Commons. There seems to be a desire to press the work forward rapidly in order that prorogation may be reached at an early date. Under these circumstances, and in view of the number of Bills that are coming before us from the other House, my intention was to move that when the Senate rises this afternoon it stand adjourned till Monday evening next. We shall not know until the end of next week how the work is developing in the other Chamber, and until we do know that we cannot decide whether it is prudent for the Senate to adjourn for any length of time. I feel that if we are to prorogue within two or three weeks we shall have plenty of work to do from day to day until the end of the Session.

Hon. Mr. McMEANS: We are overworked already; so do not press us further.

Hon. Mr. DANDURAND: I quite understand the remark of my honourable friend. Owing to his position on the Divorce Committee he works longer hours than some other members of this House, and I can only express the hope that a way may be found within the next Session or so to relieve the Parliament of Canada of the heavy work entailed in the hearing of divorce petitions.

PRIVATE BILL

THIRD READING

Bill 70, an Act respecting Joliette and Northern Railway Company.—Hon. Mr. Gordon.

DIVORCE BILLS

THIRD READINGS

Bill E7, an Act for the relief of Marion Anne Terry.

Bill F7, an Act for the relief of Frank Milsom Ruggles.

Bill G7, an Act for the relief of George Stanley Warner.

Bill H7, an Act for the relief of Vincenzina Gramigna.

Bill I7, an Act for the relief of Joseph Edwin Wood.

Bill J7, an Act for the relief of Dora Chearnley Chearnley.

Bill K7, an Act for the relief of Kenneth Evan Thompson.

Bill L7, an Act for the relief of Thomas Matthews Moland.

Bill M7, an Act for the relief of Andrew Townsley Hirsch.

Bill N7, an Act for the relief of William Edgar Baird.

Bill O7, an Act for the relief of Charles Edwin Walker.

CANADIAN NATIONAL RAILWAYS AND QUEBEC, MONTREAL AND SOUTHERN RAILWAY BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 72, an Act respecting Canadian National Railways and to authorize the acquisition of the Quebec, Montreal and Southern Railway.

Hon. Mr. McMEANS: While I have no objection to the third reading of this Bill, I think it is a matter of regret that this House has not had a little more information in connection with the expenditure of $6,000,000 for the purchase of the railway. This sum is voted away and we apparently have no idea of the value of the road that is being bought. Some remarks have been made in this House to the effect that the Canadian National Railways desire to make the purchase in order to have a piece of double track, and for other such reasons. I think the honourable gentleman from DeSalaberry (Hon. Mr. Beique) said that the fact that there was so much money spent on railways in the West was a justification for buying this one in Quebec.

Hon. Mr. DANDURAND: Oh, I do not think that was what he said.

Hon. Mr. McMEANS: I should like to state that the building of a railway in any of the prairie provinces, Manitoba, Saskatchewan or Alberta, where rails may be laid at a comparatively small cost, and where the purpose is to open up and serve new districts, is no justification for the purchase of a railway that has been for sale at the bargain counter for many years. I am not objecting to the purchase of the Quebec, Montreal and Southern Railway, but I do think that this House should have had more information in regard to it. It is well known that this railway has been for sale at the bargain counter for the last twenty years, and yet there seemed to be a determination to put this Bill through quickly. We were told the other day that if we did not hurry, somebody else might grab the chance to purchase the road. That sort of thing does not appeal to me, and I have no hesitation in saying that it is a matter of personal regret that the huge sum of $6,000,000 should be voted in this way. Of course, in view of the way that the Parliament of Canada is voting money now, it is not worth talking about $6,000,000; but I would point out to the honourable leader of the Government that a day of reckoning will come unless there is a stop put to the practice of making such tremendous expenditures unnecessarily. Some day the people of Canada will wake up and become aware of the huge sums of money that are being spent by the present Government—sums not merely of thousands and of millions of dollars, but of hundreds of millions. The people are being taxed to death; we all know that. Income taxes are imposed by the Government of each province and by the Federal Government, and the result is that property is practically taken away from its owner nowadays in taxation. And still this huge expenditure goes on.

The other day I asked the right honourable gentleman who sponsored this Bill (Right Hon. Mr. Graham) whether the Quebec, Montreal and Southern Railway would pay the interest on the $6,000,000 invested in it, but I could get no information. I think that further and more particular information should be given to this House before the Canadian National Railways spend such a large sum as $6,000,000 for the acquisition of more mileage and equipment. I do not know how much money has been disbursed by the Government of Canada this year; the sum is so great that I cannot think about it. The only satisfaction I can draw from the situation is that my great grandchildren, if I have any, will bear the burden of taxation. I know that everything I had has been taken from me already.

Hon. Mr. DANDURAND: I desire simply to point out that there are expenses that justify themselves even when it is felt that the country is in a difficult financial position. I would remind honourable members of what took place in this Chamber with regard to a project which I introduced here for the building of 1,000 miles of railway in different parts of Canada. The lines were mostly in the West, I know, but that is not the important point. The Senate manifested a strong sense of misgiving and indignation because at a time when the country seemed to be weighted down with an excess of railways the Government dared to propose to Parliament the building of an additional 1,000 miles. I will make a confession to my honourable friends. It so happened that I was not present in Council when those branch line Bills were examined. I could not attend, because all my time was taken up here with the sittings of the Senate and with committee meetings in the mornings. I was much alarmed when the Bill respecting the construction of 1,000 miles more of railways was placed in my hands, for there existed a feeling that the country was surfeited with railways and that we had one transcontinental line too many. The Bill was rejected by this Chamber. The following year I brought down the same proposition in a different form, comprising

28 Bills. I well remember the stern attitude taken by our late lamented friend, Sir James Lougheed, when he said: "You will have to prove the necessity for every mile of railway before this House consents to the building of another mile." We went to the meeting of the Committee, where there were present the officials of the Canadian National Railways and the Canadian Pacific Railway, and on their merits we passed some 24 or 25 of the Bills—and that at a time of great depression—because it was felt that it was the thing to be done according to reason and the needs of the country.

Undoubtedly the situation to-day is changed. Five years ago doubt and fear prevailed in the souls of many men of no mean standing in this country. To-day there is a complete transformation: those sentiments have given place to confidence and optimism. This would not excuse us for entering upon unwarranted expenditures, but if five years ago, even under the conditions that I have described, we acted wisely in authorizing the building of another thousand miles of railway, it is apparent that the situation to-day is far more favourable for the discussion of such projects. Besides the state-owned railway we have the Canadian Pacific, which is doing likewise, and whose management must turn to the shareholders and justify the expenditures.

My honourable friend speaks of one railway, the Bill for the purchase of which is now before us for third reading, and says he would like to have more information. It is the fault of my honourable friend if he does not possess it.

Hon. Mr. McMEANS: Why?

Hon. Mr. DANDURAND: Because he was in the Committee.

Hon. Mr. McMEANS: No, I am not a member.

Hon. Mr. DANDURAND: Well, he should have attended the Committee, and I am very sorry my honourable friend did not take advantage of that field-day we had when all those branches were discussed, with maps on the wall, and with officials present.

Hon. Mr. McMEANS: But I cannot be in two places at the same time.

Hon. Mr. DANDURAND: I understand that. I withdraw the accusation I was levelling at my honourable friend. So much the more reason why we should get rid of the divorce work and have my honourable friend in the Senate, doing the real work of this House. However, I am sure my honourable friend could rely upon the good sense and judgment of a number of his colleagues who are thoroughly familiar with the ground, who know the situation and its possibilities, and feel that this proposal is a thing that ought to be carried out.

Now, nobody has said that there is danger in adjourning the passing of this Bill for a week or so; and if my honourable friend has any particular question to put, or desires any data which he thinks will be enlightening, and with which he can vote more conscientiously on this Bill, I will ask that the third reading be postponed. But he will have to ask me a few questions in order that I may procure the answers and give him the desired information, for I have no further information at hand.

My honourable friend knows that this railway runs along the south shore of the St. Lawrence, practically from the Victoria Bridge to the Quebec Bridge, which it will reach if twenty miles more are built. He knows that it is in an old settled country, with towns and villages dotting the shores of the St. Lawrence. He has been told that the acquisition of this line will save the doubling of the Canadian National track. He has simply to look at the map of the Canadian National line from Montreal through St. Hyacinthe, Ste. Rosalie and Drummondville, to Levis. That is the Montreal-Quebec line; it is in fact the Intercolonial that has been gradually extended from Levis to Montreal. But there is the question of building a double track. The purchase of this railway will save the expense of building that double track, and will also give a much better grade. Those who know the conditions as the people living in Montreal know them, are therefore absolutely convinced that the logical thing to do is to have this railway added to the Canadian National Railway System.

Hon. Mr. McMEANS: I presume that my honourable friend will permit me to ask him a question. I suppose that as soon as this railroad is acquired there will be another $40,000,000 granted to build alongside of it a good road, which will take the traffic away from it. That is the rule now: an immense amount of money is spent on the building of good roads for automobiles, which take traffic from the railways.

Hon. Mr. DANDURAND: I may answer my honourable friend by saying there are already two great roads along the shores of the St. Lawrence.

Hon. Mr. McMEANS: No wonder, then, that the Delaware and Hudson want to get rid of this road by turning it over to the Canadian National.

Hon. Mr. DANDURAND: I thought my honourable friend was asking if we would not build another railway. Should we do that, there would be plenty of space between that and the old one, if we went by the standard of Manitoba.

Hon. Mr. McMEANS: When I heard the honourable gentleman portray in such graphic language the beauties of that country, and the wonderful service that road was going to render to the people, I could not understand why the Delaware and Hudson should offer their railway for sale at the bargain counter. I am very curious about that; I should like to get some information as to how the transaction took place. Did the Canadian National go to the Delaware people and say, "We want to buy your road," or did the Delaware and Hudson go to the Canadian National and say, "We want to sell the road, but the price is fixed—it is an absolutely arbitrary price"? We do not know what negotiations led up to this purchase. Did the Canadian National make an offer of $6,000,000, and did the Delaware and Hudson company say, "We will sell it for $6,000,000," or did the owners say, "We have a road there, but it is not a paying road, and it is on the bargain counter"? How did these negotiations proceed? I want to know the whole of the circumstances, for I do not hesitate to say that to-morrow that road might be bought for a great deal less money.

Mr. DANDURAND: I may inform my honourable friend that the first offer was from the Canadian National Railways direct to the Delaware and Hudson. The Canadian National told them that this line of railway did not seem to fit in with their own American system, and asked if they would be disposed to sell. The answer came that some months previously they had given an option to a certain gentleman, and that they had to refer the Canadian National to him. A letter was written to that gentleman and a great deal of discussion took place as to terms, and while the discussion was going on and seemed to be leading to something, Sir Henry Thornton again wrote to the President of the Delaware and Hudson, saying: "Why could we not settle this between ourselves? It would be far more desirable from all points of view, and especially from mine, if we could do so." Again he was answered that a certain gentleman had been given an option, and that they had to deal with him, as they did. After their experts had valued the roadbed, the construction, the railway conditions, and the whole of the rolling stock, and after valuing the system and the rolling stock separately, they reached a conclusion and made an offer of $6,000,000. This being agreeable to that gentleman, he referred the Canadian National to the Delaware and Hudson Company for the drafting of the contract. So to-day the purchase is arranged with the Delaware and Hudson directly, not with the gentleman who held the option, though the negotiations were with him. The only query is as to what the Delaware and Hudson is to pay its broker—if he is a broker—for the work that he did. That is a question which I cannot answer, and which can be answered by the Delaware and Hudson alone.

Hon. Mr. McMEANS: Does the honourable gentleman seriously contend that the broker in New York who got that option on the road ever had any intention of buying it?

Hon. Mr. BUREAU: He had the intention of selling it, or he would not have got the option.

Hon. Mr. McMEANS: There is only one customer when the Canadian Pacific is out of it. A broker in New York holds an option. Now, does any man seriously contend that that broker in New York was ever going to exercise that option?

Hon. Mr. BUREAU: He has done so.

Hon. Mr. McMEANS: How did he do it?

Hon. Mr. BUREAU: By finding a purchaser.

Hon. Mr. McMEANS: By finding the purchaser in the Canadian National. Now, where is the rake-off, and what is the position of it?

Hon. Mr. DANDURAND: The Delaware and Hudson are the only people who can say what they will have to pay.

Hon. Mr. LAIRD: Would the honourable gentleman have any objection to bringing down the correspondence to which he has referred—that which was read by Sir Henry Thornton before the Railway Committee, and further correspondence which, I understand, has passed between Sir Henry Thornton and the Delaware and Hudson Company?

Hon. Mr. DANDURAND: There is no objection whatever to bringing down every piece of correspondence that passed between the Canadian National Railways and the Delaware and Hudson, or the broker who had that option.

Hon. Mr. LAIRD: I would ask that there be brought down at the same time a copy of any appraisal on the part of the Canadian National officials, or any report by the operating officials of the Canadian National executive, if such be in existence.

Hon. Mr. DANDURAND: I know nothing about it, but I fancy that there have been such.

Hon. Mr. GORDON: As a member of the Committee I should not care to have an appraisal of the road at all. It might be all right if made now, but I should not like to have it if made at a time when different conditions prevailed. It may be imagined what an appraisal of a road like that would be, with regard to the right of way, the roadbed, the stations, the fencing, and all that kind of thing. The appraisal value could not very much exceed the price that is being paid for it. I am not a railroad man, but I travel over railways a good deal, and I fancy that the building of a road in that vicinity to-day would cost at least between $60,000 and $70,000 a mile.

Hon. Mr. McMEANS: What sort of country is it?

Hon. Mr. GORDON: I understand it is very good country, but those roads are being built now with 80 and 90 pound rails. I think that part of this road is already built with 90 pound rails.

Hon. Mr. ROBERTSON: It was 80.

Hon. Mr. GORDON: I thought it was 90; but knowing nothing more about the road than I do, and judging merely from the evidence we had at the Committee, I do not think it possible to buy any kind of road to-day at anything less than the price that is being paid for this.

Some speaker has compared this railway with roads which start nowhere and go nowhere; but here we have a road with a large population at each end, and a great many people all along the line, and we were faced with the condition of having to double the track of a road which is already owned by the Canadian National Railways. Taking all these things into consideration, I imagine that no other road could have been bought at the price to be paid for this one; so I think we may be sure that we are getting a fair bargain.

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

CRIMINAL CODE (ESCAPES BY FLIGHT) BILL

DEBATE CONCLUDED—BILL WITHDRAWN

The Senate resumed from May 2 the debate on the second reading of Bill D, an Act to amend the Criminal Code as regards the use of force to prevent escapes by flight.

Hon. Mr. DANDURAND: Honourable gentlemen, I asked that the consideration of this matter be adjourned in order that I might obtain some further information to which my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) had drawn my attention, and which he thought should be examined before a decision was taken on the Bill. I confess that I have not yet received that information. It bore on the number of offences for which individuals could be arrested without warrant. My honourable friend said there were a number of trivial offences of this class, and that if the person accused of any of these took to flight he could be shot. I do not admit the conclusion. I admit the first part, the assertion that there are dozens of petty offences for which an individual may be arrested on sight, but I do not for a moment admit that the right to arrest without warrant for any kind of petty offence would justify an officer of the peace in shooting a person whom the officer had seen committing such an offence and who took to his heels. Suppose an offender refused to move from a street corner when ordered to do so, and a peace officer attempted to arrest him for disobeying orders, and he took to flight. I believe that if he were shot and killed by that officer, the officer could be placed on trial for murder. So, although not admitting the right of the peace officer to use force to the extent of shooting in order to arrest a person who has committed a petty offence, I think that I should comply with my honourable friend's request by obtaining from the Department of Justice a list of all the offences as to which arrests may be made without warrant and peace officers may use force in pursuing offenders.

The only question is the degree of force in the case of many petty offences, some of which have been mentioned by my honourable friend. He will say that there have been cases in which pursuit for petty offences has ended in the death of the offender. This is a very regrettable situation, but the question to be determined is whether it is possible to draw a line between offences as to which the police officer may use force to the extent of shooting, and offences as to which he is not justified in doing so. It would perhaps be very difficult to draft legislation to curb

the activities of peace officers with respect to a certain range of petty offences, and I would suggest to my honourable friend that he allow the attorneys-general of the various provinces, and the Department of Justice, to think over the situation described by him, to see if something cannot be done which would to a certain extent allay his fear of the general exercise of the right of a peace officer to use force in all cases in which an arrest may be made without a warrant.

Hon. Mr. GORDON: Some time ago the honourable senator from Ottawa (Hon. Mr. Belcourt) introduced a Bill by which he proposed to prohibit the use of all kinds of firearms in Canada. That Bill, I think, has been killed in the other House. If it had been passed there would be no necessity for this one.

Hon. Mr. DANDURAND: It excepted peace officers.

Hon. Mr. GORDON: Oh! Then we had better have the law of the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton).

Hon. Mr. McMEANS: Honourable gentlemen, I rise simply to place on record a long telegram which I have received from the Attorney-General of Manitoba. It is as follows:

> Manitoba Government submits that legislation introduced by honourable senator Lynch-Staunton to amend Criminal Code as regards the use of force to prevent escape by flight should not be enacted. Manitoba Government submits that such legislation if enacted would seriously interefere with proper law enforcement and proper law observance. Manitoba Government submits that law at present in force has been found satisfactory for proper law enforcement. Friday's newspapers refer to discussion in Senate on this proposed law and we understand same was introduced in Senate by Honourable Lynch-Staunton.

I have received also a message from the Employers' Association of Manitoba, as follows:

> Having noticed a press despatch that Senator George Lynch-Staunton has introduced Bill to amend the Criminal Code having in effect the taking away from police officials the right to protect themselves and the public, I am instructed on behalf of this Association to vigorously protest against this Bill that will surely tend to increase crime and protect law-breakers. The public must depend on police protection throughout Canada that borders a lawless element across the boundary. Tinkering with the maintenance of law and order in Canada should not be considered.

I have here also a letter from a police magistrate in Winnipeg, but I think I ought not to read it, because he afterwards wrote that he had some sympathy with the Bill.

Although I have some sympathy with the Bill, I could not support it in its present state. I think it probable that in the case of minor offences there has been a little too much shooting by police officers, but if this Bill were passed it would sometimes deprive the police and the public of the protection they should have. For instance, a man went into a Winnipeg drug store at night, held up the druggist, and shot him dead. The police got hold of the man who drove the car, and finally located the man who did the shooting. He had a room in a house. They were afraid to arrest him in the house because there were several children there, and they knew that he was a desperate man. They sent him a message to come down, that they wanted to see him. He came down with two guns in his pockets, and as soon as the policemen approached him he drew the two guns and shot one policeman, and possibly would have shot the other five had not the driver of the police car drawn his gun and shot him. If the law were amended to such an extent that the police would not be armed, that man could have shot the whole outfit of them; and while, as I say, I have some sympathy with the Bill, I think it goes too far.

Hon. Mr. LYNCH-STAUNTON: There seems to be a very deep ignorance in the public mind as to the meaning of this Bill. Unfortunately, during the debate I expressed my opinion about the arming of police; but that was, if one may say so, a parenthesis—it had nothing to do with the case. It just shows the mischief that may be done by wandering away to collateral affairs when one is arguing a specific point.

The Bill is limited to preventing the justification of police officers who shoot at a man fleeing from them. The Winnipeg police magistrate sent a letter to the honourable gentleman who has just sat down (Hon. Mr. McMeans), protesting against the Bill. He later sent a letter to me saying that he had misunderstood the Bill—he had thought it was a Bill to disarm the police, but when he saw that it was only to clarify the law, he approved of it.

The Criminal Code is a monument to one of the greatest lawyers who ever took part in the administration of public affairs in Canada, and for nearly forty years it was not sought to infringe upon or trespass against the great principle of English common law that no man should be deprived of life or liberty except by due process of law, and that

no man's life should be taken from him except by a person who was justified in doing so on the ground of self-defence. As I said the other day, self-defence covers a great number of cases: it covers the protection of yourself, protection of your property, protection of your family—in fact, the great wisdom of the law has crystallized that principle to cover all cases in which it is desirable that a man should be slain without being tried. But within the last year or so it has been decided that the section allows assassination by the police. Sir John Thompson, the framer of this law, would, I should think, turn in his grave if he thought that anything emanating from him was being construed with such barbarous intent.

My honourable friend (Hon. Mr. Dandurand) said that he wished to find in what cases the law justified the taking of human life by a police officer. They are set out in four or five pages of the Code. They begin with treason and murder, and end with the injuring of a grape-vine. Any boy who goes into a vineyard stealing grapes and who injures a grape-vine may be shot as he climbs over the fence when he sees the constable coming, and the officer will be justified. I make no statement, in this debate, at least, which I have not carefully considered, and for which I cannot give the reference. I refer to section 646 of the Code, and the section dealing with mischief. Mischief includes the blowing up of a house, and runs all the way down to injuring a grape-vine. One of the clauses provides that if a man is in custody illegally, and attempts to escape, he may be shot. I say "illegally" because it is provided that he may be shot while escaping from either legal or illegal custody. Has any man such a fruitful mind that he can find any excuse, either on the ground of public policy or of protecting the people, for taking the life of a boy who is escaping when he is stealing grapes? It would be tedious to go through the large volume of cases and enumerate them; so I give you these, not because they are particularly ridiculous, but only as examples.

The honourable gentleman from Winnipeg (Hon. Mr. McMeans) said a moment ago that though he was in sympathy with the Bill, he thought it went too far, and he instanced the case of a police officer who shot a desperado coming from a house. This Bill does not apply to such a case. I am not trying to confute anything my honourable friend said, but he must know that the police are entitled to be armed, notwithstanding this Bill; and he must know, and I am sure he does know, that by the common law, even without this statute, that officer was justified in shooting a man who was resisting arrest. This is an admirable Code, and I think there is none like it in the world. Section 39 provides:

> Every one executing any sentence, warrant or process, or in making any arrest, and everyone lawfully assisting him, is justified, or protected from criminal responsibility, as the case may be, in using such force as may be necessary to overcome any force used in resisting such execution or arrest, unless the sentence, process or warrant can be executed or the arrest effected by reasonable means in a less violent manner.

What that means is that any police officer who goes out to arrest a man may use any force, even to the extent of inflicting death, to hold that man or to overcome his resistance. Surely that is enough. That ought to demonstrate to reasonable men that the author of this Code had in mind the fact that numerous cases of resisting arrest would arise, in some of which the resistance might be overcome by ordinary force, while in others extreme force would be required.

Then the next section, as to the construction of which I am now complaining, goes on to provide for the case of a fleeing man. I submit, honourable gentlemen, that the police have all the power and authority they require, or that they can desire, for using lethal weapons, and I think that any intelligent police officer will admit that he cannot conjure up any case in which the protection of society or his own protection is not covered by section 39.

Section 41, then, is solely concerned with men running away. I appreciate that the numerous hold-ups, and the war on society which is being made by bandits in this country, have so excited the indignation of the people that they have become obsessed with a fear of these bank robbers and highwaymen and view with alarm any legislation which may be construed as limiting the powers of police officers. But this is a matter which should be considered impersonally, if I may say so, without regard to existing local conditions. There always have been conditions of terrorization, yet England has survived through them. The English common law is, I believe, the greatest in the world, but all the time the process of development and crystallization of that law was going on in the Mother Country the highwayman was in evidence on every common and by-path, and there existed just such conditions as those under which we now are suffering. The wisdom of our ancestors, of the able jurists who built up that system of law, should not be lightly regarded; on the contrary no departure from their principles should be made before it is given very careful consideration.

I was impelled to bring in this Bill because of the profound conviction that the present law, which I sought to have amended, implies a reversion to barbarism, and that such law is absolutely unnecessary for the protection of anyone.

As I have said, so far it does not seem to have been possible for officials to get a clear idea of the real purposes of the Bill. The Attorney-General of Manitoba rushed in with a telegram opposing the Bill before he saw it.

Hon. Mr. WILLOUGHBY: A police magistrate, was it not?

Hon. Mr. LYNCH-STAUNTON: No. There was a police magistrate, but he found that he had made a false step, and he retraced it and approved of the Bill. But there has not come under my observation a single newspaper that has not approved of the Bill. An article expressing entire approval of it appeared in the leading newspaper out in the Province of British Columbia. The Globe, the Mail, and the Star in Toronto have supported it. I am told by a prominent honourable member of this House, for whose ability as a lawyer I have the highest respect, that the principal judge in the criminal courts in the Province of Quebec is wholly in favour of the Bill; and my honourable friend has told me that he himself is of the same opinion. Every lawyer I have met who has understood the Bill has expressed agreement with it.

The honourable gentleman (Hon. Mr. Dandurand) says that he would like to have further consideration of this Bill deferred until the Department of Justice and the Attorneys-General of the various Provinces have had time to consider it. I know that if the Government opposes the measure it will never receive the Royal Assent, and I fear that in the meantime unfortunate persons may be sent unshriven to their last judgment. With great regret for the delay, and in the hope that the honourable leader of the Government may make it his business to see that the Bill is properly brought to the attention of the Attorneys-General, and that they may give it careful and thorough consideration, I reluctantly consent to the Bill standing over.

The Bill was withdrawn.

CRIMINAL CODE (FINES AND FORFEITURES) AMENDMENT BILL

SECOND READING

Hon. E. D. SMITH moved, for Hon. Mr. Beaubien, the second reading of Bill P7, an Act to amend the Criminal Code (Fines and Forfeitures).

Hon. Mr. WILLOUGHBY: There are certain suggestions that I should like to make in connection with the Bill, but I do not want to do so in the absence of the honourable gentleman who is sponsoring it (Hon. Mr. Beaubien). I could bring them up in Committee. I am quite content that the Bill be given a second reading and go to Committee, if it is understood that we are not consenting to the principle of the Bill.

Hon. Mr. DANDURAND: It is understood that the second reading will not prevent any criticism of the Bill, even of its principle. I have not yet obtained a report which I am expecting from the Department of Justice.

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

PACIFIC CABLE AND WEST INDIAN ISLANDS (TELEGRAPH) BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 213, an Act to authorize consent to the sale of certain cable and wireless telegraph undertakings established under the Pacific Cable Acts, 1901 to 1924 (Imp.), and the West Indian Islands (Telegraph) Act, 1924 (Imp.).

He said: Honourable gentlemen are aware of the negotiations that have taken place for the disposal of Canada's interests in the Pacific Cable. Copies of the present Bill, to which are appended copies of relevant documents, including legislation passed by the British House of Commons to ratify the sale agreement, have been distributed to honourable members.

I should like to put on Hansard the history of the Pacific Cable.

Following long discussion, in which Sir Sandford Fleming took a leading part, a Pacific Cable Committee, consisting of representatives of Great Britain, Canada, New South Wales and Victoria, in 1896 recommended the construction of a submarine cable from Canada to Australia and New Zealand, owned by the governments interested, and operated by a small board on which the associated governments would be represented. Agreement was subsequently reached whereby the capital sum required was to be advanced by the British Government, and principal and interest were to be guaranteed by Great Britain, Canada, Australia and New Zealand in the proportions of 5, 5, 6 and 2. The cable was laid in 1902. The main business done was between Australia and New Zealand and

Great Britain, which were also connected by the cables of the Eastern Telegraph Company.

The operation of the cable resulted in losses every year down to 1916. Later a profit was obtained, and a substantial reserve accumulated. In 1924-25 the majority of the members of the Pacific Cable Board decided to utilize this reserve in duplicating the cable from Fiji to British Columbia. The Canadian Postmaster General, Hon. Charles Murphy, and the Canadian members on the Board, Sir Campbell Stuart and Mr. Lucien Pacaud, objected strongly to this proposal. The Postmaster General insisted that it was most unwise to embark on a costly scheme of cable duplication without making full enquiry into the possibilities of wireless, and that in any case the proposed cable contract price was excessive. In spite of vigorous opposition from Canada, the majority of the Board awarded a contract for the duplicate cable. As a result of further discussion during the Imperial Conference of 1926, the Pacific Cable Act was passed by the British Parliament in 1927, making it clear beyond dispute that in future no new extensions could be made without the consent of all the partner governments, and providing for distribution of profits and disposition of reserves.

As had been forecast, the competition of wireless soon brought the cables into financial difficulty. So far as the Pacific Cable was concerned, the chief competition came from the Beam Wireless between Great Britain and Australia, operated by the Post Office in Great Britain and by Amalgamated Wireless, in which the Australian Government had a half interest in Australia. The Australian Government raised the question of cable and wireless competition in 1927. The Canadian Government pointed out that the difficulty which existed, and particularly the further deficits which faced the Pacific Cable, were due to disregard of the Canadian views advanced in 1925. It suggested a conference to consider the Pacific Cable situation, with a view to effecting economies and securing abolition or reduction of the terminal charge which Australia collected from the Pacific Cable, and to consider the possibility of working traffic arrangements between the cable and wireless systems. The British Government agreed, but suggested that in view of the serious financial consequences of wireless competition in the eastern route to Australia, India and South Africa, the enquiry should cover these phases and not be restricted to the Pacific Cable.

A Wireless and Cable Conference was accordingly set up early in 1928 "to examine the situation which has arisen as a result of the competition of the Beam Wireless with the Cable services, to report thereon and to make recommendations with a view to a common policy being adopted by the various governments concerned." Sir John Gilmour and A. M. Samuel represented Great Britain, and Sir Campbell Stuart, one of the Canadian members of the Pacific Cable Board, and L. J. Gaboury, Deputy Postmaster General, and Commander Edwards, Director of Radio Telegraphy, represented Canada. All the other Dominions and India were represented. Sir John Gilmour acted as Chairman.

After hearing voluminous evidence, much of it of a confidential strategic or financial character, the Conference presented a comprehensive report. They summarized the situation as follows:

> The main features of the situation referred to us for examination and report may therefore be summarised as follows:
>
> (a) The Cable undertakings operating between the constituent parts of the British Empire would be unable to continue on a paying basis in face of unrestricted competition on the part of Beam Wireless Services.
>
> (b) The Eastern and Associated Telegraph Companies would be in a position to go into voluntary liquidation and dispose of their assets to the highest bidder.
>
> (c) There are indications that foreign enterprise might be ready to seize an opportunity of acquiring such part of the Eastern and Associated Companies' system as could be transferred to a foreign purchaser.
>
> (d) Owing to the lack of complete secrecy and certainty, "Wireless" is not yet in a position entirely to supersede cables. Cables, therefore, still possess great value for the maintenance of necessary communications between the constituent parts of the Empire for commercial and strategical purposes.

They then proceeded to consider five ways in which the situation might be dealt with: non-intervention; government subsidy to the various cables; government guarantee of a minimum revenue to the cables; pooling of revenue; and amalgamation of all the cable and wireless interests conducting communications between the various parts of the Empire. Of these the fifth was recommended. Before the Conference met, the Eastern Telegraph Company and the Marconi Wireless Telegraph Company had been considering the possibility of a merger, and while the Conference was in session a definite agreement to this effect was reached. The Conference accordingly instituted negotiations with the companies concerned for the purpose of formulating recommendations, through Sir William McLintock and Sir Otto Niemeyer of the Bank of England. The Conference finally proposed to take as the starting point the proposed merger between

the Eastern Telegraph and the Marconi Wireless, and to recommend the transfer to this new company of the Imperial Atlantic cables owned by the British Government, the Pacific Cable Board cables, the West Indian cable, and a lease of the Post Office Beam System. The company was to undertake to meet the outstanding capital debt of the Pacific Cable Board, and in addition to pay a sum of £517,000 for the Pacific Cable. A standard net revenue for the new company was proposed, and of all sums earned above that, half was to be applied to reduction of rates or such other purposes as an Imperial Advisory Committee, to be composed of representatives of the governments participating, should approve. No increases of rates could be made without the approval of the Advisory Committee, which would have consultative powers in questions of rates, as for example, ensuring that a reasonable proportion of the total cable traffic between Great Britain and Australasia should continue to pass through Canada. British control of the company was to be guaranteed.

An Act enabling the Pacific Cable Board to dispose of its assets, subject to the approval of the governments concerned, has been passed by the British Parliament.

The proposed agreement as to the Pacific Cable is very advantageous to Canada. Wireless competition had already cut profits down to the vanishing point, and, as the competition grew, the partner governments were faced with deficits on current account and with the obligation of meeting the capital obligations outstanding. The proposal provides for the assumption by the company of the whole capital obligation and for payment of £517,000 to the partner governments. Canada will thus avoid further liability and will receive a capital sum of $700,000. The total of the deficits met by Canada between 1903 and 1916 was slightly over $900,000. Thus we shall recover practically all our early losses, in addition to avoiding future loss.

Further, control of rates is assured through the Advisory Committee.

I do not know whether I have given a sufficiently clear explanation of the reasons that actuated the Canadian Government in deciding to adhere to that scheme, but I believe we were justified in joining with the other Governments in disposing of these holdings and recovering the money paid out during the lean years when deficits were accruing.

Hon. Mr. WILLOUGHBY: That is, the $700,000 which Canada will receive is set off against the $900,000 which it cost us?

Hon. Mr. DANDURAND: Yes. The $900,000 was not what it cost us, but the amount we paid out to cover deficits.

Hon. Mr. WILLOUGHBY: To cover deficits?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. WILLOUGHBY: What provision is made for the repayment of the capital we invested?

Hon. Mr. DANDURAND: That disappears. Some advances were made by the various Governments, as I recollect, and bonds were issued. These obligations are taken over by the company. We established at the time direct communication with Australia, New Zealand and Great Britain, and we withdraw with the satisfaction that there is now a complete chain of communications connecting those parts of the Empire. We recover what we paid to meet the deficit from 1903 to 1916, and we are freed from any further liabilities as to capital, administration and operation.

Hon. Mr. WILLOUGHBY: I presume that the service offered now is equal to what we were getting before. I had occasion, as one of the delegates to South Africa, to come home by Australia and New Zealand, travelling from there to Vancouver by the Australian line. If there was one thing more noticeable to us than another in the daily bulletins issued on shipboard, with which everyone is familiar, telling what is going on in the world, it was the fact that news as to what was occurring in Canada was almost entirely negligible, there being frequently no information at all. On a long voyage of that kind it struck me that the radio service, which I supposed would be through the beam, was in any event not furnishing Canadians with very much news. This was so astonishing to me that I intended to take it up in a more public way afterwards and comment on it. It comes back to my recollection at the present time.

If I am not in error, I think we invested a rather considerable sum. I am not blaming the Government for the investment made at that time; it was perhaps a very wise one; but it was unfortunate that the competition of Marconi, which we know the cable companies cannot meet except in a very limited way, with the more confidential messages between governments, changed the aspect of business in connection with the cable companies and made the operation of them financially difficult, whereas up to that time they had been reasonably profitable.

I am not opposing this motion at all, and I make these statements only for the information of the House. I am much pleased to know that what we have actually expended in connection with the building of the Pacific cable, and the rest of the capital expenditure, apart from the annual loss, to which reference was made to-day, will be offset by the sum which we are going to receive, and which I suppose will practically be capital.

Hon. Mr. DANDURAND: I may say that I have very often seen the statement that in the interest of the British Empire, for the linking together of its various parts, Canada has been carrying a burden in the most disinterested way, for this country stood to gain very little in the transaction. Of course Canada was a medium for the transmission of news from London to Australia and New Zealand, but it derived very little direct benefit except that of the general interest of the Empire.

I am quite sure that the service which we shall now get, through the wireless stations which have been put up in Canada for the diffusion of Canadian news towards Australia, will be far more satisfactory than ever we had under the cable system.

Hon. Mr. WILLOUGHBY: It could not be less, I think.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

The Senate adjourned until Monday, May 20, at 8 p.m.

THE SENATE

Monday, May 20, 1929.

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

Prayers and routine proceedings.

OPIUM AND NARCOTIC DRUG BILL

FIRST READING

Bill 4, an Act to amend and consolidate the Opium and Narcotic Drug Act.—Hon. Mr. Dandurand.

Hon. Mr. WILLOUGHBY.

MONTREAL HARBOUR LOAN BILL

FIRST READING

Bill 37, an Act to provide for a further loan to the Harbour Commissioners of Montreal.—Hon. Mr. Dandurand.

POSTAL OR RAILWAY MAIL SERVICE EMPLOYEES BILL

FIRST READING

Bill 252, an Act respecting certain employees of the Postal or Railway Mail Service of Canada.—Hon. Mr. Dandurand.

EXCISE BILL

FIRST READING

Bill 279, an Act to amend the Excise Act.—Hon. Mr. Dandurand.

CUSTOMS TARIFF BILL

FIRST READING

Bill 212, an Act to amend the Customs Tariff.—Hon. Mr. Dandurand.

NOVA SCOTIA COAT OF ARMS

RETURN

Before the Orders of the Day:

Hon. Mr. DANDURAND: Honourable gentlemen, I desire to lay on the Table a return of correspondence between the Secretary of State and the Prime Minister of Nova Scotia respecting the arms of that province, as asked for by the honourable gentleman from Pictou (Hon. Mr. Tanner).

THE LATE HON. ROBERT WATSON

TRIBUTE TO HIS MEMORY

Hon. Mr. DANDURAND: Honourable gentlemen, it is my sad duty to announce to this Chamber the departure of one of our oldest colleagues, Hon. Mr. Watson. He had been with us for the past twenty-nine years, and although we had noticed of recent years that his strength was failing, when I saw him this session I thought that since last session he had gained ground. The word we received last week, that his life was ebbing, was a forerunner of the telegram announcing his death.

Hon. Mr. Watson was born in Ontario. At twenty-three years of age he decided to go to the West and try his fortune there. Manitoba at that time was but a new province, and there was no railway connection between the East and the West on Canadian soil. I have always had a great admiration for the young men who uprooted themselves from the eastern provinces, abandoning their relatives, their

friends and their surroundings, to go into that vast and sparsely settled country. When the late Senator Watson decided to leave the East the West was not producing the large crops which it has since brought forth. He reached his destination in 1876, whereas the Canadian Pacific Railway was not built and inaugurated until 1885 or 1886. He erected a flour mill at Portage la Prairie, and also operated a machine shop and planing mill in partnership with his brother. Within a few years of his arrival he began to interest himself in public affairs, and in 1882 he returned to the East with a mandate to represent in the House of Commons the people of the county of Marquette. He continued to represent that constituency till 1891, when he resigned to become Minister of Public Works of Manitoba, a position which he occupied until 1899.

Mr. Watson was as energetic and successful in public affairs as he had been in private life. When the Province of Manitoba decided to build a railway southward, which would cross the Canadian Pacific Railway Company's line, he waged war with that company, and at one stage there was even some question of mobilizing troops in order to maintain peace at the diamond where the roads intersected. Senator Watson was bound to see that Manitoba won the day. Since then many roads have been built, some from north to south, others paralleling the Canadian Pacific Railway, and he was not at all surprised at the large volume of immigration to those western plains.

As I have said, we had the late Senator Watson with us for twenty-nine years. Those who have recently come to this Chamber did not see him in his prime or at his best. He came to the Senate at about the same time as Senator Findlay Young, who had been a colleague of his in the Manitoba Legislature. It was a pleasure to see them, inseparable as brothers, in and out of Parliament. There was at one time a little resentment, even among the members sitting on their own side of the House, against what they called the "power house," inasmuch as Senator Watson and Senator Young and two or three others had a very large room to themselves and were thought by some members to be monopolizing the direction of this Chamber.

I have had Senator Watson very near me for a number of years. I have enjoyed his friendship and admired his constant loyalty and devotion to the work of this House. For fifty years he occupied a place in the public eye, and in his province, as well as within the precincts of Parliament, he enjoyed the full esteem and confidence of men who came in contact with him. His life was well filled with good deeds. In the name of the Senate I desire to tender to his widow and his children the sympathy of this Chamber.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, the saddest duty which I have been called upon to perform since occupying my new position has been to rise in my place and refer to death. This I have had to do three times—twice on the death of members of this House, and once on the death of the distinguished General Foch.

Coming from the West, I knew the late Senator Watson better, perhaps, than most members on this side of the House, though not better than some members opposite. I knew a great deal about him before I knew him personally. He was known everywhere as a man of very great fixity of principle and determination in carrying out his purposes; yet he was kindly in this House, as he always was to everybody.

The incident to which the honourable leader of the House has referred, in connection with the construction of the Canadian Pacific Railway in the West, is merely an illustration of the late senator's strong character. There were doubtless many in the East who thought that the West clamoured so much for the Canadian Pacific Railway that they would undergo any conditions imposed upon them in order to secure it. Undoubtedly they were in the highest degree desirous of getting some railway into that country at the time; but, as has been indicated by the honourable leader, other railways from the American side were ready to build in there, and the late senator found a very willing constituency following his leadership in opposition to the claims of the Canadian Pacific Railway, which at that time were more or less monopolistic, as we know. I need not discuss them now, and of course I am not criticizing them.

It was quite natural, then, that a man of Senator Watson's sturdy temperament, both morally and physically, should assume the local leadership of his party in that part of Manitoba in which he lived, and this he did very successfully. Later in life it was my privilege to come to this Chamber and know him personally, and to have the honour of knowing his widow and some members of the family. One of his daughters was married to a bank manager who resided in my own city for some years and is now living in the United States. Through the family visiting this daughter in my city I came to know them better.

On the trip to South Africa with the Empire Parliamentary party I had another

opportunity of knowing Senator Watson. We were so long together that we began to take very kindly to one another. A long trip of that kind, both on land and sea, is a good means of trying out your fellow, to see how you can get along together. He wore well —admirably well.

He was a sturdy fighter, and he had in his bag all the political tricks of a member of the other House. While he was administering a Department for the Government of Manitoba they had a man who was, I think, very singularly adapted by training and temperament for the office which he filled. We know that as a member of the special Committee in connection with the construction of this parliament building he was always most attentive and took great interest in the work. His mind was eminently practical; his training had been such, and I can quite understand that he made a very efficient Minister when he was a member of the Greenway Government.

As has been said by the honourable leader, to the younger members of this House he was to a certain extent a stranger, so far as the period of his prime was concerned. To refer again to the time of the trip to South Africa, which was not so long ago—only 1924 —one other of the members of this House, the right honourable the junior member for Ottawa (Rt. Hon. Sir Geo. E. Foster) accompanied us, and we climbed up to the battlefield mountains and viewed all the reservoirs, viaducts, and apparently everything else that could be seen in South Africa. I mention that only to show that at that time no one was more able physically to undertake such heavy tasks, although they were optional, than was Senator Watson. It is only in the last couple of years that he showed any marked sign of decline and of old age.

We shall miss him in this House, and I miss him as much as anybody.

PENNY BANK BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill A8, an Act to amend the Penny Bank Act.

He said: Honourable gentlemen will remember that when I introduced this Bill I explained its purport. The Penny Banks are purely philanthropic in purpose. The directors represent that a large proportion of the fund of the bank is at present invested in Victory bonds which are soon to mature, and they would like to have greater latitude as to future investments, in order to insure as high a yield as possible, which is necessary for the successful continuance of the operations of the bank. Under the Act as it now stands, it would not be possible to invest these moneys so as to be able to continue the rate now paid to depositors. The proposed additions to the list of investments are all within the field of trustee investments.

Hon. Mr. WILLOUGHBY: Have you anything to show what they actually do pay?

Hon. Mr. DANDURAND: They pay three per cent.

Hon. Mr. WILLOUGHBY: I have no criticism of the Bill. It is merely widening the power of investment to include investments earning higher interest, so as to enable the directors to pay depositors the three per cent that is spoken about.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Robinson in the Chair.

On section 1—withdrawals for investment in other approved securities:

Hon. Mr. DANIEL: This Bill has not been before the Banking and Commerce Committee.

Hon. Mr. DANDURAND: It is a public Bill, which need not go to the Banking and Commerce Committee, and as it is a very simple one, I suggest that we pass it through the Committee of the Whole.

Hon. Mr. DANIEL: I should like to ask the honourable leader of the Government whether it is usual for banks of this character to invest in mortgages on real estate.

Hon. Mr. DANDURAND: No, but this is a special kind of bank. This is not under the general laws governing commercial banks, nor even the laws regarding savings banks.

Hon. Mr. DANIEL: Are these private banks?

Hon. Mr. DANDURAND: Oh, no; the Penny Bank is semi-public. It is operated by a number of citizens for philanthropic purposes. Its object is to receive the pennies of the school children, and it is operated under a special Act.

Hon. Mr. DANIEL: Does it get its charter from the Province?

Hon. Mr. DANDURAND: No; it was incorporated by the Federal Parliament.

Hon. Mr. BELCOURT: The securities mentioned are all such as are called trust securities, which constitute a proper basis for loans by a trust company, as far as this province is concerned, at any rate.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

PRIVATE BILL

SECOND READING

Bill 22, an Act to incorporate Niagara Falls Memorial Bridge Company.—Hon. Mr. Rankin.

NORTHERN ALBERTA RAILWAYS BILL

SECOND READING

Right Hon. Mr. GRAHAM moved the second reading of Bill 71, an Act to incorporate the Northern Alberta Railways Company, and respecting the Canadian National Railway Company and the Canadian Pacific Railway Company.

He said: Honourable gentlemen, I presume that at least you all have read the debate in another place and understand the object of this Bill. In the Province of Alberta there are what is known as the Edmonton and Dunvegan Railway, also the Great Waterways, the Central Canada, the Central Canada Express Company, and the Pembina Valley Railway. Those properties have been really managed under the Provincial Government, which found them on its hands. For the Province of Alberta to operate those railways successfully, with the limited income that a province has, is not an easy matter, and it did not present a very hopeful outlook. When Premier Greenfield was at the head of the Government of the Province of Alberta, and I happened to be Minister of Railways, he came to Ottawa on several occasions and sought to have some new arrangement made when the lease held by the Canadian Pacific Railway expired. After a good deal of negotiation by the present Government the Canadian Pacific investigated the matter, as also did the Canadian National Railways. Rather large amounts of mortgage bonds are outstanding on these properties, and the Canadian Pacific eventually purchased them for the sum of $26,000,000, not including amounts to be expended for the extension of certain branch lines within the territories in the next few years. That purchase by the Canadian Pacific carried the understanding that the Canadian National would be allowed the privilege of entering into a joint ownership by paying half the purchase price. It has been agreed that the Canadian National shall do this.

This Bill seeks to incorporate a new company composed of representatives of the Canadian National and the Canadian Pacific, who will be directors, in order to carry on this undertaking jointly. The amount of money that the Canadian National will have to contribute will be half the total amount of $26,000,000, plus the amount to be expended in the extension of a few smaller lines.

The mileage of this undertaking is considerable. The railways themselves have a mileage of 820 miles, and with sidings and spurs about 915 miles. There is no doubt in the world that the proper opening up of that part of Canada not only presents a problem, but also offers a great future if the problem is properly handled. Railways will have to be extended to the north in a very few years, because, among other reasons, that territory is rich in minerals—richer, I think, than we suspect. Another prospect before the railways or the Government is a new line of access from the Peace River district out to the ocean. That presents a rather large problem, and the estimates made have been up in the millions. I think the solution of the problem possibly lies in the amalgamation of the forces of the Canadian National Railways and the Canadian Pacific Railway, with both roads working in harmony, each paying half the costs, each having not merely running rights over the other's railway, but joint ownership, and each having the power, under legislation, to construct branch lines so that it can bring traffic to the main line. The problem of providing access from the Peace River to the Pacific ocean is a very large one, and before many years have passed these railways will be asking permission to meet the demands of new and old settlers alike for a solution of that problem.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, I should like to make a suggestion to the right honourable gentleman who is sponsoring the seven Railway Bills that are down for second reading to-night (Right Hon. Mr. Graham). I do not think any honourable member on this side of the House will object to the second readings of these Bills, provided it is understood that we are not committing ourselves to the principle of them. The Bills will go before the Railway Com-

mittee, where we shall have the advantage of hearing the experts of the companies interested, and the Committee will report back to this House. By reversing the ordinary procedure and having it understood that honourable gentlemen may criticize the principle of the Bills when they come up for third reading, we should save time and get along more satisfactorily. The situation would be different if there were only one such Bill, but in view of the fact that there are seven I think it would be to the advantage of all honourable members to give the Bills second reading now, without explanations, on the understanding I have mentioned.

Right Hon. Mr. GRAHAM: I am agreeable to the suggestion of my honourable friend.

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

CANADIAN NATIONAL RAILWAYS BRANCH LINE BILLS

SECOND READINGS

GRAND'MERE—EAST BURRILLS

Bill 166, an Act to amend an Act respecting the construction of a Canadian National Railway Line between Grand'Mere and East Burrills, in the Province of Quebec.—Right Hon. Mr. Graham.

ROSEDALE SOUTHEASTERLY

Bill 168, an Act to amend an Act respecting the construction of a Canadian National Railway Line, being a joint section from Rosedale southeasterly in the Province of Alberta.—Right Hon. Mr. Graham.

CANADIAN NATIONAL, QUEBEC ORIENTAL, AND ATLANTIC, QUEBEC AND WESTERN RAILWAYS BILL

SECOND READING

Bill 173, an Act respecting Canadian National Railways and to authorize the acquisition of the Quebec Oriental Railway and the Atlantic, Quebec and Western Railway.—Right Hon. Mr. Graham.

CANADIAN NATIONAL AND SAINT JOHN AND QUEBEC RAILWAYS BILL

SECOND READING

Bill 174, an Act respecting Canadian National Railways, and to authorize the acquisition of the Saint John and Quebec Railway.—Right Hon. Mr. Graham.

CANADIAN NATIONAL AND KENT NORTHERN RAILWAYS BILL

SECOND READING

Bill 175, an Act respecting Canadian National Railways, and to authorize the acquisition of the Kent Northern Railway.—Right Hon. Mr. Graham.

CANADIAN NATIONAL AND INVERNESS RAILWAYS BILL

SECOND READING

Bill 176, an Act respecting Canadian National Railways, and to authorize the acquisition of the Inverness Railway.—Right Hon. Mr. Graham.

CANADIAN NATIONAL RAILWAYS REFUNDING BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 253, an Act respecting the Canadian National Railways, and to provide for the refunding of certain maturing financial obligations.

He said: Honourable gentlemen, this Bill is explained in its title. The object is to provide authority for the refunding of Canadian National Railway Company five-year, 4½ per cent, guaranteed gold bonds for $18,000,000, maturing February 15, 1930. The proceeds of the original issue were used in connection with the 1924-1927 Branch Lines and the Toronto Viaduct.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Robinson in the Chair.

Sections 1 to 4, inclusive, were agreed to.

On section 5—Approval of Governor in Council:

Hon. Mr. WILLOUGHBY: What rate do you expect to get on the refunding? As good a rate as you had?

Hon. Mr. DANDURAND: I suppose the Minister of Finance will select the most advantageous time.

Section 5 was agreed to.

Sections 6 and 7 were agreed to.

The schedule, the preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

BANKRUPTCY BILL

SECOND READING

Hon. Mr. BUREAU moved the second reading of Bill B8, an Act to amend the Bankruptcy Act as respects locality of a debtor.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Taylor in the Chair.

On section 1, sub-paragraph iv—locality of a debtor:

Hon. Mr. DANIEL: Does this refer only to the Province of Quebec?

Hon. Mr. BUREAU: Yes. As to the locality of the debtor there are two or three definitions. A petition in bankruptcy must be made before the court, and it has been held that for the purposes of the Bankruptcy Act a judicial district is the whole province. In the Province of Quebec some poor insolvent living down in Gaspé may have one creditor in Montreal, while all his other creditors reside near-by in Gaspé, and a petition may be presented in Montreal which would involve considerable expenditure and be a serious handicap to the debtor. The object of the Bill is to remove this handicap by providing that the locality of the debtor in the Province of Quebec shall be in the judicial district wherein he carries on his business, and that the petition in bankruptcy shall be presented to the court of the locality of the debtor. In other words, a person desiring to have a debtor declared insolvent will be required to present his petition within the judicial district wherein the insolvent carries on his business, and the judicial district will be as defined by our statutes in Quebec.

Section 1 was agreed to.

Section 2 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

Hon. Mr. BUREAU moved the third reading of the Bill.

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

DIVORCE BILLS

SECOND READINGS

Bill R7, an Act for the relief of Edith Laura Hewitt.

Bill S7, an Act for the relief of Stella Pearl Duncan.

Bill T7, an Act for the relief of Bertha Jane Phelan.

Bill U7, an Act for the relief of Hurley Alexander Fummerton.

Bill V7, an Act for the relief of Roland Emory Anderson.

Bill W7, an Act for the relief of Olive Marion Gerrard.

Bill X7, an Act for the relief of John Beck.

Bill Y7, an Act for the relief of Ruth Leonard Wiser.

Bill Z7, an Act for the relief of George King.

FISH INSPECTION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 25, an Act to amend the Fish Inspection Act.

He said: Honourable gentlemen, this Bill contains but two clauses. It provides for an amendment to the Fish Inspection Act in order to include fish-curing establishments, as was recommended by the Atlantic Fisheries Commission. Section 2 deals with the publication of the regulations. The Department of Justice has represented that the printing of these regulations in the prefix to the annual statutes causes the publication of the statutes to be delayed. In view of the fact that these regulations are printed in the Canada Gazette, it has been decided not to have them published in the statutes.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. McLennan in the Chair.

The Bill was reported without amendment.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

INSURANCE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 42, an Act to amend the Insurance Act.

He said: Honourable gentlemen, one of the purposes of this Bill is to correct defects which have come to light in the administration of the Insurance Act, with the growth of the casualty insurance business. Another object is to clarify the Act in respect to those companies which transact exclusively marine and inland marine insurance. It is intended that such companies shall be exempt from the Insurance Act.

The Bill gives fraternal societies the right enjoyed by ordinary insurance companies to issue endowment policies for twenty years or a longer term, and also, under certain conditions, to increase the maximum policy to $10,000. It also permits any Canadian fraternal society, on the recommendation of its actuary, to make provision in its by-laws for granting policy loans, paid up policies, or surrender values in connection with its insurance policies. This enactment merely extends to the Canadian fraternal societies generally the same power that has been obtained by a number of these societies by amendments to their special Acts, and makes more uniform than heretofore the insuring powers of all fraternal societies.

Hon. Mr. REID: Has this Bill been approved of by the Insurance Department?

Hon. Mr. DANDURAND: It has been prepared by the Insurance Department.

Hon. Mr. ROBERTSON: My honourable friend has referred two or three times to Canadian fraternal societies. Are we to understand that fraternal societies not wholly within Canada do not come under the provisions of the Act?

Hon. Mr. DANDURAND: This last enactment was added by the Committee of the other House. If the Bill receives the second reading, I shall have it sent to the Banking and Commerce Committee, where my honourable friend (Hon. Mr. Robertson) may inquire as to its full scope.

Hon. Mr. BELCOURT: There is no restriction of that kind in the Bill; the term "fraternal society" is general.

Hon. Mr. ROBERTSON: My honourable friend (Hon. Mr. Dandurand) said "Canadian fraternal societies."

Hon. Mr. DANDURAND.

Hon. Mr. BELCOURT: I think it is general.

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

VANCOUVER HARBOUR LOAN BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 66, an Act to provide for a further loan to the Vancouver Harbour Commissioners.

He said: Honourable gentlemen, this Bill provides for a loan being negotiated by the Vancouver Harbour Commission, up to the amount of $10,000,000, for terminal facilities. The proposed expenditure of that sum is, first, for the redemption of the Commissioners' maturing mortgage notes issued for the balance of the purchase price of the Hastings Mill site and incidental expenses thereof; second, for developments on the Hastings Mill property, as follows: (a) wharf for vessels in coastal trade and grain jetty, for commissioners' operation, $350,000; (b) wharf for vessels in coastal trade, fish wharf and fish storage, also cold storage, for operation by lessees, $1,150,000; (c) for development of a new ocean pier as warranted by increased business, $3,500,000. Those sums make a total of $5,000,000 for item number 2.

Third, for an addition to grain handling facilities, as follows: at elevator No. 1, to increase its capacity by approximately 3,000,000 bushels; at elevator No. 2, to increase its capacity by approximately 2,000,000 bushels; at elevator No. 3, to increase its capacity by approximately 2,500,000 bushels. These additions to the grain handling facilities involve an expenditure of $3,000,000.

These items represent a grand total of $9,950,000.

Last year grain delivery at Vancouver amounted to 97,250,548 bushels. For the year 1924 the figure was only 55,000,000 bushels. The receipts last year amounted to $2,057,739.02, and the expenditures totalled only $1,682,470.87. After operating expenses, interest due to the Government, and sinking fund had been taken care of a substantial balance was left.

The number of deep sea ships coming into the harbour in 1927 was 1,100, whereas in 1928 there were 1,300, an increase of 200.

The total elevator capacity at Vancouver at the present time is 5,325,000 bushels. It will be brought up to 7,500,000 bushels by the proposed development.

Hon. Mr. CASGRAIN: I do not think the honourable gentleman has read that quite

correctly, because one elevator has three million bushels, one has two and a half million bushels, and another has two million bushels, making a total of 7,500,000 bushels. That will give, with the five million bushels of storage now in use, a total storage of 12,500,000 bushels, and this additional storage should cost much more than the three million dollars mentioned by the leader of the Government.

Hon. Mr. DANDURAND: That is the statement I have. It will add 7,500,000 bushels.

Hon. Mr. CASGRAIN: That is right. Then they will have 12,500,000.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Robinson in the Chair.

Section 1 was agreed to.

On section 2—Loan of $10,000,000 to Corporation for construction of terminal facilities:

Hon. Mr. DANIEL: In addition to the $10,000,000 loan, how much does this section refer to? It says:

—in addition to the moneys heretofore authorized—

Does that mean that any of the moneys formerly authorized have not yet been expended? Otherwise, why the references to any former loans ?

Hon. Mr. DANDURAND: I cannot at the moment give an answer to my honourable friend as to the expenditure of the loans that were authorized. The Bill simply authorizes, in addition to what has already been authorized, the sum of $10,000,000.

Hon. Mr. DANIEL: Why should that be put in unless some of the authorized money has not been expended?

Hon. Mr. DANDURAND: I know there are some cases in which it has not. For instance, there is the port of Halifax, where the amount we voted a year or two ago has not been expended. Possibly there remains in the treasury some money that may be issued.

Section 2 was agreed to.

Sections 3 to 7, inclusive, the preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

THREE RIVERS HARBOUR LOAN BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 67, an Act to provide for a loan to the Three Rivers Harbour Commissioners.

He said: Honourable gentlemen, this Bill will allow the Harbour Commission of Three Rivers to finance its development by loan, up to the sum of $2,000,000, according to the ordinary procedure which governs the relations between the Harbour Commissions and the Government. Seven additional berths will be provided in the harbour, and this amount is necessary for the construction of wharves, which provide open storage. The new development in the harbour will naturally increase the facilities available, and will result in a very material increase in the traffic handled. The Dominion Coal Company has given its guarantee that this year it will unload 200,000 tons of coal in the harbour of Three Rivers. It is impossible at present for the Harbour Commissioners to meet the demands for space which are made upon them.

Three Rivers is a very important industrial city. Its population is now over 35,000, and its industries are numerous. As far as port facilities are concerned, it serves a very important territory. I refer to Shawinigan Falls and the town of Grand'Mère, where there is a large development of water-power, and where important industries are constantly expanding. These conditions justify the proposals of the Harbour Commissioners.

The revenue for the year 1928 was $72,142,000, while in 1924, four years ago, it was only $39,468. We find that they closed their operations this year with a considerable surplus.

Hon. Mr. McMEANS: After paying the interest on the money to the Government?

Hon. Mr. BUREAU: They do not owe the Government anything.

Hon. Mr. DANDURAND: It is expected that this amount will produce sufficient income to meet the interest.

Hon. Mr. WILLOUGHBY: How was it in the case of that harbour before? We made an advance before, did we not?

Hon. Mr. DANDURAND: The honourable gentleman from Three Rivers (Hon. Mr.

Bureau) can perhaps tell us when the Harbour Commission was appointed. For a number of years it was under the direct control of the Department of Public Works.

Hon. Mr. BUREAU: The Harbour Commission of Three Rivers was first incorporated in 1882, and the first improvements were started with money provided by the Public Works Department. The Commissioners, after they were incorporated, were authorized to borrow a certain amount of money to do the first work, and they did not have enough. The Government then advanced $82,000, for which they took over the debentures of the Commissioners. I am sorry that the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) is not here, so that I might refresh my memory by putting a question to him. An agreement was made between the Finance Department of that time and the Harbour Commission of Three Rivers, that if the latter paid $15,000 for interest, the $82,000 would be wiped out, and the debentures of the Harbour Commission would be returned. Somehow or other this was not done.

A fire occurred at Three Rivers in 1908, and all the documents were burned, but on going through the files of the Public Works Department I was able to trace a letter from Sir John Abbott, stating that the Minister of Finance, Hon. G. E. Foster, was at the time of his writing in the Maritime Provinces, and that he was unable to see him to determine on what conditions a settlement could be made in regard to the $82,000; but that he understood that upon the payment of the $15,000 interest the $82,000 worth of Harbour debentures would be returned, and the debt wiped out. The $15,000 interest was paid as agreed. Yet the $82,000 item is still there, and every time the Harbour Commissioners have effected a loan, legislation has had to be passed to give precedence to such loan.

Between the improvements that have been made by the Harbour Commissioners and those made by the Public Works Department, a considerable amount of money has been expended to meet the needs of the traffic on the St. Lawrence at Three Rivers. These needs have greatly increased on account of the development of the northern country, as stated by the honourable leader of the House. Development has been going on at Grand'Mère, Shawinigan Falls and La Gabelle. The numerous paper mills erected at Three Rivers, which has become the largest paper-producing centre in America, necessitate importing coal from Nova Scotia and other places to keep the mills running, and also the importation of sulphur and other materials, so that space is unavailable to cope with the situation as it now exists.

The requests made by the Harbour Commissioners of Three Rivers for loans are always submitted for approval to the Minister and the officers of the Department of Marine. The Commission since 1922 has been administered by three of the best business men we have in Three Rivers: Mr. Robert F. Grant, resident agent of the Canadian International Paper Company; Mr. J. L. Fortin, owner of a large department store; and Mr. Norman Labelle, hardware merchant, and for a long period chairman of the Board of Trade. They draw no salaries. They meet every day, and they devote their time and attention to the work of development of the harbour. The improvements now being carried on with the loan authorized by the Governor in Council are intended to increase the facilities and allow the Dominion Coal Company to fulfil its contracts with the various industries of Three Rivers and the St. Maurice Valley by delivering coal and other material to them.

So far the Harbour Commission of Three Rivers has always met all its interest, and also deposited a sinking fund to meet at maturity the debentures that are outstanding. The revenue has more than doubled in recent years, and the new improvements that are contemplated will not only be capable of meeting the wants and requirements of the various interests and industries which are now operating along the shores of the St. Maurice and St. Lawrence rivers, but will also secure additional revenue to meet the interest and the sinking fund on the loan which is now being advanced by the Government.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, when I asked the honourable leader of the House for some information it was not necessarily to oppose this at all; I merely wanted to know to what extent subvention had been granted by the Government before—I mean, by the Government here guaranteeing the loans to the Harbour Board at Three Rivers, and to what extent, if any, they had received money from the Public Works Department for the purpose of their harbour development from time to time. I take it that they had a loan at least guaranteed by the Dominion Government, for harbour purposes. This is the first loan, is it?

Hon. Mr. BUREAU: Yes.

Hon. Mr. WILLOUGHBY: Then all the expenditures that were not made with moneys raised by the Harbour Commissioners themselves were made by the Public Works Department on that harbour?

Hon. Mr. BUREAU: Absolutely. I do not want my honourable friend to misunderstand me. There was $82,000 advanced in 1884 or 1885, which the then Harbour Commissioners of Three Rivers claimed had been remitted by the Finance Department. Now, outside of that amount, all the moneys that have been borrowed by the Harbour Commissioners of Three Rivers have been borrowed on the credit of the Commission without any endorsation by the Government, and the interest and sinking fund, as I am informed, have always been properly looked after.

The Public Works Department did contribute to the building of a part of the wharves. We have over a mile, I think, of waterfront in Three Rivers, and that wharfage is fully occupied all the time. The development of the northern country has created conditions which require additional docks. The Government, after investigating the proposed enlargements of the factories which are now in operation, and the establishment of new ones, has recognized the necessity of the additions contemplated. The new loan is to meet the demand for those new docks, which will bring in enough money to pay the interest and sinking fund.

The motion was agreed to.

CONSIDERED IN COMMITTEE

On motion of Mr. Dandurand, the Senate went into Committee on the Bill.

Hon. Mr. Robinson in the Chair.

Sections 1 to 7, the preamble and the title were agreed to

The Bill was reported.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

CHICOUTIMI HARBOUR LOAN BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 68, an Act to provide for a further loan to the Chicoutimi Harbour Commissioners.

He said: Honourable gentlemen, this provides for the right of the Chicoutimi Harbour Commissioners to issue $2,000,000 of debentures for the development of a new port. I might say that this is practically a new creation. The Harbour Commission obtained $500,000 some two years ago for wharf extension. Further extension of 2,400 feet is now proposed. Practically a new wharf is being created to cope with the business which is in sight, owing to a large development of electrical power in that area. About 700,000 horsepower has already been harnessed, and in process of development there is an additional 300,000, of which it is expected that 250,000 will be in operation in 1930.

The receipts last year at that port amounted to $18,587.63, but the expenditure was only $5,497.13. The Commission were able to use only the old section of the wharf; they did not have the use of the facilities which are being constructed. The total expenditure for salaries, maintenance and sundry disbursements on revenue account amounted to $5,497.14. The Commission report as follows as to the expected revenues:

Present wharf, one berth facilities..	$15,000
Coal, 225,000 tons..	25,000
Paper, 70,000 tons..	15,000
Sulphur, 20,000 tons..	5,000
Pulp, 200,000 tons..	25,000
Gasoline, 3,000,000 gals..	30,000
General freight..	20,000
Car shunting, lease of space, moorage fees, etc..	25,000

I move the second reading of the Bill.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Robinson in the Chair.

Section 1 was agreed to.

On section 2—loan of $2,000,000 to Corporation for construction of terminal facilities:

Hon. Mr. DANIEL: The same wording appears here as in the former Bill. It may be clear to legal gentlemen, but it certainly is not clear to me. It says, "not exceeding in the whole the sum of two million dollars." What I should like the honourable leader of the Government to tell us is whether the $2,000,000 is in addition to loans already authorized but not made, or whether it includes those loans.

Hon. Mr. DANDURAND: It has always been construed to be in addition to the sum already authorized.

Hon. Mr. DANIEL: It says, "not exceeding in the whole." It mentions the sums already authorized but not paid.

Hon. Mr. CASGRAIN: It means not more than $2,000,000.

Hon. Mr. DANIEL: I am satisfied if it is clear to the legal mind, but it is not clear to me.

Section 2 was agreed to.

Sections 3 to 7, inclusive, were agreed to.

The preamble and the title were agreed to.

The Bill was reported.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

HALIFAX HARBOUR LOAN BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 69, an Act to provide for a further loan to the Halifax Harbour Commissioners.

He said: Honourable gentlemen, the purpose of this Bill is to authorize the Halifax Harbour Commission to borrow a sum of $5,000,000. The Commission has already a borrowing power of $500,000, which power is practically intact, as only some thirty odd thousand dollars have been expended. Owing to the fact that the Commissioners have not been in control a full year, no report of their operations has been made.

The Department of Trade and Commerce reports the following quantities of grain shipped through the elevator: 1927—1,047,670 bushels; 1928—1,991,659 bushels.

A summary of the proposed expenditure is as follows:

Miscellaneous, plant equipment	$ 85,000
Deep Water Terminals	
Proposed revetment wall	400,000
Pier No. 4, repairs	8,200
Pier No. 3, repairs	17,300
New Pier No. 2, miscellaneous repairs	62,000
Ocean Terminals	
Marginal Road pavement	80,000
Sheds 23, 24, 25, and 28, permanent foundations and floors	166,000
Pier "A", two transit sheds	440,000
Pier "B", construction together with 1 transit shed	3,741,500
Ocean Terminals—*Concluded*	
1,000,000 bushel addition to the grain elevator	300,000
Land damages	100,000
Total	$5,400,000

Hon. Mr. ROBERTSON: Can my honourable friend inform the House as to the capacity of the elevator at Halifax at the present time?

Hon. Mr. DANDURAND: I fear I have not that information in the papers I have here, but I think it is about 2,000,000 bushels.

Hon. Mr. ROBERTSON: I presume it is not less than 2,000,000 bushels, and I was wondering if my honourable friend could tell the House what necessity there is for further elevator capacity in Halifax. The present capacity was not taxed to its limit last year nor the year before. My honourable friend has informed us just now that the present capacity at Vancouver is a little over 5,000,000 bushels, and 97,000,000 bushels of grain went through that port last year. But at Halifax they have not needed in the last two years the capacity they have there, and I think it is in order to inquire the reason for adding to the present storage capacity.

Hon. Mr. DANDURAND: I am unable to find among the papers that have been sent to me a detailed statement showing the present capacity of the Halifax elevator. Perhaps we can postpone the third reading of the Bill until to-morrow, and in the meantime I shall endeavour to get the information for my honourable friend.

Hon. Mr. ROBERTSON: I do not desire to hold up the passage of the Bill, but it occurred to me that there is nothing like the same necessity for increasing the capacity at Halifax that there is at Vancouver.

Hon. Mr. DANDURAND: I am now told that the capacity of the Halifax elevator is 2,000,000 bushels.

Hon. Mr. ROBERTSON: The total quantity that passed through the port of Halifax last year was not sufficient to fill the elevator once, yet my honourable friend recommends increasing the elevator capacity by another million bushels. I cannot understand why that is necessary under the circumstances.

Hon. Mr. DANDURAND: All our ocean ports are developing and needing more elevator capacity. I am quite sure that with the increase which has taken place—

Hon. Mr. WILLOUGHBY: The ledger accounts are increasing anyway.

Hon. Mr. DANDURAND: —at Halifax, the additional capacity will be necessary. In 1927 there were 1,047,670 bushels shipped through the elevator, and in 1928 the quantity increased to 1,991,659.

Hon. Mr. ROBERTSON: Still it was not enough to fill the elevator once.

Hon. Mr. DANDURAND: I feel sure that the Canadian National Railways believe the additional space is required.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Robinson in the Chair.

Sections 1 to 7, inclusive, were agreed to.

The preamble and the title were agreed to.

The Bill was reported.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

YUKON TERRITORY ADMINISTRATION OF JUSTICE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 131, an Act respecting the administration of justice in the Yukon Territory.

He said: Honourable gentlemen, the Department of Justice feels that it should obtain authority to have persons who are arrested for offences committed in the northern part of the Yukon Territory tried in another part of the country, in the Northwest Territories. The northern part of the Yukon Territory, on account of its geographical location, is difficult to control from Dawson. It is impossible for the Royal Canadian Mounted Police to bring accused persons from that district to Dawson for trial and almost an impossiblity for a judge of the Yukon Territorial Court to make the trip overland. It is therefore considered advisable to provide that persons charged with indictable offences within this territory may be tried by the Stipendiary Magistrate of the Northwest Territories.

Hon. Mr. WILLOUGHBY: Do you know where that Stipendiary resides? Speaking from memory, I think that he moves from place to place.

Hon. Mr. BELCOURT: There are several of them. This refers to the whole of the Northwest Territories.

Hon. Mr. WILLOUGHBY: I know there are several in the whole Northwest Territories, because it is an immense district. I am not opposing the Bill.

Hon. Mr. BELCOURT: I understand that there are several Stipendiaries in the northern district.

Hon. Mr. DANDURAND: If my honourable friend will allow me to read clause 1 of the Bill, he will perhaps find there the explanation he requires.

Clause 1 reads:

1. Whenever it appears to the satisfaction of the Minister of Justice that it is expedient to the ends of justice that the trial of any person heretofore or hereafter charged with an indictable offence alleged to have been committed north of the 65th parallel of latitude, in the Yukon Territory, should be held in some district or place other than that in which the offence is alleged to have been committed or would otherwise be triable, the Minister of Justice may order that the trial shall be proceeded with in the Northwest Territories before the court or judge named in such order, and thereupon the court or judge so named shall have jurisdiction to try such person.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

He said: Owing to the explanations that have been given of the purpose of this Bill, I would suggest that we dispense with the Committee stage and that the Bill be read a third time now.

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

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

THE SENATE

Tuesday, May 21, 1929.

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

Prayers and routine proceedings.

JUVENILE DELINQUENTS BILL

FIRST READING

Bill 170, an Act respecting Juvenile Delinquents.—Hon. Mr. Dandurand.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

C8, an Act for the relief of Barabara Elise Sewell de la Penotiere.

D8, an Act for the relief of Oliver Milton Martin.

E8, an Act for the relief of Catherine McRae Beattie McRae.

F8, an Act for the relief of Mary Jane Teeson.

G8, an Act for the relief of Sam Gladstone.

H8, an Act for the relief of Charles Smolkin.

THIRD READINGS

Bill R7, an Act for the relief of Edith Laura Hewitt.

Bill S7, an Act for the relief of Stella Pearl Duncan.

Bill T7, an Act for the relief of Bertha Jane Phelan.

Bill U7, an Act for the relief of Hurley Alexander Fummerton.

Bill V7, an Act for the relief of Roland Emory Anderson.

Bill W7, an Act for the relief of Olive Marion Gerrard.

Bill X7, an Act for the relief of John Beck.

Bill Y7, an Act for the relief of Ruth Leonard Wiser.

Bill Z7, an Act for the relief of George King.

ELECTRICITY AND FLUID EXPORTATION BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 15, an Act to amend the Electricity and Fluid Exportation Act (Exportation of Electric Power).—Hon. Mr. Tanner.

Hon. Mr. Robinson in the Chair.

Hon. Mr. DANDURAND: Honourable gentlemen, I have been asked by the honourable member for DeSalaberry (Hon. Mr. Beique) for information respecting contracts for the export of electric power made by companies to whom licenses were granted in the fiscal year ending March 31, 1930. The honourable gentleman suggested that this information could be given in ten lines. Mr. J. L. Stiver, Director of Electricity and Gas Inspection Services, has compiled a table, which contains more than ten lines, but does not go beyond twenty, giving the facts requested. I do not know whether there would be any use in reading the statement, but I shall do so if the Bill is to be examined finally in Committee now, although I doubt that members will be able to give proper consideration to the figures until they are placed on Hansard. Of course it was proper that we should go into Committee in order that I might present this statement. I am in the hands of the Senate.

Information *re* Contracts to Export Electric Power made by Companies to whom Licenses have been granted for fiscal year ending March 31, 1930.

Exporting Company	Date of Contract	Duration	Amount Named in Contract	Amount Exported Horse-power	Price Charged
Hydro Electric Power Comm...	1904	Expires 1950	45,000 K.W. (60,300 H.P.)	59,756·0	$16.75 per K.W. for 40,000 K.W. plus 2 mills per K.W. for additional power up to 45,000.
Canadian Niagara Power Co....	July 1, 1922. Also three contracts aggregating 1,750 K.W. (2,345 H.P.).	Expires Sept. 30, 1934	37,300 K.W. (49,982 H.P.)	50,302·0	$26.80 per K.W. per year.
Ontario & Minnesota Power Co..	No long-term contract			2,641·8	$25.00 per H.P.
International Railway Co.....	No contract. Power furnished to own system in United States.				
Cedars Rapids Mfg. & Pr. Co...	October 22, 1912	85 years	75,000 H.P.	67,881·37	$15.00 per H.P.
Southern Canada Power Co.....	Sells to about 200 residents and small power customers in Derby Line, North Derby and Beebe. Interchanges small amount of power in emergencies, but no obligation or contract.			93·43	
Gatineau Electric Co.....	No contract			Nil	
Maine & New Brunswick Pr. Co.	February 4, 1925	30 years	No amount stipulated; depends on surplus over Canadian needs.	1,555·34	1½c. per K.W. Hr.
Fraser Companies.....	Year to year		2,010 H.P.	494·61	1½c. per Kw. Hr.
Maritime Electric Co.....	November 1, 1925	20 years	304 H.P.	117·14	1½c. per Kw. Hr.
West Kootenay Power Co.....	December 10, 1928	10 years	2,010 H.P.	84·33	1c. per Kw. Hr.
Western Power Co. of Canada...	Reciprocal arrangement on month-to-month basis only. Interchange of surplus power only when available.			93·55	0·6c. per Kw. Hr. w ated by water power; 1½c. when generated by steam.

Information *re* Contracts to Export Electric Power made by Companies to whom Licenses have been granted for fiscal year ending March 31, 1930—*Concluded.*

Exporting Company	Date of Contract	Duration	Amount Named in Contract	Amount Exported Horse-power	Price Charged
B. C. Electric Railway Co.....	To City of Blaine, Wash., U.S.A.; expires Jan. 1, 1930. Will not be renewed. To Town of Sumas, Wash., U.S.A.; expires Jan. 1, 1930. Will not be renewed.	.....	268 H.P. 670 H.P.	123·57	2c. per Kw. Hr.
International Electric Co.....	April 1, 1927.....	3 years.....	33·5 H.P., subject to export license.	10·27	Subject to adjustment by new owners.

Hon. Mr. BEIQUE: If the honourable member for Pictou (Hon. Mr. Tanner) has no objection, I would suggest that the matter stand until to-morrow, so that we may all have an opportunity to read the statement that is put in.

Hon. Mr. DANDURAND: My honourable friend from Edmonton (Hon. Mr. Griesbach) asked me to try to give him a definition of the term "temporary emergency." So far I have found no one who would bind himself to a clear and precise definition, and my inquiries have generally resulted in my being referred to Webster's Dictionary and other authorities of that kind.

Hon. Mr. GRIESBACH: It was an explanation, not a definition, that I wanted. A definition may be found in the dictionary, but an explanation is a different matter.

Right Hon. Mr. GRAHAM: You want the interpretation?

Hon. Mr. DANDURAND: Of course, before giving the interpretation, one would have to examine into the definition of the word. It would be difficult to give in the abstract an interpretation which would apply to any and every definite situation.

Right Hon. Sir GEORGE E. FOSTER: There are some things which had better be left undefined, and I am of the opinion that this is one of them. You cannot sit down and in black and white make provision for every species or variety of emergency. It must be left to the authorities to deal with each special case as it comes up, and we must rely upon their judgment as to whether an emergency exists or not.

As I understand it, the main contention with reference to this Bill is as to whether or not the amendment of my honourable friend from LaSalle (Hon. Mr. Bureau) is to be adopted. I am not sure that I quite understand the position, and my honourable friend will correct me if I misstate it. My understanding, chiefly from memory, is that a long while ago the proper authority constituted a company to produce power and gave that company the right to make contracts for exportation of that power. The company then made a contract for exportation extending over a long period of years, and it seems to have been within its right in doing so. A long while afterwards the Dominion of Canada came to the conclusion that it was necessary for the Federal authority to regulate the exportation of power from Canada, and that power should not be exported without a license obtained from the Federal jurisdiction. That came, I think, a number of years—

Hon. Mr. GRIESBACH: I should like to ask the right honourable gentleman a question. My understanding was, when we discussed this matter before, that at the time of this agreement for exportation of power the law required these people to obtain a license from the Government of Canada every year, and that in spite of this fact they entered into an agreement to deliver power for fifty years.

Hon. Mr. DANDURAND: I think my honourable friend is in error with regard to one instance. There are many contracts. Some were made under provincial authority before 1907, in which year the Federal Parliament required the companies to comply with the Federal law and obtain a yearly license.

Right Hon. Sir GEORGE E. FOSTER: Then apparently I am correct thus far, that after authority to export had been given and exercised and contracts made for a long period of years, there was enacted the law requiring licenses to be obtained year by year from the Dominion authorities, and such licenses have not been refused to those companies authorized to export, but have been continued from year to year since 1907, and the companies have made arrangements accordingly.

We all can be mighty wise ten or twenty years after an event. Some of us become wise in a very few moments after an action has been performed, and are sorry that it was performed. At the time being it was considered by that company to be good business to make a sale in United States territory of power for which there was not then sufficient market in Canada. The assumption is that when a company buys power, under a license or without a license, it has a right to demand the fulfillment of its contract, provided it carries out its obligations. The purchasing company, having procured the necessary equipment, makes use of the power; then communities large and small are affected and from year to year become more and more dependent upon that power. It is very easy to compare the price at which fluid is purchased to-day with the lesser price which was agreed upon in contracts made some years ago, and to calculate that we are somewhat at a disadvantage as compared with our neighbours on the other side, because they are getting power at a cheaper rate than we can buy it here; but even though the price which was set at the time when the contract was made is much lower than that at which fluid is now selling, it is hardly permissible for the supplying company to demand that from year to year the price shall come up to a level with the general market price.

As I understand the position taken by my honourable friend (Hon. Mr. Bureau) in his amendment, it is that at a certain date licenses should no longer be granted for the supply of power under the contracts that the companies have made. Am I right in that?

Hon. Mr. DANDURAND: I thought the amendment read that after 1935 those licenses should come under the control of Parliament.

Right Hon. Sir GEORGE E. FOSTER: Yes, after 1935.

Hon. Mr. DANDURAND: I have not the amendment under my hand.

Rt. Hon. Sir GEO. E. FOSTER: The supply, then, would depend on whether a license is granted or not. There would be in the background an authority which might either refuse a license or renew it, and that authority, I understand, is Parliament. Now, if my idea on that point is correct, we are simply transferring a parliamentary decision on that question from 1929 to 1935. When that year comes Parliament must take up and decide the question whether or not those licenses shall be granted any longer. It would have the power to grant or refuse, and might consequently decide to refuse.

If that be the meaning of the amendment, I am opposed to it. I do not think we can take back a contract which has been running for a long series of years and has a series of years yet to run. We have to consider the expenses that have been incurred by the purchaser for equipment in order to utilize what he has purchased. We must remember that these contracts affect very large interests in large and small communities. If a purchaser on the other side of the line fulfills his contract, and does not break his agreement, I do not think that Parliament has a moral right, though it may have a legal right, to disrupt that whole series of services by refusing renewal of the license on the plea that the purchaser is getting power at a lower rate than it costs here, and that this works to our disadvantage in competition between this side and the other.

Hon. Mr. BEIQUE: Honourable gentlemen, I understand that the actual position is this, that leases of power that have been made by different companies covering exports to the United States are subject, in several cases at least, to licenses being granted by Order in Council for the export to be continued, and those licenses are supposed to be granted from year to year.

I understand that the object of the amendment is to substitute for the power of the Governor in Council that of Parliament itself. In order to be able to render a judgment on the question raised by the amendment I think it necessary, so far at least as I am concerned, to be properly informed as to the terms and conditions of each contract. For that reason I have asked for information in this respect. It is only after having acquired that knowledge that we shall be able individually to form a proper judgment as to whether it is fair or not to substitute the power of Parliament for that of the Governor in Council. It was with that view that I suggested that the matter rest until we could take full cognizance of the information which the honourable leader of the Government has placed on Hansard to-day. For my part I feel that I have not proper information on which to base a judgment on the amendment of the honourable gentleman from La Salle (Hon. Mr. Bureau).

Hon. Mr. McLENNAN: Honourable gentlemen, perhaps the honourable leader of the Government could inform us whether there is not a distinct difference between one lease and the others that are dealt with in this legislation. I was given to understand, from what I believe to be a reliable source, that before 1907, when there was no legislation on the subject, a certain company in Ontario made a contract for a hundred years with an American concern, and when that company was bought by the Hydro Commission of Ontario a concession was made whereby the term of a hundred years was reduced to fifty, some of those fifty having now expired. That is a striking example of how improvident very long term contracts are in a country that is developing as Canada is; but the position of that company is very different from that of corporations that had contracts from year to year to send a certain quantity of current to the United States. I think the discussion would be clarified if we knew definitely whether these other contracts are on all fours with that one.

Hon. Mr. DANDURAND: I believe the honourable gentleman would get all the information he desires in the statement which I have just produced, and which will go on Hansard.

Hon. Mr. McLENNAN: That would lead one to support the suggestion just made, that we rise and report progress, so that we may have an opportunity of looking over that information.

Hon. Mr. DANDURAND: Does the honourable gentleman move that?

Hon. Mr. McLENNAN: I move that the Committee rise, report progress, and ask leave to sit again.

Hon. Mr. BUREAU: Honourable gentlemen, I do not know whether or not I misunderstood the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) when he made his statement. I do not believe he intended to misrepresent me, and he did not exactly do so, but the impression that I got was that he thought the object of my amendment was to put an end to certain contracts which ought to be respected because they were entered into before the legislation of 1907 was passed, requiring the taking out of licenses for the export of power.

The object of my amendment was not that at all. There is a Bill before Parliament stating that the law which was passed in 1907 shall be partly ineffective. In 1907 we entrusted to the Governor in Council the authority to issue licenses for the export of fluids or electric power. That authority has been exercised ever since 1907. Last year, 1928, the first Bill that was presented before the House of Commons provided that hereafter all licenses should be granted by Parliament, and that all regulations under which those licenses would be issued should be made by Parliament, excepting licenses issued before the 1st of April, 1928.

That first Bill was modified. In it there was a clause providing that nothing in the Bill should affect the rights of the provinces, or the rights of those holding licenses under the Act. When the Bill was read the second time the only explanation given was that power had become such an important and valuable natural asset that it was time to take away from the Governor in Council and give to Parliament the authority to issue licenses and regulate the export.

Here is the whole theory, the whole principle involved; nothing else. Are we to take from the Governor in Council the authority to regulate the exportation of power, of electricity, and give it to Parliament, or are we not? That is the only ground on which I want the discussion to proceed in this Chamber. If it is in the interest of the country to take this authority away from the Governor in Council, I am in favour of that; but I want to know whether it is or not. If it is against the interest of the country that the Governor in Council should exercise that authority, I do not want to be a party to continuing such an evil. If, on the other hand, it is good for one part and not for another, I want to be able to justify my actions and vote in this matter, and to know the reasons that have actuated the promoter of this Bill.

I am not going to discuss the question now, because I want to get more information. I may change my views, as I have said right along. I do not object to this situation for any specific purpose, but only as a matter of duty and justice. If it is wrong now that the Governor in Council should continue to administer that Act, I am going to vote to see that the authority is taken away from him and given to Parliament. On the other hand, is there any reason why we should have two separate and independent authorities exercising control and administering the one law? I want to know, because I want to be just and fair to all on this subject. That is all I have to say for the present.

I have no idea, and never had any, of trying to repudiate any contract, and the amendment does not say that any contract shall be repudiated. Parliament ought to be as wise as the Governor in Council; but if it is the wish of Parliament that the Governor in Council continue to issue certain licenses, let us have the courage to say so.

Progress was reported.

CRIMINAL CODE AMENDMENT BILL

SECOND READING

Hon. Mr. BUREAU moved the second reading of Bill Q7, an Act to amend the Criminal Code.

He said: Honourable gentlemen, I might explain that there is no vital amendment to the Criminal Code in this Bill; the points dealt with are all matters of procedure, and if we go into Committee of the Whole I can explain what the amendments are.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. McLennan in the Chair.

Section 1 was agreed to.

On section 2—adjournment of Court of King's Bench in Quebec where no jury summoned:

Hon. Mr. BUREAU: In this clause there is only the substitution of one word, the phrase being "the Clerk of the Crown" instead of "the Clerk of the Peace," which was formerly used for the officer who acts as clerk of that court.

Hon. Mr. DANDURAND: I am not sure that the honourable gentlemen has informed the House whether these enactments have received the assent of the Attorney-General of the province.

Hon. Mr. BUREAU: I have spoken to the Minister of Justice about the amendments, and they have met with his approval.

Section 2 was agreed to.

Sections 3, 4 and 5 were agreed to.

On section 6—speedy trials of indictable offences; definition of the word "judge":

Hon. Mr. WILLOUGHBY: I would ask the honourable gentleman what is the change of procedure or forum.

Hon. Mr. DANDURAND: My honourable friend will find it in the marginal explanatory note.

Hon. Mr. BUREAU: Jurisdiction is given to the judges of the sessions of the peace, or to any district magistrate.

Hon. Mr. WILLOUGHBY: Who is the district magistrate?

Hon. Mr. BUREAU: In our province we have magistrates who administer criminal justice, and civil justice also, within the judicial district as created by the statute. They are provincial appointees.

Section 6 was agreed to.

On section 7—Removal of feeble minded or mentally deficient prisoner:

Hon. Mr. BUREAU: I had occasion to explain this the other day. At the present time the Governor in Council may exercise his power to transfer a prisoner from a penal institution only if that prisoner is found insane. The purpose of this provision is to take care of juvenile offenders who may be in a penal institution, and who, without being insane, are found to be mentally deficient. Upon sufficient evidence that the convicted person is not in his right mind, it gives the Governor in Council power to issue his warrant for the prisoner to be taken out of the penal institution and put into a mental hospital. We have such an institution in the Province of Quebec.

Section 7 was agreed to.

The preamble was agreed to.

On the title:

Hon. Mr. McMEANS: I had intended to ask for some information about section 5. This seems to be a very long clause, and I should like to have some explanation as to why it is introduced.

Hon. Mr. BUREAU.

Hon. Mr. DANDURAND: My honourable friend will find that only the underlined words are new.

Hon. Mr. BUREAU: The object of the section is to give concurrent jurisdiction to justices of the peace. Suppose that in a rural municipality there are none of the judicial officers enumerated except a mayor and a justice of the peace, and some police officer wants to lay a charge that some one is keeping a gaming house, or a disorderly house. Under the Act as it stands, he cannot go to a justice of the peace to make complaint if the mayor is in the municipality. The difficulty is that for political or other reasons the mayor will sometimes refuse to take the complaint, and the police officer has to go to a neighbouring municipality to get a stipendiary magistrate or some other magistrate to authorize a search. While the police officer is away the offenders are warned and take means to cover their tracks, and thereby avoid arrest and punishment. This section is to allow the police officer to lay his complaint before a justice of the peace although the mayor may be present in the municipality.

Hon. Mr. McMEANS: It seems to me that this is an extremely radical change from the present criminal law. I do not know of any gambling houses, such as those referred to in the section, that would be carried on in a small municipality.

Hon. Mr. STANFIELD: Only in the Province of Quebec.

Hon. Mr. McMEANS: In the West houses of that kind are confined to the large cities. It seems to me that we are vesting the justices of the peace with a great deal of authority, and if justices of the peace are appointed in Quebec in the same way as they are in the western provinces, I would very much hesitate to give them any such authority.

Hon. Mr. BUREAU: My honourable friend does not understand me. You could go to the justice of the peace if any of the officers enumerated were not in the municipality, or village, or town. He has jurisdiction, but only when the others are absent. In this case we say that even if the others are present—

Hon. Mr. McMEANS: This Act applies to the whole of the Dominion of Canada, and I for one would hesitate to make the change.

Hon. Mr. BUREAU: It makes no difference at all.

Hon. Mr. McMEANS: It gives power to justices of the peace in every province.

Hon. Mr. BUREAU: They have it already.

Hon. Mr. McMEANS: I doubt it.

Hon. Mr. BUREAU: Yes. A justice of the peace can exercise his powers in the absence of other officers.

The title was agreed to.

The Bill was reported without amendment.

THIRD READING

Hon. Mr. BUREAU moved the third reading of the Bill.

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

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

SECOND REPORT

Hon. Mr. DANIEL moved concurrence in the Second Report of the Standing Committee on Internal Economy and Contingent Accounts.

He said: Honourable gentlemen, this Report is laid before you simply that you may adopt the recommendations made by the Civil Service Commissioners. For two or three years the Senate has asked the Civil Service Commission to adjust the salary of the chief of the Stationery Division. This year, while they have not acceded to our request in so far as the amount is concerned, they have recommended that his salary be increased to the extent of $120 a year.

The purpose of the second recommendation is to re-establish the position of Clerk of English Minutes of Proceedings and Journals. Honourable gentlemen will remember that a few years ago we had a Clerk of English Minutes of Proceedings, who resigned, and that after his resignation this work was amalgamated with that of the Clerk of the Committees. The latter official, with the growth of the work in the past few years, especially in connection with the Divorce Committee, has been unable to attend to the work of the English Minutes, and the Civil Service Commissioners, who through error disestablished the position of Clerk of English Minutes, now recommend that it be re-established, with the consent of the Senate.

The motion was agreed to.

THIRD REPORT

Hon. Mr. DANIEL moved concurrence in the Third Report of the Standing Committee on Internal Economy and Contingent Accounts.

He said: Honourable gentlemen, this Report contains four items. The first has to do with the compensation of the Chief Clerk of Committees, and increases from $4,140 to $4,440, in two instalments, the amount which he can be paid. There is also a recommendation that the compensation of the Postmaster and the Assistant Postmaster of the Senate be adjusted in order to place them on the same basis as similar officials of the House of Commons. In fact, the same reason applies to the recommendation regarding the salary of the Chief Clerk of Committees.

The third recommendation has reference to the Speaker's steward, and gives him a slight increase in pay. The Speaker's steward has been at his maximum for some years. His services have been satisfactory, and it is recommended that the maximum be increased to $1,620, by means of three yearly increases of $60. I may say that His Honour the Speaker has recommended this item.

The fourth item in the Report has to do with Miss O'Brien, a stenographer who has been in the service for, I think, about seventeen years. The purpose of it is to raise her from Grade 3 to Grade 4.

The motion was agreed to.

FOURTH REPORT

Hon. Mr. DANIEL moved concurrence in the Fourth Report of the Standing Committee on Internal Economy and Contingent Accounts.

He said: This Report simply approves of the officials mentioned receiving their regular statutory allowance. They cannot do so without the approval of the Senate.

The motion was agreed to.

CRIMINAL CODE (FINES AND FORFEITURES) AMENDMENT BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. McMeans, for Hon. Mr. Beaubien, the Senate went into Committee on Bill P7, an Act to amend the Criminal Code (Fines and Forfeitures).

Hon. Mr. Gordon in the chair.

Hon. Mr. McMEANS: Mr. Chairman, I think the form of this amendment is rather uncertain. It says:

> The sentence may further direct that the fine shall be paid by instalments, or within a certain period, or that the person so convicted shall, until payment of the fine, be admitted to bail.

I think it would be better to strike out the words, "or that the person so convicted shall, until payment of the fine, be admitted to bail." If this amendment were agreed to,

it would mean that a man would pay his fine either within a certain fixed period or by instalments, and that he would not be imprisoned unless the fine was not paid.

I move that those words be struck out.

Hon. Mr. GRIESBACH: Am I to understand that he would be subject to a fine which he need pay only by instalments, and that he would not be held to bail?

Hon. Mr. McMEANS: He would not be imprisoned in the meantime, because he would have a certain time within which to pay up.

Hon. Mr. GRIESBACH: He is subject to a fine payable in instalments. What security has he given for this period of liberty?

Hon. Mr. McMEANS: He has not given any; but if he does not pay his fine he will be re-arrested and imprisoned.

Hon. Mr. GRIESBACH: I do not think we should proceed in the absence of the honourable gentleman from Montarville (Hon. Mr. Beaubien). I want to ask some further questions.

Hon. Mr. WILLOUGHBY: I too have some questions to ask.

Hon. Mr. GRIESBACH: My understanding was that the convicted person would be sentenced to the payment of a fine, in default of which he would serve a certain imprisonment; that he would be given a certain time within which to pay the fine, in instalments. I understand also that in the meantime he would be on bail, but my honourable friend (Hon. Mr. McMeans) says this is not so. Then I do not understand the meaning of the clause. If this were so, I was going to ask the promoter of the Bill what would happen if a man paid half his fine and could not or did not pay any more. Would he be required to pay the remaining portion of his fine? If he paid half the fine and absconded his bail, what would his security have to pay? Without that information I cannot vote for this amendment at all.

Hon. Mr. McMEANS: It seems to me to be very simple.

Hon. Mr. WILLOUGHBY: It is not so simple to me as it is to the honourable gentleman from Winnipeg (Hon. Mr. McMeans). It was the objection which has just been urged by my honourable friend from Edmonton (Hon. Mr. Griesbach) that made me ask the promoter of the Bill, when it came up first, to let it stand. I do not think the phraseology of the amendment is sufficiently clear. It reads:

The sentence may further direct that the fine shall be paid by instalments, or within a certain period, or that the person so convicted shall, until payment of the fine, be admitted to bail.

I understand that part of it, but it seems to me that the objectionable feature of the Bill is that there is no provision in case of default in instalments. What will be done to the convicted person if he pays three or four instalments and fails on the fifth or sixth?

I am not opposing the spirit of the Bill. I am sorry that the honourable gentleman who proposed it (Hon. Mr. Beaubien) is not here; I did not know until now that he had gone to England. I am in favour of the spirit of the amendment, because it is a hardship that a man should be put into jail, to be kept there for a period up to five years, until the expiry of his sentence, when if he had been able to procure the necessary money to pay the fine he would have been at liberty. And I do not think that keeping him in jail under those circumstances would tend to reform him. Perhaps it would be a case where the punishment would not meet the crime, because there would exist in the popular mind the knowledge of the fact that he could have been at liberty if he could have paid the fine. When the honourable gentleman (Hon. Mr. Beaubien) was introducing this Bill he gave statistics of the number of convictions in Canada during 1927, and out of the total of those who were given the option of paying a fine instead of going to prison a very large percentage were imprisoned because of inability to pay the fine.

I think the Bill should stand and be redrafted. Perhaps it should stand over for another year, unless some honourable member has been left in charge of it and has power to assent to changes with a view to making it more practical. In my opinion, the phraseology of the amendment is such that the Bill could not be made to work properly in cases of continued defaults. There could not be much harm done if the Bill were allowed to stand. Of course, if the Government assumes the responsibility of putting the amendment through, and fosters it in the absence of the real father, I am willing to accept the explanations of the godfather.

Hon. Mr. McMEANS: I do not see that the amendment would result in any great difficulty in actual practice. It would authorize the trial judge to order a convicted person to pay a fine in instalments instead of in cash. If the judge fined the accused $500, he could order that the fine be paid in monthly instalments of $100, say, if in his

opinion the circumstances of the accused warranted that. I do not agree with the contention of my honourable leader on this side that it would be difficult to give effect to the spirit of the amendment.

Hon. Mr. WILLOUGHBY: What would happen if the accused defaulted on the second or third instalment?

Hon. Mr. McMEANS: He would be put into jail again, whether he defaulted on the second, the third, or any other instalment, even the last one. If you buy a piano on the instalment plan you do not become the owner until you have paid the very last instalment; the instrument can be taken away from the purchaser if the last instalment is not paid when due. So, in the case of an unfortunate person who had paid some instalments on his fine, he would have to go back to jail again if he defaulted on any payment.

Hon. Mr. LEWIS: Might it not be left to the discretion of the magistrate what arrangement should be made in such cases? If the magistrate is given discretion to allow the accused to pay a fine by instalments, why should he not be given complete discretion?

Hon. Mr. WILLOUGHBY: If the language of the Bill is wide enough for that.

Hon. Mr. LOGAN: I think the Bill is improperly drawn. I agree with the honourable leader of the opposition (Hon. Mr. Willoughby) that perhaps it would be as well to have the Bill stand over until next year. After all, the proposed change is to a considerable extent a matter for the attorneys-general of the different provinces, and I think they should be consulted before the Bill becomes law. Many difficulties might arise in the working out of this amendment. Suppose a man had paid four instalments of a fine and defaulted on the fifth. Would the Crown refund him the four payments he had made and have him committed to jail for the full term of his sentence?

Hon. Mr. McMEANS: They would put him into jail and keep him there till he paid the balance. That would be far better for him than to have been in jail all the time since his conviction.

Hon. Mr. LOGAN: I think the Bill should stand over.

Hon. Mr. DANDURAND: Honourable gentlemen, I asked the Department of Justice for its views on this Bill. Like honourable members who have spoken on the subject, the Department felt that there was something to be said in favour of the point of view so eloquently expressed a few days ago by the honourable gentleman who promoted the Bill (Hon. Mr. Beaubien), but before finally giving an opinion it desired to know the criticism, if any, that might be offered. I was told that if there was any hesitancy in supporting the measure the Department of Justice would have the Bill forwarded to the various provincial attorneys-general, along with the Bill that was proposed by the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton), which has been withdrawn for the time being. If the consensus of opinion is that this Bill should go to the other House, the Department will, of course, have to examine it.

Hon. Mr. McMEANS: I should like to say to the honourable gentleman that if I wanted to bring about any reform in the law, or any change that would be conducive to the welfare of the people, the last place I would go to would be the Department of Justice, and the last people I would consult would be the judges of the courts. That is the result of my experience.

When I had before this House the Bill for the revision of sentences and the Bill providing for appeals in criminal cases these measures were sent to the Department of Justice and the judges, and three-quarters of the latter reported against them; but the legislation was passed and to-day these laws are receiving the commendation of the people, and even of judges who formerly opposed them.

Progress was reported.

OPIUM AND NARCOTIC DRUG BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 4, an Act to amend and consolidate the Opium and Narcotic Drug Act.

He said: Honourable gentlemen, during the last Session of Parliament Canada ratified the International Opium Convention, and, a sufficiently large number of other nations having also ratified, the convention came into effect in September last. Under article 2 of that convention, Canada undertakes to review periodically, and to strengthen, as required, the laws relating to the control of narcotics. Consequently the present would appear to be

an appropriate time to bring the Canadian Act up to date. A great many copies of the Act are required for distribution to physicians, druggists and others in the ordinary course of administration, and it is felt that as the amendments proposed are somewhat numerous, it would be preferable to re-enact the Act as a whole, so that there can be no confusion in the minds of the public as to what the law on the subject really is.

The Bill was considered carefully in the other House and it comes to us after having been examined by a special committee.

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

MONTREAL HARBOUR LOAN BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 37, an Act to provide for a further loan to the Harbour Commissioners of Montreal.

He said: Honourable gentlemen, we passed yesterday several Bills to empower various Harbour Commissions to borrow funds for the development of their respective ports. The present Bill, which contains the standard clauses ordinarily found in such measures, has for its object the granting of authority to the Harbour Commissioners of Montreal to borrow $10,000,000 for the construction of terminal facilities. The money borrowed will be applied to various purposes, one being the enlargement of the Laurier Pier. The following is a recapitulation of the estimated costs of the proposed new works to be carried out during the years 1929, 1930 and 1931.

Item		
1.	Enlargement of Laurier Pier	$ 2,000,000
2.	Reconstruction of King Edward Pier and Alexandra Pier	2,000,000
3.	Extension of Electrified Railway System across Lachine Canal	1,500,000
4.	Extension of Grain Conveyor System	1,000,000
5.	Industrial Wharves	500,000
6.	Additional Berthing Facilities—First Stage	2,000,000
7.	Acquisition of Land	1,000,000
	Grand Total	$10,000,000

I might say that the revenue of 1928 amounted to $5,589,327.12, derived from the following sources:

Grain elevator system	$2,656,659 99
Wharfage rates	1,409,945 87
Railway traffic dept	635,798 76
Rental of sheds, hoists, etc	372,717 60
Rental of harbour spaces	229,285 41
Storage warehouse	173,678 62
Sundry receipts, discounts, etc	111,240 87

The following statement shows the consistent and regular increase which the revenues of the Harbour Commissioners have maintained over a period of years:

1921	$2,891,274 42
1922	3,460,810 87
1923	3,721,159 99
1924	4,382,115 25
1925	4,749,100 69
1926	4,632,599 92
1927	5,453,951 56
1928	5,589,327 12

The business of the port is constantly expanding, and development must follow accordingly. I need only cite the number of ocean-going vessels, which has gradually increased since 1923, as follows:

Year	Ocean-going vessels	Net regd. tonnage	Total ocean-going and inland vessels	Total net regd. tonnage
1923	1,082	3,683,720	6,691	11,879,028
1924	1,223	4,096,332	7,014	15,312,096
1925	1,255	5,104,313	7,212	14,782,476
1926	1,421	4,221,730	7,618	16,667,324
1927	1,610	4,992,486	7,798	17,322,444
1928	1,607	5,494,062	7,480	19,229,465

Hon. Mr. STANFIELD: Can the honourable gentleman give the disbursements?

Hon. Mr. WEBSTER: There was a surplus of over $300,000 last year.

Hon. Mr. STANFIELD: Does that allow anything for depreciation?

Hon. Mr. McDOUGALD: After paying all fixed charges, roughly 4 per cent on the capital expenditure of $54,000,000, and setting up a one per cent sinking fund, we had a surplus over and above all items of operating expenditure of $300,000. The sinking fund of one per cent amounted to $477,100.

Hon. Mr. DANDURAND: I move the second reading of this Bill.

Hon. Mr. WILLOUGHBY: I am not rising to oppose this Bill, but I would ask whether or not the Harbour Commissioners have the right to borrow privately, without coming to the Government at all.

Hon. Mr. McDOUGALD: They have no right to borrow privately.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, not many advances to the Montreal Harbour Board have come up in my time. I have never found any disposition to oppose them. We are all proud of the devel-

opment of the harbour. I have no doubt we all think it is properly managed at all times, and perhaps particularly at the present period. It is a national harbour from many points of view. It is doing what some other harbours, unfortunately, have not been able to do; it is paying its way—not only paying the interest, but providing for a sinking fund. We have had less fortunate experiences elsewhere, as we all know; and I hope that we did not yesterday lay the ground for any other unfortunate experience such as we have had with some other harbours.

I have no objection whatever to this grant, for I want to see the harbour of Montreal made the most efficient possible. We want it to be not merely equal, but superior, to anything in the United States, able to handle not only the merchandise that goes through it today, but ever increasing quantities. We want it to become a great outlet for the grain and other agricultural products of the West. We hear a great deal to-day about congestion, and, as we know, there is congestion this year, but I do not think that Montreal is as much affected by it as some other ports.

I do not know how the gentlemen of Montreal connected with this Commission, and the citizens of Montreal generally, are speculating as to what may be the effect on their future of the development of the harbour at Churchill. They already know, as we all do, the extent to which the shipment of prairie products via Vancouver has grown. That port was scouted almost as indignantly—I might say, as flippantly—in some of the objections by honourable members of this House, as was the harbour of Nelson, but it has made good, and we of the West are proud that Vancouver Harbour is growing steadily. We on this side of the House readily assented yesterday to the granting of any further moneys necessary to complete the facilities at Vancouver and bring them up to date, so that they may be adequate to the trade which that port is doing.

I have no objection to this grant to the Montreal Harbour. There being no other way of raising the money, as I thought there might be, the Commissioners have come back to the common banker of Canada to get money to enable them to carry on.

Hon. Mr. DANDURAND: The honourable gentleman will realize that, under the system of financing which is in operation, the money can be obtained at a much lower rate.

Hon. Mr. WILLOUGHBY: That was perhaps the reason a solvent borrower had for coming here.

Hon. Mr. DANDURAND: Perhaps the Chamber would like to hear some statistics of grain exports for last year. The figures give the exports at Montreal as compared with those of the competing ports in the United States.

	Bushels
Montreal	211,295,379
New York	84,782,462
Baltimore	24,167,184
Galveston	22,432,287
New Orleans	15,336,537
Philadelphia	13,240,767
Boston	5,260,227
Norfolk, Va	4,054,662
Portland, Me	2,992,349

I think that of all the Atlantic seaports Montreal stands first.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Robinson in the Chair.

Sections 1 and 2 were agreed to.

On section 3—interest on debentures during construction may be charged to capital account:

Hon. Mr. McCORMICK: What period of time would be considered necessary for the expenditure of this money?

Hon. Mr. DANDURAND: Three years.

Hon. Mr. McCORMICK: During that period there would be no interest at all paid. The Bill says:

3. During the period of construction of the works referred to in the preceding section, the interest payable on the debentures deposited with the Minister of Finance and Receiver General under the provisions of this Act in respect of the construction of such works shall be deemed to be money required to enable the Corporation to construct the said works and to be a part of the cost of construction thereof, and the said interest may be paid out of the said sum of ten million dollars; the period of construction herein referred to shall begin on the day when the first loan is made on account of the said construction, and shall terminate on such date as the Governor in Council shall fix and determine.

Hon. Mr. McDOUGALD: Perhaps I can explain that if I just outline the procedure. This Bill providing $10,000,000 is only an enabling measure. When we require money for sheds at Montreal, for example, the plans are prepared. Suppose it is a $500,000 shed. The plans are sent to the Department, whose engineers must pass on the plans and on the cost of that shed. Then we are authorized by Order in Council to proceed with the con-

struction, and when we have spent on it, say, $100,000, the auditors from the Department come to the harbour and audit the work that is being done, and the money spent, up to $100,000. Then we make application through the Department to the Finance Department for $100,000, and from the date on which we get that amount we start to pay interest on it. So the procedure goes on until the $10,000,000 has been expended.

Hon. Mr. ROBERTSON: I assume that the $300,000 surplus on hand last year, which was referred to by my honourable friend, can be expended by this Board of Harbour Commissioners for any purpose they may deem desirable, without the plans being submitted to anyone.

Hon. Mr. McDOUGALD: Yes, that is right.

Section 3 was agreed to.

Sections 4 to 7, inclusive, were agreed to.

The preamble and the title were agreed to.

The Bill was reported.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

POSTAL OR RAILWAY MAIL SERVICE EMPLOYEES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 252, an Act respecting certain employees of the Postal or Railway Mail Service of Canada.

He said: Honourable gentlemen, the reading of the explanatory note which accompanies this Bill will perhaps suffice to lay before the Chamber the whole purport of the proposal. In May, 1919, postal employees of certain Post Offices in Western Canada participated in a "sympathetic" strike. Of those who took part 416 permanent employees failed to avail themselves of the opportunity to return to duty within the time limit specified and were accordingly dismissed from the Service by Order in Council. Of this number 96 are now in the Service, having re-entered as new employees at the minimum salary of the class to which they were appointed after passing the regular open competitive Civil Service examination. The only concession granted these men was the waiving of the maximum age limit. Authority is now sought to provide for the readjustment of the salaries of these 96 men by paying them, for services actually performed, as from the date of the re-employment at the rates of remuneration paid to other employees for similar services. It is estimated that approximately $125,000 will be required to effect this adjustment of salaries.

In order to show that the Bill carries out the purpose explained, I will read the only clause which it contains:

1. Notwithstanding anything to the contrary in the Civil Service Act, the former employees of the postal or railway mail service of Canada who were removed from such service by Orders in Council P.C. 89/1474, dated the fifteenth day of July, 1919, and P.C. 2224, dated the third day of November, 1919, and who were subsequently re-employed and are now in the said postal or railway mail service, shall be paid for services actually performed as from the date of their re-employment at the rates of remuneration paid to other employees for similar services.

I might further explain this measure by saying that, in so far as the Bill is concerned, no acccunt need be taken of the salary a man was receiving when he went out; no account need be taken of the date of his re-employment; no account need be taken of anything but the actual work at which he has been engaged since his re-employment.

With respect to the salary that a man receives when he is re-employed, honourable gentlemen are aware that the Civil Service Commission attaches to each of certain classes of employment a fixed rate of remuneration, which is supposed to govern all who are employed in that particular class. Had there been no strike, all who were engaged in performing a particular class of duties would have been receiving the remuneration assigned to that particular class. Some men came back into the postal service at Winnipeg under the terms of the Order in Council which permitted them to re-enter, and they were put into certain classes of work at a lower rate of remuneration than those classes properly command. This Bill provides that in such cases the men shall be paid at the rates attaching to the class of work in which they were actually engaged. If, for example, a man was doing the work of a letter carrier, and he was paid as a postal helper at a much lower rate, he would be entitled to nothing more than the difference between the postal helper's rate and the letter carrier's rate for the time during which he had been doing a letter carrier's work. So it is with respect to all other classes of employees. This is in accordance with the letter and the spirit of the Civil Service Act. In other words, this Bill proceeds on the principle that the State in employing labour should pay for services rendered the wages

which the positions command, according to either the current rate or the rate fixed by the Civil Service Commission.

In this particular matter there is no dispute regarding the remuneration which certain classes of work command. It is known that a postal helper receives so much a day, that a letter carrier receives so much a day, and so on. Daily records are kept of the work of employees, and it is known whether men have worked as letter carriers, or sorters, or helpers. It is possible, therefore, to ascertain exactly the difference between what any man was paid and what he should have received had he not been penalized in the matter of his wages. The Bill seeks to remove, as respects services actually performed, a sense of injustice that exists in the minds not only of the men immediately affected, but of labour generally.

When it comes to ascertaining the salaries to which these men would have been entitled during the past ten years if they had been paid according to the rates attaching to the work they have done, inquiry will be conducted by the Assistant Deputy of the Postmaster General and an appointee of the Civil Service Commission, both of whom will confer with the Postmaster at Winnipeg.

Honourable gentlemen have learned through the press and other channels that a Bill to cover the present case was introduced in the other House; indeed, it must have been distributed to honourable gentlemen, as are all Bills that are introduced there. I desire to draw attention to the fact that the terms of this Bill are different from those of the Bill as originally introduced. The first measure was somewhat opposed on general principles by many who did not know exactly the policy underlying the Bill. I was glad to observe that after considerable discussion, and a redrafting of the Bill, the opposition in many quarters subsided. The opinion has been expressed that the men were taken back only through the good graces of the authorities, and that they have been justly penalized for their actions. Far be it from my mind to say anything which would condone their offences. I hold that employees in the various services of the State owe to their employers a special duty which does not attach to those employed by private individuals. I was shocked by a strike of the peace officers of the city of Montreal, which left my home city to the tender mercies of banditry; and I was glad when I learned that the Court of Appeals of the Province of Quebec had declared that the union of peace officers was illegal. One may enter certain services which debar him from that powerful weapon, the strike. I recognize the strike as a weapon belonging to labour. There are organizations of all kinds for the protection of capital, and I believe that the joining together of labour for its own protection and the assertion of its rights is just; but when it affects a public utility it affects the whole community, and there are certain classes of public officers who do not come under the general rule that labour has the right to strike.

It has been said that these postal employees were justly penalized. Well, they were very severely penalized. I would draw the attention of honourable gentlemen to the fact that for ten years these 96 men have been struggling on a diminished income. I can imagine these men, in the neighbourhood of thirty-five or forty years of age, and fathers of families, their earnings increasing with their responsibilities, being suddenly confronted with the loss of a material part of their income. Honourable gentlemen know that it is much easier to enlarge a budget than to reduce it, and that a salary increase from $1,500 to $2,000 is soon followed by an increase of expenditure to the new level. They know how hard it is to readjust one's budget, and how much one feels the pinch brought about by the loss of a few hundred dollars of income. These employees committed a grave error, and they have suffered the consequences; but ten years have passed, and I believe that the State, above all employers, should show a generous spirit. It speaks and acts for the majority of the people. The Postal Workers' Association have sent to members of Parliament a circular in which they state that they have examined the position of these men, and now they are unanimously petitioning Parliament in order that their brethren, who work by their side and are governed by the same laws as themselves, may be given adequate remuneration for the services they are rendering.

Hon. Mr. GORDON: May I ask the honourable gentleman if there is also a petition from the Reds of Winnipeg, who incited these men to rebel, and who took part in the disturbance?

Hon. Mr. DANDURAND: I do not know what has become of the Reds of Winnipeg. I think they are now a fairly negligible quantity.

Hon. Mr. LAIRD: They are there yet, the same as ever.

Hon. Mr. DANDURAND: We must think of the community as a whole.

Hon. Mr. GORDON: Would it not be wise also to think of the little children in Winnipeg who were deprived of even their milk at that time? These men had no sympathy for them.

Hon. Mr. DANDURAND: My honourable friend will remember that that was a passing event; that it lasted but a few days. I am quite sure that if he were to come into contact with any of the particular cases that are now being reviewed his heart would be softened. I am quite sure that if my honourable friend went among these men and learned what they have passed through during the last ten years, it would make all the difference in the world to his opinion.

I desire to draw the attention of my honourable friend to the fact that, from a social point of view, our nation is in a very healthy condition. I believe that in very few countries in the world is there so little class consciousness as in Canada. The relationship among the various classes in this country is most agreeable and satisfactory. All this is due to the human sentiment and the spirit of fair dealing that permeate the nation. Under these conditions I wonder whether it does not behoove this Chamber, which in the mind of the public represents especially the upper classes, to join with the representatives of the people in the Commons and say, after ten years, that we will establish the principle that those men who were paid a smaller salary than they were entitled to receive for the services which they rendered should be given what they earned. I am quite sure that after the strike the employers in the city of Winnipeg paid to the very men who had left them the same salaries that they had paid them before. Unskilled labour falls into a general category, and the question has been raised among the labouring element throughout Canada whether we should not follow suit. Men who have studied the situation have come to the conclusion that an injustice has been done and that it is the duty of Parliament to correct it. We are employers of labour, and I doubt very much whether any employer in the land, upon taking back employees to do the same class of work that they had been doing before, would delay ten years before giving them proper compensation.

Hon. F. L. BEIQUE: Would the honourable gentleman allow me to put a question or two? It is possible that the first part of his remarks covered what I am about to ask, but I want to understand the facts. I understand that there were two Orders in Council removing certain employees of the Post Office Department, the first order being passed in July of 1919, and the second in November of 1919.

Hon. Mr. DANDURAND: That is not exactly right. My honourable friend (Hon. Mr. Robertson) who was in the Cabinet at the time could probably give the explanation. I believe the first order removed the men and the second allowed them to come back under certain conditions.

Hon. Mr. BEIQUE: I am reading from the Bill. It refers to:

> —former employees of the postal or railway mail service of Canada who were removed from such service by Orders in Council P.C. 89/1474, dated the fifteenth day of July, 1919, and P.C. 2224, dated the third day of November, 1919....

Hon. G. D. ROBERTSON: I can give my honourable friend the facts surrounding those Orders. About the 22nd of May, about ten days after the strike commenced, the Government was importuned by the citizens of Winnipeg for the restoration of postal service, which had been interrupted from the beginning of the strike. Two of the Ministers of the Government of that day visited Winnipeg, examined into the situation, and came to the conclusion that the service must be speedily restored. Urgent requests were made for the summary dismissal of all postal employees who had participated in the sympathetic strike. That request was not complied with, but everybody was notified—the employees directly by the Postmaster, and the public through the newspapers—that the Government would undertake to restore the service on the 26th of May, if my memory is correct, to reinstate without question every postal employee who had participated in the strike but who returned for service by noon of that day, and to forget the incident. Some 82 of the three hundred odd employees—not 416, as stated in the explanatory notes attached to the Bill—returned. The others did not. In order to continue giving postal service in Winnipeg, the Government proceeded to fill the vacancies by employing some of the numerous applicants, almost all of whom were returned soldiers. Subsequently, in July, 1919, nearly two months afterwards, the Treasury Board brought in a recommendation containing the names of those who had left the service and who, the Government had said, could not return. In the following November the then Postmaster General, an honourable gentleman who now sits in this House (Hon. Mr. Blondin), brought in a small supplementary list of about nine names that had been omitted from the original. That is the explanation of the two Orders in Council named in this Bill. Then, on June 4, 1920, after months of consideration and some inquiry, an Order in Council, which is not mentioned in

the Bill, was issued giving the Civil Service Commission authority to re-employ striking postal workers who made application for re-instatement and who complied with Civil Service regulations.

Hon. Mr. BEIQUE: The facts are, as I surmised, that by two Orders in Council passed on different dates, one in July, 1919, and the other in November of the same year, a certain number of employees were removed from the service.

Hon. Mr. ROBERTSON: That is correct.

Hon. Mr. BEIQUE: I understand from my honourable friend that in the year 1920 a certain number of employees—presumably those who are dealt with in this Bill—were reinstated.

Hon. Mr. ROBERSTON: No; re-employed.

Hon. Mr. BEIQUE: I desire to know whether they were re-employed as members of the classes to which they belonged formerly.

Hon. Mr. DANDURAND: No.

Hon. Mr. BEIQUE: They were employed to do work of an inferior class?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEIQUE: And it is on account of that they were paid a salary inferior to the salary which they would have been given had they been reinstated in their former classes?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEIQUE: And now the object of the Bill is to treat them as if they had been re-employed as members of the classes to which they formerly belonged. I am afraid that the Bill does not make that clear, because it says:

—and who were subsequently re-employed and are now in the said postal or railway mail service, shall be paid for services actually performed as from the date of their re-employment at the rates of remuneration paid to other employees for similar services.

My reading of the Bill as drafted is that these men are to be paid the salaries for the classes of services which they have been rendering, and I am afraid that the object of the Government, as I understand it, is not carried out by this Bill.

Hon. Mr. DANDURAND: It seems to me that the intention is fairly clearly expressed in the words which my honourable friend has read. They—

shall be paid for services actually performed as from the date of their re-employment at the rates of remuneration paid to other employees for similar services.

Hon. Mr. BEIQUE: I would draw the attention of the honourable gentleman to the fact that "similar services" means the services which they have been rendering and which may not be services of the classes to which they belonged.

Hon. Mr. DANDURAND: No; I believe my honourable friend is in error. The remuneration is to be the same as that "paid to other employees for similar services."

The work of the committee of inquiry, composed of the Assistant Deputy of the Postmaster General and the appointee of the Civil Service Commission, will be to take the list kept in the Winnipeg Post Office, for instance, and find with whom the men in question have been working during the last ten years and the work which they have been doing from day to day. The Committee's task will be easy. If the men were working as letter carriers they will be paid the same rate as their brother letter carriers were paid for the same time, while those who have been postal helpers will be paid the salary of that class. Whatever positions they occupied, they were working in a certain class with certain men whose names will appear in the list, and it will be easy to determine the proper classification. If it happened that any of these men were receiving the proper salary for the class of work they were doing, they would be entitled to no extra remuneration; but if, for instance, they were doing the work of letter carriers and were being paid as postal helpers, then they would be entitled to the difference in salary.

This is the explanation which was given in the other House by the Prime Minister, and it was accepted by the other side of that House as a very clear explanation of the purport and effect of the Bill.

Hon. Mr. GORDON: Does that mean that these men are really going to be reinstated and that they will be paid at the rate they were formerly receiving, notwithstanding that they are working in a lower class?

Hon. Mr. DANDURAND: If a man was put into a class lower than the one in which he formerly was, and if he worked in that lower class, he will be paid the salary appertaining to the lower class; but if he was doing the work in a higher class than that for which he was being paid, then he was not receiving what he was entitled to, and that is what has happened in very many cases. Many of these men were put at the bottom of the lowest class, because their places had been filled by returned soldiers and others.

The men provided for in this Bill took whatever positions were assigned to them and were paid a salary lower than that which was proper for the work they were doing. The reason for their being given the higher classes of work is quite natural. Here were 96 men —I say 96 because that is the number stated in the explanation attached to the Bill—who probably had been in the service for periods of from three to fifteen years. They were experienced, and they were taken back as new employees, while in many cases the men above them, who had been engaged to fill the positions that the strikers had left, were without experience. It is not to be wondered at that, although these experienced men were placed at the very bottom of their classifications, they promptly were given higher positions which their experience enabled them to fill. That is where the grievances began, because they were paid as postal helpers while they were doing work which would entitle them to $100 or $200 more a year. Those who remained as postal helpers and did that work and have been paid on that basis, are not entitled to any further remuneration, but those who were paid on that basis while they were doing work of a higher class are entitled to compensation.

Hon. Mr. TANNER: May I ask another question of the honourable leader of this House? As I understand it, these men came back as employees at the lowest grade, postal helpers?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. TANNER: Am I right in understanding further that some of them were put to work as letter carriers and some as sorters?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. TANNER: Which would be higher grades in the service?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. TANNER: I should like to know how they get into those higher grades. Does the Civil Service Act provide for the grading of officials? Are they required to pass examinations? Is there any course through which an employee must go in order to pass from the position of postal helper to those of sorter and of letter carrier, or can the Postmaster in any district, of his own will, promote an employee? If the men are required to pass certain civil service requirements before being promoted, were those requirements complied with in the cases of these men, or was the law wholly disregarded? I do not know these things and I am simply asking for information.

Hon. Mr. DANDURAND: I stand to be corrected, but the information I have is that they were reappointed under an Order in Council. It was at first thought that since the Civil Service Act had been disregarded or had not been complied with, the Order in Council had been passed under the War Measures Act; and this was the information expressed elsewhere, although with some hesitancy, I will admit. But there was an Order in Council. A question has arisen as to the legal justification for that Order in Council, but the present Bill does not deal with that situation.

Hon. Mr. TANNER: The Order in Council, as I understand it, simply provided that the men might come back into the service as postal helpers. The Order in Council did not say that they would be promoted, did it?

Hon. Mr. DANDURAND: My honourable friend the ex-Minister of Labour (Hon. Mr. Robertson) might read us the Order in Council. As a matter of fact, though these men were paid as postal helpers, in very many instances they were called upon by the officials immediately over them to do the very work that they had been doing formerly.

Hon. Mr. TANNER: I understand that, but had those superior officials the right to do that?

Hon. Mr. DANDURAND: We are facing the facts.

Hon. Mr. TANNER: But had they the right to do that? In doing that, were they not disregarding the Civil Service Act?

Hon. Mr. DANDURAND: I have not gone into the question deeply enough to express an opinion on that.

Hon. Mr. TANNER: Were not these men promoted ahead of other men—including those who were taken on at the time of the strike —who were entitled to the promotion?

Hon. Mr. BUREAU: A temporary emergency.

Hon. Mr. DANDURAND: Of course my honourable friend will realize that hundreds of war veterans were employed. The situation proved again the truth of the old dictum that "necessity knows no law." It was probably because of that compelling necessity that the Postmaster at Winnipeg did draw on those men to serve him in positions in which they had served before.

Hon. Mr. TANNER: I do not want my honourable friend to form the opinion that I am opposed to paying these men. I have

an open mind on the subject, and my purpose in making these inquiries is merely to get information. As I understand it, these men, who left the service of their own free will, later came back of their own free will and were re-employed as postal helpers; and then somebody, without lawful authority, moved them up into higher grades, where they continued to work; and because they worked in those higher grades we are now asked to pay them the wages that are ordinarily paid for the work they did.

Hon. Mr. GORDON: From the opinion advanced by the honourable gentleman from De Salaberry (Hon. Mr. Béique), I would take it that the intention was to raise the pay of these men so that they would be getting the same wages as others, who had not left the service, and by whose side they worked. But after having listened to the explanation of the honourable leader of the House (Hon. Mr. Dandurand), I was given the impression that these men were really being reinstated.

Hon. Mr. DANDURAND: No; they were re-employed.

Hon. Mr. GORDON: Then the honourable gentleman from De Salaberry (Hon. Mr. Béique) is correct, that the Bill provides for something different.

I should like just to say, in regard to the whole Bill and the situation which existed at the time, that these men were civil servants, and I do not think the Government should tolerate a strike of any nature whatever by civil servants. I fear it will create a bad precedent to give these men such remuneration as would put them on the same basis as before. The principle I advocate in this matter is entirely different from that which I would apply to employees of a private corporation or individual. For my part, if I were an employer, I should have forgiven these men years before this, and treated them in a different way; but they had been public servants on whom the business of the country was dependent, and they engaged in a strike that was composed of all the Reds of the city of Winnipeg, a strike that paralyzed everything within the city, and would have been the means of the death of many children if the citizens of Winnipeg had not taken the stand they did, and quelled what was really a rebellion.

I regret to say this, but I am not at all in sympathy with the Bill, and for my part I think it would create a very dangerous precedent.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, I will not speak at length, as I had intended, for I seem to have a little throat trouble. However, there are those on this side of the House who will go into details which I shall not touch at all in my discussion. I shall confine myself very largely, in the little I may say, to the general principles that underlie the Bill.

The fact is that the strike at Winnipeg was not an ordinary commercial strike as between employer and employee; it was a revolutionary strike that was intended, and was preached in the city of Winnipeg, as a social revolution. It was not a mere ordinary falling out such as sometimes takes place between employer and employee, a controversy over wages, or working conditions, or anything of that kind, but a sympathetic strike by the employees in the Winnipeg Post Office to show their adhesion to the principles, and sympathies with the cause, advocated by the Reds at Winnipeg.

Hon. Mr. DANDURAND: But many men in the postal service disclaim that intention.

Hon. Mr. WILLOUGHBY: They disclaim the intention when they seek employment afterwards and cannot get employment. They were offered the protection of the municipal authorities of Winnipeg, the police of Winnipeg, and the Mounted Police when they were in that city. It was a social revolution they wanted, and not the mere adjustment of differences between the Post Office authorities and themselves, for they had none.

As has been indicated already, and as we know, these were the employees of the Government. They stood in the relation of employees to employer in practically a sheltered position. They had gone in under the Civil Service Act. Their positions were absolutely secure as long as they discharged their duties. Their promotions were absolutely secure. Even their superannuation was secure under the terms of the Act. In commercial employment every employee has to rely to a large extent on the generosity of the company or person employing him, not only for promotion, but for permanency. I was chairman of the committee at the time when this House approved of the extended application of the Civil Service Act, and it is our boast that the civil service system was adopted. I am not going to discuss that matter now, but we tried to take out of politics the Outside Service, such as the Post Office. If those employees of the Winnipeg post office were subjected to any persecution by any higher officer in the service, or any other individual, or met any unfair

treatment from any person, they could have had recourse to this Parliament to obtain redress. They were absolutely different, therefore, from any other employees. When the general strike was called in England we saw that the Post Office employees did not respond. That service is one of the necessary cogs or parts of the modern machinery of civilization, and I should say if any class in the world should not go on strike, a sympathetic strike, it would be the Post Office employees. Knowing all that, they went out with their eyes open. They were participants, or in any event were overt sympathizers. I am told that the plans in Winnipeg were absolutely revolutionary—plans to prevent the children of Winnipeg from getting milk and other food necessary for their sustenance; plans to prevent them from getting water and other necessaries, which I will not detail, for the reason which I have just stated.

I therefore say that these men stand in a peculiar relation to the public. If some revolutionary strike were in progress in the city of Ottawa and the permanent staff of the Houses of Parliament all joined hands with those strikers and said, "We will not function or carry on here," and did this without any cause except to show sympathy with the strikers, we know what would follow. That strike in Winnipeg was not an ordinary strike at all; they did not profess that it was an ordinary strike; they professed to revolutionize our modern society, to revolutionize absolutely the relations of employer to employee, and capital to labour. They were to set up a new heaven and a new earth, and this old heaven and this old earth that seemed to be good enough for us were to disappear.

Now, what did these gentlemen do? Notification was given them, after they had gone out, to come back and serve again. A small percentage of them came back after some ten days or more, and they re-engaged for public service. I submit that in any event they should have been re-engaged in the lowest classification, in which there are many positions in the postal service. They came on, and they took a new contract with their eyes open, with no compulsion on them from anybody in the Government, or anybody representing the Government, but simply the option of coming back. Without knowing the facts I venture to say that those positions could have been filled—perhaps not all at once, or not by experts or highly trained people, but by green hands, in a very short time—once it was known, as it was pretty well known at that time, that the strike was going to peter out and would not accomplish the ends which the strikers had in view. There would have been no difficulty in filling those jobs at the end of ten days with men who would come on to the staff under the ordinary requirements.

Those men re-engaged under no misrepresentation or compulsion, but of their own free agency, and now we are asked to take approximately $125,000 and hand it over to those gentlemen who banded themselves together to throw society in Winnipeg into disorder. When they came back they were re-engaged on the condition that they should begin at the minimum of their classification, but with the same obligations towards the public and the Post Office. Now, after ten years, they ask to be compensated with a large amount of money because time, the healer, has intervened, and we are expected to be generous. We are asked to be sympathetic because, forsooth, we sit in this Upper Chamber and we are the lords of creation. I do not remember exactly how the honourable leader of the House stated it, but it devolved upon us to show the proper sympathy for another stratum of society—I think that is the way he put it.

Hon. Mr. DANDURAND: As it appears outside.

Hon. Mr. WILLOUGHBY: From their point of view. Well, I think that this House, and many other upper houses, are usually found to be more democratic than the lower houses, although differently constituted. I am sure that in this House there are many who have been employers of labour all their lifetime, some of them large and generous employers, and I am sure that we have just as kindly a feeling towards labour in this country as is found in the other House, or in any other Chamber in the world. I am sure we may say that in deference to the generous sentiments towards labour that actuate everybody in this House. We want to be just.

If those employees had belonged to a much higher order of employment in some department of the Civil Service here in Ottawa, requiring a better education, and perhaps having more important duties, and they had gone out, I very much doubt that this House would entertain for a moment a proposal to recompense them after they had come back from their foolish escapade that had ended in futility because it could not succeed. Do honourable gentlemen think we should have thought of recompensing them retroactively? Take the employees of any Department here in Ottawa —I will not say the Department of Justice: if the strike had been here, they would have been just as much warranted in going out as employees were in Winnipeg. Would they have got the opportunity to go back again,

and after ten years to come here and say, "Forget the fact that we abandoned our jobs in the day of peril, when you needed us to carry on the service of the country—forget all that, and pay us just the same as if we had been doing our duty all the time"?

I am against that principle absolutely. I do not think that this Parliament should pass retroactive legislation of that kind. It is setting up a bad precedent. I do not think this is a harsh attitude to take. There is no injustice when a man who is brought before the judge and found guilty receives the punishment prescribed by the law; he deserves it, or he would not receive it. In the present instance there is no question of punishment; but the employees are asking for an act of grace on our part. We are going to reason with them ten years after the strike is over, and they are applying to ask us for $125,000 because, forsooth, they say, "We earned that by the kind of work we did." If they did earn it to some extent, they interfered with the prospects of advancement of other clerks in the Post Office Department.

The honourable leader of the Government shakes his head, but if my information be correct, I think I am warranted in that statement. In each classification there are a number of employees. For the purpose of illustration we will take the classes 3, 4, 5 and 6. They all rise in grades according to the classification. Grade 4 is higher than 3, and 5 is higher than 4. I am not following the Act at all. Very well; men who stayed in their employ have a right to look for promotion. They have passed the examination for promotion from 3 into 4, from 4 into 5, and so on. You bring back those radical strikers to the number of 80 or 90, and put them into the jobs. That interferes with the line of promotion of those who remained faithful to their duty. If my information is correct, the salary paid to the striker who was reengaged was not the salary of a person coming into the service for the first time, or the lowest emolument payable under the provisions of the Civil Service Act: the men reengaged were given, not the lowest salaries of any employees in the Post Office, but the lowest in their classification, which was a vastly different thing.

I venture to say a number of them are not entitled to very much at all. I shall not attempt to discuss particular cases. I base my remarks on the broader principle that this Parliament, whose duty it is to see that the laws of Canada are observed, should be the last to interfere in a matter of this kind and reward employees who abandoned the service of Canada at a time of peril to this country. Those men struck, not because of any complaints or grievances they themselves had, but in sympathy with the Red element of Winnipeg, whose avowed object in all that commotion was the overturn of Canada and the bringing in of a new system of government in this country. That is what we are rewarding. In the end that is what will be said in Winnipeg by that element, if you vote this money—that they have won out in the end. That will be said by the Reds all over Canada, and they are numerous.

I cannot speak for organized labour at all, but I am perfectly satisfied that all organized labour throughout this country, or perhaps any great proportion of organized labour, is not behind those people. Sporadic smaller associations and bodies may be sympathetically moved now, after ten years' time, to say, "Let this all pass." I think the organization called the Amalgamated Civil Servants does not represent all the postal employees of this country.

I do not intend to make any motion at the present time, but I am appealing to the stable element in this House, and I am discussing the question irrespective of politics altogether. I hope honourable gentlemen have found, and I think they will in the future find, that I mix as little political element as possible, though, like the rest of them, I have my own political prepossessions. We in this House, I think, are immune, so that whatever decision we reach, it can be said that we have acted independently of political controversy. Therefore, so far as I am personally concerned, I think it would be setting up a wrong principle, which could be invoked against us at all times afterwards, to reward the men who committed a public tragedy in the hour of need and trial.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

Hon. J. LEWIS: Honourable gentlemen, it seems to me that there is some misunderstanding as to the purpose of this Bill. If some honourable gentlemen opposite interpreted it rightly, I have interpreted it wrongly. Some of those on the other side have spoken with an indignation which, perhaps, would have been justified if the Bill meant what they said it meant, a Bill for rewarding certain men for a wrong done in 1919. It seems to me that it is not that, but a Bill for fairly paying men for something they did long after 1919.

It might clarify the matter a little if I were to read the first resolution that was in-

troduced in another place, and afterwards the amended resolution. The first was as follows:

Resolved, that it is expedient to provide for the readjustment of the salaries of certain postal employees in Western Canada who were dismissed in 1919 and subsequently re-employed, to give them the benefit of salary they would have received had they re-entered the service in the class equivalent to the one they were in when dismissed, and of subsequent salary revisions, and to make provision whereby certain former employees not now in the said service shall be eligible for re-appointment as vacancies occur.

Then the amended resolution upon which the Bill was founded is in these words:

Resolved that it is expedient to provide for the re-adjustment of the salaries of certain postal employees in Western Canada who were dismissed in 1919 and subsequently re-employed, to give them payment as from the date of their re-employment for services actually performed at the rates of remuneration paid to other employees for similar services.

Now, to show that that is not a mere verbal amendment, I may refer to the attitude of the Manitoba Free Press, which was very strongly opposed to the original proposition, in fact, so much so that it sent to me, and I suppose to others, a copy of an editorial in which the proposition was very severely denounced. But after this amended resolution was passed, the same newspaper published an article entitled "A Settlement on Right Lines." It begins as follows:

The adoption by the Commons, without opposition or question, of the resolution dealing with the case of the Winnipeg postal workers is pretty fair evidence that this question has now been put upon a basis on which it can be dealt with on the merits of individual claims for consideration. Enquiry and investigation may show that in individual cases there has been, owing to the conditions under which the striking employees were taken back into the service, a divergency between work done and the money paid, constituting a grievance; and wherever such deficiency in remuneration is established before a competent and impartial board of enquiry, there can be no objection taken to additional payment.

I do not think one can charge the Manitoba Free Press with being in alliance with the Reds. I imagine that it was one of the institutions which actually suffered from the actions of the strikers in 1919. My position is simply this: that while it is quite right to say that we should not reward those men for something undoubtedly wrong which they did in 1919, it is a very different proposition to say that "because you did something wrong in 1919, we are going to deprive you of the wages which you fairly earned afterwards." The wrong was committed, if at all, when those men were taken back. But, they having been taken back nominally, as I understand, as postal workers in an inferior position, and then performing work entitled to superior pay, it seems to me that it would be very unfair for Parliament to make the offence of 1919 an excuse for paying men less than they were entitled to for work done some time afterwards.

I am not going into all the questions arising at the time of the strike. I think perhaps there is something to be said for the fact that at that time everybody was in the war mood, and that all kinds of wild ideas were in circulation. I can remember that in Toronto there were meetings in which all sorts of Bolshevik ideas were publicly advocated. Since that time there have been only very sporadic evidences of that feeling, and my impression is that the danger is now very much less than it was.

These men undoubtedly did wrong under the influence of a sort of wave which was passing over the country at the time; and while I am not in favour of condoning what they did, I do not know that any of us is entitled to say that we are going to visit upon them the full punishment for their offences. I doubt whether there is any one of us—certainly I am not one—who would be willing to be judged exactly according to what he has done, and to be punished for all the offences he has committed.

For these reasons I propose to vote for the Bill.

Hon. Mr. LAIRD: The article which the honourable gentleman quotes is based on the assumption that the whole matter would be adjudicated by some fair and impartial tribunal. What is the fair and impartial tribunal by which this matter will be adjudicated?

Hon. Mr. DANDURAND: I think I saw a summary of that article which appeared in the eastern press. It was subsequent to the statement made by the Prime Minister as to his desire to bring in a resolution and a Bill on the lines of the one now before the Senate. I felt that that article was an approval of the statement made by the Prime Minister, which has been implemented by this Bill.

Hon. Mr. LAIRD: Yes, but the article specifically states its approval of the legislation now before the House, providing that it is adjudicated upon by some fair and impartial tribunal. I ask the honourable gentleman if he can inform me what the fair and impartial tribunal is going to be.

Hon. Mr. CASGRAIN: The Department.

Right Hon. Mr. GRAHAM: A representative of the Civil Service Commission and a representative of the Department.

Hon. Mr. DANDURAND: If my honourable friend will listen to this he will have a complete answer:

Enquiry and investigation may show that in individual cases there has been, owing to the conditions under which the striking employees were taken back into the service, a divergency between work done and the money paid, constituting a grievance; and wherever such deficiency in remuneration is established before a competent and impartial board of enquiry, there can be no objection taken to additional payment.

That board of inquiry will be composed of the Deputy Assistant Postmaster General and a nominee of the Civil Service Commission, who will work in conjunction with the Postmaster of Winnipeg.

Hon. Mr. LAIRD: I do not think the country would view the Postmaster General's Department as a very fair and impartial tribunal.

Hon. Mr. GORDON: My honourable friend from Toronto (Hon. Mr. Lewis) referred to the members on this side of the House. I want to say that the opinions I express on this side of the House are just the same as if I were sitting on the other side. I should like to understand a little more clearly the viewpoint of my honourable friend with regard to the main question at issue. I know he is sympathetic, but would he like to see all these men who are now employed by the Department reinstated in such a way that they would receive payment from the time when they were taken back up to the present time, on the same basis as if they had been there all the time and had not been on strike? That is what the honourable gentleman means?

Hon. Mr. LEWIS: No, not at all. I understood that the original proposition did refer to reinstatement; but that was taken out. That first resolution was intended to:

—make provision whereby certain former employees not now in the said service shall be eligible for reappointment as vacancies occur.

In the amended resolution those words do not occur at all. It says only that those who were taken back should be paid for the work they actually did.

Hon. Mr. GORDON: You want to see it retroactive, and the Act calls for that.

Hon. Mr. LEWIS: The Act says nothing about placing employees back.

Hon. Mr. GORDON: I understand that since 1919 some 96 employees have been taken back. The question that I should like to ask, and for no other reason than to get the honourable gentleman's opinion, is this: If that were done, would not these men be in the very same position and have the same payment as if they had not gone on strike?

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. GORDON: Oh, yes.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. GORDON: Why not?

Hon. Mr. DANDURAND: They were appointed in other grades or classes, and if they did the work of those grades or classes no compensation is due them; but if they were appointed to lower grades and given work in other classes, every man of them is worthy of his hire. The Bill seeks to give payment for the work they actually did, but no more.

Hon. Mr. GORDON: Exactly; while the employee who did not strike is in just the same position as that in which you would put these men. You are rewarding the striker. What are you doing for the loyal men who did not go out? Do you not think they should have some reward?

Hon. Mr. DANDURAND: They are not in the same class at all.

Hon. Mr. GORDON: No, because they were loyal.

Hon. Mr. DANDURAND: And their salary has not been the same.

Hon. Mr. DANIEL: Virtue is its own reward.

Hon. Mr. McMEANS: I should like to ask the honourable leader of the Government one question. Can he guarantee that the construction he is now putting upon this clause will be the construction that will be adhered to in the carrying out of the Act? I have read the Bill over and I am not sure that the explanation given by the honourable gentleman is correct, nor that he can guarantee us that the construction he has put upon the clause will be binding upon the Government.

Hon. Mr. DANDURAND: All that I can answer is that I have as nearly as possible given—I will not say word for word, but very nearly so—the statement of the Prime Minister of Canada, who has explained the contents of the Bill and how it would be carried out. I doubt very much that there is anyone who can more solemnly bind the present Government.

Hon. Mr. McMEANS: I do not know about that. The Act itself is very indefinite. It is a well known fact that the Prime Minister and the Postmaster General are at variance in regard to this matter, for the Postmaster General introduced a resolution which he was compelled to change, and, if any credence can be given to rumour, he was obliged to take the construction that was put upon it by the Prime Minister and withdraw his own resolution entirely in favour of a new one.

Hon. Mr. DANDURAND: The interpretation I have given and the construction I have put upon this Bill are those of the Prime Minister, who announced that he intended to modify the resolution in accordance with the views he was expressing; and when he addressed the other House in connection with it he made an explanation which the honourable Leader of the Opposition in that House said was a very clarifying and illuminating exposition of the Bill.

Hon. Mr. DANIEL: It goes without saying that under this Bill some money is to be paid to certain employees in the Postal Department in Winnipeg. I think we may start out with that, because although no money is mentioned in the Bill we are aware that a sum of $100,000 is to be placed in the estimates for the purpose of carrying out the objects of this Bill. Now, I am not a lawyer, but with regard to who are to be paid, and how they are to be paid, the clause appears simple and plain to me. It states that these men,

the former employees of the postal or railway mail service of Canada who were removed from such service

—on account of their having gone on strike—

and who were subsequently re-employed and are now in the said postal or railway mail service, shall be paid for services actually performed as from the date of their re-employment at the rates of remuneration paid to other employees for similar services.

It seems to me clear that these men were all employed on a certain contract, that they were to be taken on again, but not given the seniority they had at the time they struck; they were to commence at the bottom of the ladder as postal helpers, and they made their contract with the Government to that effect. Now after ten years have elapsed they and their friends come before this Government and say, "Although we made that contract, we want you to give us more money than we agreed to work for." They ask for this on the ostensible ground that while they accepted re-employment as postal helpers many of them were put on work such as letter carrying, which commanded a higher rate of pay.

I think that if we accede to their request we abolish every vestige of a penalty for their deed of striking suddenly and without cause. They acknowledged that they had no cause and left the Government service merely out of sympathy with a revolutionary strike that was calculated to break down the government of this country. Now, I cannot encourage that sort of thing. I would support this Bill if it were amended to give these men full wages from, say, the present date, or the 1st of June, for the class of work they are doing now. If that were done, they would be placed in their proper classification, in the regular category. I am not disposed to pay them for striking at a time when they had no reason for so doing.

Hon. Mr. GORDON: I suggest to the honourable leader of the Government that he have this Bill withdrawn and these men paid at the regular rate for the employment they are now on, and use this $125,000 as bonus to be distributed amongst the employees who remained patriotic and loyal at the time of the strike.

Hon. Mr. DANDURAND: Has my honourable friend heard what the employees who remained loyal at that time think of the Bill?

Hon. Mr. GORDON: Will you make my suggestion to them?

Hon. Mr. DANDURAND: They would not take it; they would rather that the money be paid to those who have suffered for the last ten years.

Hon. Mr. GORDON: I doubt it.

Right Hon. Mr. GRAHAM: In view of what I am going to say, I know I shall be charged with being sympathetic, and I plead guilty. I have had a strike among my employees, but I did not punish any of them very seriously at all.

Hon. Mr. DANIEL: But not within your Department of the Government.

Right Hon. Mr. GRAHAM: A lot has been said about the impropriety of men in Government employment going out on strike. I do not approve of their striking—I think it is all wrong—but a good many people have been punished in connection with the Winnipeg strike. The honourable gentleman from St. John (Hon. Mr. Daniel) condemns these postal employees for having made a contract to work for a certain price and now being willing to accept more pay than the contract

specified for. I could almost say that about members of Parliament. I went into the House of Commons under an agreement with the people to work for $2,500 and I voted myself $4,000.

Hon. Mr. DANIEL: I dare say these men would vote themselves more money if they were able to do so. The only way we can get more money is to vote it ourselves.

Right Hon. Mr. GRAHAM: I would suggest that we do unto others as we do unto ourselves.

Hon. Mr. MACDONELL: The right honourable gentleman does not belong to the Red element to which these men belonged.

Right Hon. Mr. GRAHAM: I belong to the element that a friend of mine called the red-blooded element. We have forgotten that the men whom we are discussing were in the minority. The majority did not come back at all.

Hon. Mr. McMEANS: They could not get back.

Right Hon. Mr. GRAHAM: An invitation was again given to them to come back, and they all could have come back.

Hon. Mr. McMEANS: No, there were not enough vacancies.

Right Hon. Mr. GRAHAM: An offer was made by the Government whereby the men could come back within a certain period of time.

Hon. Mr. LAIRD: Only to the extent of the vacancies that existed.

Hon. Mr. McMEANS: Yes; they all would have come back if they could have.

Right Hon. Mr. GRAHAM: I want to point out this, that we are dealing with the minority. Supposing that the others could have come back, they did not; but the men whose cases we are discussing to-day did come back. They were surrounded by the employees of private firms who had struck and had been taken back.

Some Hon. SENATORS: No, no.

Right Hon. Mr. GRAHAM: My information is that other strikers did go back under conditions which were better than those allowed by the Postal Department.

Some Hon. SENATORS: No, no.

Right Hon. Mr. GRAHAM: If this contract had been made by employees with a private company, it is possible that an appeal would have been made, with the consent of both sides, to the Minister of Labour for an arbitration. But these postal employees were treated in a special manner because they were employees of the Government; it was considered that their act was worse than the act of the striking employees of private companies. But the fact remains that the private companies and the Government were alike employers, and the former have set us an example which we have not yet followed. Should we take the stand that the Government of Canada, after ten years have elapsed and the whole thing is passed over, should still hold out against these employees in a manner that, if it were done by a private company, would not be tolerated even by their fellow employers? If a private concern were doing as we are, fellow employers would urge that an understanding be reached.

I presume honourable gentlemen have given some serious consideration to this Bill, for they have been discussing it a great deal, but I wonder if it is realized what the fellow employees of those re-employed strikers think of this Bill. It has been stated that it deprives those fellow employees of promotion. I do not agree with that at all, as neither promotion nor seniority is involved. I am told that the seniority of those who came in to fill the places of the strikers has not been interfered with at all by the re-employed men. Let me state here that there is no ground for the fear that some injustice may be done to the employees who were taken on at the time of the strike. I am told that every man who was employed to fill the position of a striker is in favour of this Bill. It could not be otherwise, if there is an esprit de corps among the employees.

Hon. SMEATON WHITE: If this Bill goes through, what will be the relative treatment of the employees who went on strike and were taken back, and of the volunteers who went in at the time to fill the places of the strikers? Would the volunteers get as much as, or more than, the strikers?

Right Hon. Mr. GRAHAM: It would depend upon whether they were in the same class.

Hon. SMEATON WHITE: I mean if they were in the same class.

Right Hon. Mr. GRAHAM: If they were in the same class they would get the same pay, there is no doubt about that; but—and I am not sure of this point—the men who have been in the service regularly for all these years would receive their annual advances under the statute.

Hon. SMEATON WHITE: But if the volunteer was doing the same work, would he be qualified for the same pay? The volunteer went in to take the place of the striker, and I want to know if, provided he were doing the same class of work as a re-employed striker, he would be qualified for the higher pay?

Right Hon. Mr. GRAHAM: Surely. I do not think there would be any question about that.

Hon. SMEATON WHITE: Do you know that?

Right Hon. Mr. GRAHAM: Yes; I do not think there is any question about it. The business of the Civil Service Commission is not merely to classify, but also to state the salaries of the different positions.

In 1927 this whole matter was threshed out by the fellow employees of these men.

Hon. Mr. ROBERTSON: Where?

Right Hon. Mr. GRAHAM: I have before me a letter sent out by Mr. Fred Knowles, the general secretary of the Amalgamated Civil Servants of Canada. I will read a portion of the letter:

The Amalgamated Civil Servants of Canada called a meeting—

—I presume this was a properly constituted meeting—

—of its postal adherents, comprising four classes of employees, namely:—

(a) Those who stayed on duty during the strike,

(b) Those who took the strikers' positions,

(c) Those who were re-employed after going on strike,

(d) Those who entered the service at a much later date.

These men got together, and, if I may be allowed to read further from the statement of Mr. Knowles—

After the principle of endorsation was unanimously passed, a committee comprising all sections was struck off, and this committee brought in a resolution which would ensure full right to the employees who took the strikers' places, safeguard the interests of all present employees and yet satisfy the re-employed strikers in the matter of pay. Re-instatement was ruled out definitely. Through the various stages of ratification this resolution was brought to the point where it is now endorsed by the whole National Council of our organization and is part of our platform.

In the proposed Bill there is no question of re-instatement, no payment of moneys for the period when these men were not in the employ of the postal service, no support or otherwise of the "rights or wrongs" of the 1919 strike, no interference with the seniority rights of other employees, nothing but the simple payment of salary for services rendered.

I am not going to read any more. These are important extracts from the letter, which is signed by Fred Knowles, who, as I have said, is the general secretary of the Amalgamated Civil Servants of Canada. I think the statements that I have read will dispose of the idea that injustice was being done to other employees in the service. All the classes referred to in the letter, representing the men most directly affected, have asked that a Bill of this kind be passed. In other words, the jury system has been applied to this matter. This case has been investigated by the peers of the men who are making this application, and their peers have brought in a verdict in favour of the Bill. I think this House would be well advised not to reject a Bill that has been so seriously considered by the men most deeply interested, and the object of which is only that a fair day's pay be given for a fair day's work.

Hon. G. D. ROBERTSON: My right honourable friend has stated his case and made an explanation here as to the representations from the employees themselves, which I am sure he makes in perfect good faith. He has indicated that he desires it to be known that he is sympathetic in his attitude towards postal workers. I do not think I need even raise the point as to my sympathy for the wage earner in Canada; I think 28 or 30 years' experience as their servant in some respects will speak for itself.

But I do feel that it is opportune and proper that we should know what we are doing, and what we are talking about here, there have been so many things said and points raised that rather confuse the issue. My right honourable friend who has just sat down (Right Hon. Mr. Graham) has referred to a point that I did not intend to mention, but seeing that it has been raised, I feel it necessary to give some explanation of it. He referred to a communication that had been sent by circular to every member of this House, I suppose, by a gentleman, Mr. Fred Knowles, purporting to represent all the employees of the Postal Department; and anyone not knowing anything about the facts would naturally and properly conclude from the communication that it did represent all the employees. I wonder if it would not be interesting to the House to know something about the basis and origin of all this, and then survey the Bill itself.

For 35 years there has been in Canada an organization or federation of civil servants, and it has had, and still has, organizations by departments—Customs Department, Agriculture Department, Post Office Department,

and so on—and for some 35 years has been making representations in an organized and orderly way to the various departments of the Government, and to the Government itself, looking for adjustments and improvements in conditions, compensation, etc., as changing times and circumstances seemed to warrant. I am sure that nobody can take any exception to that sort of procedure.

On the 4th, 5th and 6th of September, 1918 the Federated Association of Letter Carriers held a convention in the city of Hamilton. There were certain gentlemen at that convention who represented that the present and previous method of carrying on their work in behalf of civil servants was wholly wrong and wholly inadequate, and that they would never make progress until they indulged in a public movement then announced in Western Canada as the One Big Union. The plan was for the civil service of all departments throughout Canada to be centred in one organization, and become a unit in the larger one that was being fostered and promoted in Canada at that time.

The delegates of the Letter Carriers' Convention at Hamilton at that time did not approve of that procedure; so a minority of the delegates at that convention seceded from the main body; and one of the gentlemen who composed the seceding element, or branch, was Mr. Knowles, who now addresses us as representing the Postal Service of Canada. The week following that convention at Hamilton, Mr. Knowles and some other gentlemen proceeded to the Trades and Labour Congress convention in the city of Quebec and there joined with the proponents of the One Big Union propaganda that were there from industrial organizations, and, as I remember, some 64 resolutions of a radical, communistic nature were proposed at that session of the Trades and Labour Congress, and each and all of them were declined and denied adoption by the Congress in session.

Following that, our friends from the West, who largely composed the delegates who were behind those resolutions, in which the seceding postal workers' representatives joined, returned to Western Canada. In the following February they held a convention in Calgary and there proposed to take a referendum vote of all organized labour in Western Canada, urging the members of all organizations of all sorts to drop their affiliations with their trades unions, because, according to their statement, the trade union idea was obsolete, and join the One Big Union movement. That referendum vote was to be counted in May, 1919, and a further convention was to be held on June 5, 1919, in Calgary, for the purpose of definitely launching the One Big Union movement in response to what they anticipated would be the result of the referendum vote.

Before that vote was counted, and before the second convention referred to was held, this strike broke out in Winnipeg. The details and immediate causes of it need not be alluded to here. Those postal workers had strength enough in the city of Winnipeg, and though all the postal workers in Winnipeg were not members of this seceding organization, honourable gentlemen can quite appreciate the fact that when the general strike in the city of Winnipeg occurred a letter carrier had no more chance of performing his duty of delivering mail on the streets of Winnipeg, even if he desired to do so, because of the feeling that existed in that city at that time. Indeed on some days his life would not have been safe on the streets there. Therefore, either through inclination or intimidation, the mail service was absolutely disrupted, and the letter carriers absolutely driven off the streets.

Now, in October, 1918—I should have followed this up—this postal organization seceding from the Hamilton convention made application for admission to and affiliation with the Trades and Labour Congress of Canada, after they had first proposed an amalgamation of their organization with the other federations of civil servants in their department; and if honourable gentlemen will look at the records published by the Labour Department itself in the last few years they will find that those federations of civil servants in the Customs Department, Agriculture Department, and so on, declined to affiliate themselves or have anything to do with this seceding organization.

They then attempted to obtain affiliation with the Trades and Labour Congress of Canada, and were denied that privilege. Then, and only then, in 1921, did they change their name from "Federated Letter Carriers" to "Amalgamated Civil Service Organization," the idea being to adopt a name that would enable them to spread out to all branches of the civil service with their One Big Union propaganda in their hearts all the time, just as the One Big Union has been endeavouring to permeate and finally control the trades union movement in the industrial and commercial field. So honourable gentlemen, when they receive the circular communication from Mr. Knowles, need not be unduly convinced that his circular and his representations express the will and the wish of the civil servants of Canada.

Hon. Mr. DANDURAND: But it is in very moderate terms.

Hon. Mr. ROBERTSON: Very; I quite appreciate that, and he well knows that by making his representations in that way they will be more effective than in any other style.

I want to add this. My right honourable friend from Eganville (Right Hon. Mr. Graham) has pointed out that no seniority rights are interfered with; that there is no retroactive pay asked for except for the time since the men were re-employed. All that is quite true, but the reason is obvious—that the civil servants who would be affected, other than the 96, would not for a moment stand for those things being put into the proposal; so it has been boiled down to what we have in the Bill.

Now I come to my honourable friend from De Salaberry (Hon. Mr. Beique), who in my opinion has put his finger on the very meat of this whole proposition before us to-day. The Bill as it stands does not, in my opinion, provide for retroactive pay for any postal workers except those who are not employed in the same capacity that they were employed in prior to their retirement from the service.

Right Hon. Mr. GRAHAM: Say that again.

Hon. Mr. ROBERTSON: That the Bill, in my opinion, does not provide for retroactive pay for any employee who is to-day, and has been since his re-employment, receiving the same rate of compensation as any other employee who has entered the service at the same time. Suppose A was employed on the 1st of September, 1920, after the Order in Council permitting re-employment was passed, and he was a man that came in from some other branch of activity, having never been in the public service. He applied, passed his examination, and was accepted. But B is a man who was in the postal service prior to 1919 and who chose to leave the service. After being out for practically two weeks he was asked to come back to his position, and was told: "If you will come back nothing will be held against you; the incident will be forgotten. All that we desire to do is to restore the best possible service for the public, which is our duty." He chose not to return. He was therefore definitely announced to be out of the public service, and his place was filled, because there were hundreds of recruits waiting to go into the post office and fill the vacant positions.

This strike happened in May, 1919, and various and many proposals were made during the year following, and pressure was brought from many sources, including that very useful and influential newspaper, the Winnipeg Free Press, urging that time should soften the heart of the Government, that they should not be too hard on those boys, who should be given a further opportunity to come back into the service. Along with my honourable friend who was then Postmaster General (Hon. Mr. Blondin), I had the duty and obligation of making some inquiry into the whole situation. After doing so, we came to a conclusion, and made a recommendation to the Government of that day that a modification of the original Order might be reasonable under the circumstances. That was largely predicated upon the fact that a great many of those boys who lost their jobs in May, 1919, did not know what it was all about, and had no more thought of putting themselves in opposition to, or in an attitude of rebellion against the Crown, or state, or country, than we have this minute. They had only been out of service for some two weeks, and they were frankly and kindly given an opportunity to come back and rectify their mistake, the Government saying, "If you do, the past is forgiven; but if you do not, we must within three days give the people of Winnipeg a postal service, because they are demanding it and have a right to it." As I say, 299 of them chose not to come back; 82 did come back; and the year went on. All the rest of the vacant positions were filled, amounting to some 280.

The year following, on June 4, 1920, the Government of that day, on the recommendation of the two Ministers to whom I have referred, passed an Order in Council which someone suggested this afternoon I might read. The Order in Council reads as follows:

> Many evidences have reached the Department of Labour from ex-postal employees that they now recognize they participated unwisely in the sympathetic strike in western Canada last May, and that they sincerely regret the action they then took. The gravity of their offence against the state being now realized, the government has given consideration to the possibility of removing the bar to their application through the Civil Service Commission for re-employment in the public service, and His Excellency the Governor in Council is disposed to exercise clemency so far as reasonably consistent with necessary discipline.
>
> Ex-postal employees may therefore be considered as eligible to be appointed to positions in the civil service for which they make application as vacancies occur, and to which, in the opinion of the commission, they are justly entitled under the regulations, subject to the following conditions:
>
> Then three conditions are enumerated:
>
> Ex-postal workers must not be re-employed in the civil service without the approval in each case of His Excellency the Governor in Council.
>
> Inasmuch as a number of those affected have been a long time in the public service, and are

now past the age limit fixed for new employees entering the service, it will be permissible for the commission to appoint them notwithstanding the age requirements.

In every case before being re-appointed satisfactory assurance must be obtained that a repetition of the offence will not occur.

That Order in Council was passed on the 4th of June, 1920, and during the year 1920, as a result of the opening of the door to that extent—which I noticed the Prime Minister in another place said was the only mistake the Government made, for they should not have been allowed to come back at all—but in 1920—

Hon. Mr. DANDURAND: I think my honourable friend is not citing exactly the statement of the Prime Minister.

Hon. Mr. ROBERTSON: I am quoting almost the words he said, as I remember them. In the year 1920 applications were received from 42 men, who were returned to service; in 1921, 12 more; in 1922, 11 more; and in 1923, 16 more. A total of 81 made application to be restored to the service, passed the necessary Civil Service examination requirements, and were employed. The remainder of the 95 or 96, that is, 14 or 15, have returned to service or have been re-employed since 1923. I bring that to the attention of honourable gentlemen because of the fact that there was a re-classification of rates of wages for postal employees, first in 1919 and again in 1924; and it is well to remember that 81 out of the alleged 96 were re-employed during that period from 1920 to 1923.

Now I come to another point that is somewhat detailed, but at the same time I think will perhaps give us an understanding of what we are trying to do. I do not think there is much difference between honourable gentlemen opposite and those on this side of the House as to what we desire to do. I think everybody desires that men should be paid on the basis of equal pay for equal service rendered. I do not think there is any difference of opinion in the House about that at all. But the method of computing and paying the wages to postal employees or civil servants in general varies so much by reason of classes, and annual increases within those classes, that it is very easy for us to become confused as to what this really does mean.

It might be interesting to mention also that at least 72 of those 96 men, when re-employed, were put at exactly the same occupation that they were working at when they retired from the service. The Post Office Department has compiled and prepared a complete statement which shows the man's date of birth, his name, the date he was first employed, the date of his re-employment, the salary under which he was re-employed, the salary when he was dismissed, the salary as of May, 1929, his occupation at the time he left the service, and his occupation when re-employed; and I find, according to the Postal Department's own statement made out in detail on those 96 men, that 72 of them, when re-employed, were put back into exactly the same work that they were doing when they left the service, and that they have been paid—

Hon. Mr. TANNER: And got the same salary?

Hon. Mr. ROBERTSON: Oh, no—and that they have been paid for that service the stated salary for the position and class in which they were placed.

Hon. Mr. McLENNAN: May I ask the honourable gentleman to make it quite clear that they were not at a disadvantage.

Hon. Mr. ROBERTSON: Not as new employees. I will come to that point in a moment. Take the case of a letter carrier. There are now in the service thirty-five letter carriers who went out on strike and who were re-employed at subsequent dates. Every one of those thirty-five men was taken back into the service at the classification for letter carriers, which was $780 in 1919, and remained at that figure until 1924. That is the minimum rate. As they advanced in length of service, like everybody else, they received an advance in salary. So I submit, if my calculation is correct, that 72 of the 96 men have been paid every dollar they earned as new employees entering the service, and in the class of work they were doing. The rest of them, about 24 in number, are not to-day employed in the same class of work as they were engaged in when they left the service. To that extent I think the Bill is operative, and quite properly so; and in view of the fact that in another place all concerned seem to have adopted that view, there is much to be said for it, and I do not take exception to it. But this must be clear: that 24 men who are undoubtedly entitled to financial consideration and the adjustment of their cases, cannot possibly involve $125,000. So it is abundantly clear that the original proposal of the Postmaster General was to compensate those 96 men on the basis of the rate they would have received had they never gone on strike, and I think that this House and the other House are practically unanimous in the opinion that that is not a tenable position.

Hon. Mr. DANDURAND: That is not what the Bill says.

Hon. Mr. ROBERTSON: Then why provide that amount of money?

Hon. Mr. DANDURAND: The amount of money is not stated in the Bill. If this Bill passes there will be utilized, according to the principles laid down by the Prime Minister, only whatever sum of money is placed in the Supply Bill.

Hon. Mr. ROBERTSON: The calculation was made a year ago, or more, because a year ago there was placed in the Estimates an item of $115,000 for this same purpose. But the House of Commons viewed it with disfavour, and it was not pressed. This year it comes to us in the form of a Bill introduced in the other House. I am not sure that supporters of the Government in another place are more inclined to support a Bill than an estimate, but the situation is capable of that interpretation. At any rate, we have the Bill before us, and the proposal is, according to the statement of the Postmaster General, to pay these claims which, in his opinion, will cost about $125,000.

Now, let us understand the situation clearly, if at all possible, because it is somewhat beclouded. I am satisfied that the Prime Minister of Canada did not understand that resolution when it was first brought down. He said the resolution did not mean what he thought it meant and what he intended it to mean, and it has been modified. The Bill also has been modified to the extent that it proposes equal pay for equal work for postal employees whether or not they were in the service prior to 1919. Therefore the Prime Minister, I think, threw into consternation certain hopeful people when he said what my honourable friend (Hon. Mr. Dandurand) read this afternoon, namely that this was not for the purpose of giving these men who were re-employed in the service higher rates than other men working alongside of them. My suggestion to my honourable friend is that by the addition of one word to this Bill he would overcome the objection of the honourable gentleman from De Salaberry (Hon. Mr. Beique), which I think is a very proper one, and would also clarify the Bill. My honourable friend from St. John (Hon. Mr. Daniel) suggested that there should not be any retroactive feature. I think, perhaps, we all now understand that this will be wiped out by reason of the announcement of the Prime Minister, repeated by the leader of this House. So far as about 72 of these men are concerned he has made it clear that if A and B entered the service at the same time since, say, 1920, one being a former employee who went on strike, and the other not having done so, they will be paid the same amount for their services if employed in the same capacity. The striking employee is not to have a preference. So the retroactive feature of the Bill is not now important. But if the Bill goes through without any change in the wording, there will be, in my opinion, a controversy over the interpretation of the words "other employees" in the last line. The enacting part of the Bill says:

—and who were subsequently re-employed and are now in the said postal or railway mail service, shall be paid for services actually performed as from the date of their re-employment at the rates of remuneration paid to other employees for similar services.

I point out that there are two classes of "other employees." There were 82 post office employees who accepted the invitation of the Government of the day to return to their duties, and who never lost their standing or their rate of compensation by reason of not being re-employed. Then, at the end of the strike, when the service was restored, roughly 300 new men were taken on, and a year later, by Order in Council, the Civil Service Commission were authorized to re-employ ex-postal workers who made application for employment in the usual way and who pased the necessary examinations. So, of the employees that were taken on, whether ex-postal workers or not, 82 may be regarded as old employees. Now I ask, with which of those two classes are these 96 men to be compared? I am quite sure that it is their expectation to be paid on the basis of similar service of "other employees." They will contend that they were employees in the service prior to 1919, as they were, and that they are reinstated in their clasification notwithstanding the fact that verbal announcement has been made that that is not the intention. That is a possible interpretation which I think my honourable friend (Hon. Mr. Béique) had in mind this afternoon. If that is not the interpretation, then it is perfectly clear that all men, of whatsoever origin, that came into the service after the strike, are now on an equal footing as to rates of pay, and the retroactive provision is unimportant so far as 72 of the men are concerned.

I do not want to see the Bill defeated; I want to see it worked out in a practical way. I would like to see some word inserted to indicate the class of employees intended by the words "other employees" in the last line. You may say "other new employees," or you may use whatever words you like. That will clarify the meaning of the Bill, and will make plain the proper interpretation. If that can be done

I willingly accept the rest of the Bill, because I agree with the principle that the men employed in one class of work, and rendering an equal service to the State, should have equal pay in accordance with the length of their employment in the Department.

Hon. F. L. BEIQUE: Honourable gentlemen, I have but a word to add to what I said before the House rose. Everybody, of course, has to decide according to his own understanding how he will cast the vote which he may be called upon to give. Notwithstanding the great respect that I have for the opinions which have been expressed by gentlemen on both sides of the House, I can hardly follow some of them. To my mind the Bill is extremely clear, and I do not see any necessity of changing a word of it. The Bill does not deal with anybody except the employees who were re-employed, I think, in 1920, and were assigned to duty. I do not think we have to inquire whether it was a duty of one kind or of another. Whatever duties were assigned to them, the Bill provides for their being paid at the same rate as other employees rendering the same kind of service, and who had remained in the employ of the Government. I do not have to inquire as to the intention of the Government or of the Department or of the Postmaster General. It will be the duty of the Auditor General to see that the principle of the Bill is applied, and I do not think that we need fear that any money will be paid except as authorized by the Bill. The money authorized to be paid to the employees in question is merely the amount that they should be paid for services which they have actually rendered, on the basis of the amount paid to other employees.

Some hon. SENATORS: Question.

Hon. Mr. ROBERTSON: Before the second reading is taken, may I inquire if my honourable friend will undertake, before we go into committee, to give some thought and consideration to the suggestion I have made?

Hon. Mr. DANDURAND: I propose that we take the second reading of the Bill. I will carry the suggestion of my honourable friend to the Prime Minister and to the Postmaster General, and I think I shall be able to bring back a positive statement that will satisfy my honourable friend as to the policy that will be followed.

Hon. Mr. ROBERTSON: All right.

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

EXCISE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 279, an Act to amend the Excise Act.

He said: Honourable gentlemen, this Bill repeals subsection (a) of section 219 of the Excise Act, and replaces it with the following section, which I will read now, so that I may dispense with the reading of it in Committee:

On every pound of malt manufactured in Canada, subject to excise regulations with respect to coomings and absorption of moisture in warehouse as provided by the Order in Council of the seventh day of February, one thousand eight hundred and ninety-one, three cents:

That is the duty.

Provided that malt may be removed from a malt-house to a distillery in bond, and the duty on such malt may be remitted upon proof satisfactory to the Department that such malt has been used solely for the production of spirits, in which production no other material than malt is used; and provided further that malt used, in any licensed bonded manufactory, in the manufacture of malt extract or other similar medicinal preparation approved by the Department—

And here is the new part:

—or in the preparation of any malt food product approved by the Governor in Council may have duty thereon remitted under such regulations as the Department establishes.

It is proposed to prepare malted milk in Canada, and it is represented that on part of the ingredients, whole malt, there is an excise tax of three cents a pound, and on crushed malt, of five cents a pound. The company that is about to manufacture the malted milk represents that it will employ about seventy-five persons. Should the company carry out its plans, the proposed proviso would authorize the Governor in Council to remit the excise tax on such malt. The estimated loss of revenue will not be large.

I move the second reading of this Bill.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

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

CUSTOMS TARIFF BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 212, an Act to amend the Customs Tariff.

He said: Honourable gentlemen, this Bill alters the Customs Tariff in certain particulars. I have before me references to all the items that are in schedule A, I think, and I suggest that instead of my endeavouring to explain every item, if any honourable gentleman desires information on any particular point he should ask for it.

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

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

Hon. Mr. GORDON: Are these items as given in the schedule to be stricken out? For instance, with regard to item 113, which gives the tariff on cocoanuts, are the present duties stated and are they to be wiped out?

Hon. Mr. DANDURAND: No.

Schedule A to the Customs Tariff, chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter seventeen of the Statutes of 1928, is amended by striking thereout tariff items, 113, 215, 363, 369, 437, 438b, 442, 445, 448, 453c, 453e, 453g, 460, 460e, 478a, 696, 777, the several enumerations of goods respectively, and the several rates of duties of customs, if any, set opposite each of said items, and the following items, enumerations and rates of duty are inserted in said Schedule A.

My honourable friend has before him the rates that are being introduced now.

Hon. Mr. GORDON: These are the rates?

Hon. Mr. DANDURAND: Yes, in the tariff.

Hon. Mr. WILLOUGHBY: It is a new tariff on some of these?

Hon. Mr. DANDURAND: For all these items.

Hon. Mr. WILLOUGHBY: All that are enumerated?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. GORDON: Is the tariff on item 437, that is on safes, doors for safes and vaults, and so on, higher or lower than formerly?

Hon. Mr. DANDURAND: The only change in item 437 is the addition of "n.o.p.," which is made necessary by the amendment of a later item, 448. I will turn now to 448. It is proposed to amend present item 448 to cover apparatus for sterilizing bulbs and apparatus for determining the maturity of fruit, in accordance with applications made by the Canadian Horticultural Council. Bulb sterilizing apparatus assists in the removing of fungus diseases from bulbs and is used largely by bulb growers on the Pacific coast; it is not made in Canada and is imported chiefly from the United Kingdom under item 454.

Fruit Pressure Testing Apparatus is a device used by Fruit Inspectors; it is imported from the United States and, according to evidence at the public hearing, is not manufactured in Canada. It enters at present under item 437.

Inclusion of Fruit Pressure Testing Apparatus in the amended item 448 necessitates the addition of "n.o.p.," in the item under which it has been entering, namely, 437.

Hon. Mr. GORDON: In item 448 is there any change from the present tariff?

Hon. Mr. DANDURAND: Under the British Preferential Tariff it is 5 per cent, under the Intermediate Tariff it is 10 per cent and under the General Tariff 10 per cent.

Hon. Mr. GORDON: Is there any change in that from the present tariff?

Hon. Mr. CASGRAIN: There must be some change or else it would not be there.

Hon. Mr. GORDON: I want to know whether it is down or up.

Hon. Mr. DANDURAND: The present item is amended to cover apparatus for sterilizing bulbs, and pressure testing apparatus for determining maturity of fruit. The only change is the addition of these things.

Hon. Mr. GORDON: So that it will be higher than it is now?

Hon. Mr. CASGRAIN: No, it simply will apply to more machines.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. WILLOUGHBY: I have not studied the Bill and compared it with the present tariff. I presume that on some of the items the rates are up and in some cases down, and that there are some new items, new classifications.

Hon. Mr. DANDURAND: And some items are on the free list.

Hon. Mr. WILLOUGHBY: For the first time?

Hon. Mr. DANDURAND: Yes, but they are mostly items covering raw materials required by some manufacturers.

Hon. Mr. WILLOUGHBY: I do not know if the Bill has been criticized in another place, because I have not followed it. I see in the list a very considerable number of items that are free absolutely under the British Preferential Tariff, the Intermediate Tariff and the General Tariff.

Hon. Mr. DANDURAND: I do not believe that the changes are very considerable in importance, although, of course, they would be important to those who are importing the articles.

Hon. Mr. WILLOUGHBY: I do not profess to have studied the Bill sufficiently to be able to make any suggestion concerning it that would be of value to this House at all.

Hon. Mr. DANDURAND: It would be very difficult for this Chamber to undertake to amend the Bill.

Hon. Mr. GORDON: But there is a great deal in it that interests me very much, whether we can do anything to it or not; for instance, in item 363:

Platinum wire and platinum bars, strips, sheets or plates; platinum, palladium, iridium, esmium, ruthenium and rhodium, in lumps, ingots, powder, sponge or scrap—

are all on the free list.

Hon. Mr. DANDURAND: I have the explanation here. There was an application made by Goldsmith Brothers Smelting and Refining Company of Toronto, which, according to its representative, employs about thirty people.

The metals which comprise the platinum group are: platinum, palladium, iridium, esmium, ruthenium and rhodium. Crude platinum contains from 70 to 90 per cent of the metal and is really an alloy of the platinum with one or more of the allied metals, the chief impurities consisting principally of iron and copper. The platinum ore is obtained in considerable quantities in the Ural Mountains of Russia and in the rivers of Columbia, South America. Dr. Wilson of the Department of Mines reported that there are probably not more than five firms in the world which are recovering the metal from the original ore.

Pure platinum is usually too soft for commercial demands, so iridium, palladium or the other metals of the group are added in suitable proportions and then melted and rolled into plate or drawn into wire, in which latter forms they are used by the jewelry trade, dental and chemical professions.

Import duties are levied on "sponge," meaning palladium, iridium, esmium, ruthenium and rhodium under item No. 711, while the finished article under 363 comes in free. The word "sponge" is a trade term and refers to the powdered metals obtained by refining.

I hope my honourable friend is satisfied.

Hon. Mr. GORDON: Yes, I am satisfied with that information as far as it goes. The quantity of platinum and the other metals referred to that are used in Canada cannot be very great. Every one of the items is produced in Canada by the International Nickel Company and by the old Mond Company. The absence of duty on these products certainly does not give any inducement for the starting of a small plant in order that more manufacturing may be done in Canada.

We are hearing every day of the necessity for more immigration and we are spending millions of dollars to bring more people to this country. But the trouble is that the people do not stay after we get them here, and the reason is that there is not enough work for them. There would be opportunity for a small plant to manufacture these things covered by item 363, but this tariff eliminates all inducement.

Hon. Mr. LOGAN: What is the demand for the articles in Canada?

Right Hon. Mr. GRAHAM: How big is the demand?

Hon. Mr. GORDON: I do not know how big the demand is, but there are not many honourable gentlemen present who are not wearing some article of jewelry containing platinum, and it is probable that if any honourable gentleman is not wearing such things his wife is. There is a considerable quantity of the metal used in Canada, but I do not know whether we use more than we produce. The point I am trying to make is that if these things were not on the free list I believe they would be refined in Canada.

Hon. Mr. DANDURAND: If my honourable friend had the responsibility of making a tariff, he would find that there are very many things which, for various reasons, it is not opportune for Canada to endeavour to manufacture. In some cases the demand may be so small that to venture on manufacturing the article would be to risk almost certain failure. I have been in public life a number of years and my experience has been that generally when people seriously protested against the coming in free of duty of an article which, if it were protected by a tariff, could be produced here to the advantage of the consumer, they have been listened to. But this may not be a serious proposition.

Hon. Mr. GORDON: I do not suppose the business in these metals would run into a very large figure and it is not likely that a big plant would be required to refine them.

As my honourable friend says, it is probably a small matter. But there are things that are large. For instance, our coal and our iron are things that I am thinking pretty seriously about all the time.

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

BUSINESS OF THE SENATE

Hon. Mr. STANFIELD: Before the motion for adjournment is put, I should like to ask the honourable leader of the Government if he can make any statement as to the adjournment of the House over the coming week-end. If the Senate is not resuming on Monday, it would be of some advantage to know this at the earliest possible moment.

Hon. Mr. DANDURAND: I shall make it a point to-morrow to find out what legislation we may expect from the other House within the next few days, and if there is very little it is probable that the Senate may adjourn from Friday to Tuesday in order that honourable gentlemen who desire to visit Montreal Harbour on Monday next may be able to do so. I shall be able to give an answer to my honourable friend to-morrow afternoon.

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

THE SENATE

Wednesday, May 22, 1929.

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

Prayers and routine proceedings.

CANADIAN NATIONAL, QUEBEC ORIENTAL, AND ATLANTIC, QUEBEC AND WESTERN RAILWAYS BILL

REPORT OF COMMITTEE

Hon. Mr. ROBERTSON moved concurrence in the report of the Standing Committee on Railways, Telegraphs and Harbours, to whom was referred Bill 173, an Act respecting Canadian National Railways, and to authorize the acquisition of the Quebec Oriental Railway and the Atlantic, Quebec and Western Railway.

He said: Honourable gentlemen, I think the honourable member for the Gulf (Hon. Mr. L'Espérance) desires to make a few remarks concerning this report.

Hon. Mr. GORDON.

Hon. D. O. L'ESPERANCE: Honourable gentlemen, last Monday, when the Bill received its second reading, I was not present, and with the indulgence of the Senate I should like to say a few words on behalf of the good people of the Gaspé Peninsula, one of the oldest settled and most beautiful parts of Canada. I may be more familiar with these railways than most of my honourable colleagues, because they are situated in that part of my province which it is my privilege to represent in this Chamber.

These railways serve a population of over 60,000, composed of descendants of United Empire Loyalist, Acadian, Irish and French stock. The great majority, I may say almost all of them, speak fluently both official languages of this country, a fact which, in my humble opinion, explains the perfect harmony existing among these important groups of diverse race, creed and religion. Nowhere in Canada, or in any other country, is there a more united, industrious, easily contented and law-abiding people.

The country is rich in farm land and forests. The wealth of the Gaspé fisheries has been known for centuries past. Its cod fish and salmon, to mention these two species alone, command a premium in the markets of the world.

Investigations carried on by the Mining Departments, both at Ottawa and Quebec, during recent years, record the fact that the interior of the Gaspé Peninsula is rich in commercial deposits of zinc, lead and copper.

Numerous harbours dot the Gaspé Coast. The most famous of them, Gaspé Basin, offers the shortest route to Europe. At the beginning of the World War this magnificent harbour was chosen as the rendezvous of the Canadian fleet which carried our first contingent.

From a point of view of business to be developed, this part of the Province of Quebec offers numerous inducements, and I am happy to see that these railways shall, from now on, form part of the Canadian National System.

In this respect may I be permitted to read a few lines from a report, dated July 21, 1920, addressed to the Minister of Railways by the Honourable Frank Carvell, then Chairman of the Board of Railway Commissioners:

> It is quite evident that this road is in very much the same position as the branch lines in New Brunswick, excepting that, in my opinion, it goes through a better country as a rule than do the New Brunswick roads. There are more people to patronize it, more business to be done, the roadbed is in better condition, and it offers a better guarantee of business than any of the other branch lines with which we have been

dealing during the past three years. . . . . I believe the Canadian National should take over these two roads and incorporate them in the Government system.

This report, as I have just said, was made in 1920. In 1924, four years later, the Board of Railway Commissioners was instructed by the Minister of Railways to make a thorough enquiry into the condition of these roads and of the moneys that had been expended thereon. The figures supplied to the Railway Board show the following expenditures:

By the Quebec Oriental Railway, Matapedia to New Carlisle..	$ 2,096,776 64
By the Atlantic, Quebec and Western Ry., New Carlisle to Gaspe..	8,040,254 91
	$10,137,031 55

The question of acquiring these railways was evidently being considered at the time the Railway Board was making its enquiry, and in connection therewith the following extract from the Chairman's report is interesting:

Considering the whole line from Matapedia to Gaspe is 202·4 miles in length, I think the offer of Mr. L. B. Read, Managing Director of both lines, made to Sir Henry Thornton in April, 1924, in which he suggested a sale to the Government for the sum of $4,223,675, could not be considered extravagant, based upon the actual amount of money which the present owners put into the road. Taking the estimate of the Department's engineer as a basis of measurement of the cost over the full length of the road, the figure thereby reached is $6,266,898.80.

I think these figures correspond with those given by Mr. Ruel before the Committee today.

The object which the inhabitants of the localities concerned are desirous of attaining is that the benefits of the Canadian National Railway service be secured to them, not necessarily by the purchase of the road, but by any arrangement which will accomplish that end.

The successful operation of the important industries along these railways is much hampered by the fact that they are unable to get the service, either in freight or passenger traffic, which unity of operation and control by the Canadian National Railways would secure. Through freight rates to consuming centres, such as Montreal and Boston, would result in an awakening of industrial interest and enterprise in the Gaspé Peninsula.

This report tells the whole story, and my remarks might well end here. But I am bound to add in justice to the English investor, that had it not been for the money he invested in these railways, the people of Canada would have been called upon to spend for the building of a railway on the Gaspé coast a much larger amount than they are now paying.

Before taking my seat, may I suggest to the Government, now that these roads are being acquired by the Canadian National, that due consideration be given to the section men, the brakemen, engineers, firemen, conductors and general employees who have spent many years in the employ of these railways. Many of them, I hope, will be retained in the service of the Canadian National. Others, no doubt, will be superannuated. When retirement takes place, would it not be possible to allow the years spent in the employ of the old companies to count towards their pensions? This is a question which, I submit, deserves the very best consideration of the Government and of the Canadian National Railway executive.

My last words will be to congratulate the Government, and more especially Monseigneur Ross, Bishop of Gaspé, to whose untiring efforts the people of Gaspé are indebted for the successful ending of this transaction.

The motion was agreed to.

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of the Bill.

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

CANADIAN NATIONAL AND SAINT JOHN AND QUEBEC RAILWAYS BILL

THIRD READING

Bill 175, an Act respecting Canadian National Railways, and to authorize the acquisition of the Saint John and Quebec Railway.—Right Hon. Mr. Graham.

PENITENTIARIES SERVICE—WARDEN COOPER

MOTION FOR RETURN

Hon. Mr. TAYLOR moved:

That on order of the Senate be issued for a return showing document referred to in report of Superintendent of Penitentiaries to Minister of Justice dated May 31, 1928, as follows:—

Department is in possession of correspondence from a Life Assurance Company, as follows:—

"We are enclosing a form which we should appreciate having filled out in connection with Mr. Cooper who, according to information we have before us was warden of the jail at Vancouver, B.C., from December 1907 to 1911."

Also copy of any reply made by the department or any official thereof to the communication, and any other correspondence received or sent by the Department of Justice or any branch thereof in this connection.

Hon. Mr. DANDURAND: Honourable gentlemen, it does not occur to me that there will be any difficulty about producing those documents, but I have not consulted the Department. I consent to the motion for a return being carried, but if there is any impediment to the production of the documents I shall inform my honourable friend.

The motion was agreed to.

CANADIAN NATIONAL RAILWAYS AND QUEBEC, MONTREAL AND SOUTHERN RAILWAY

Before the Orders of the Day:

Hon. Mr. LAIRD: I would remind the honourable leader of the Government of his promise of last week to bring down certain correspondence with regard to the Quebec, Montreal and Southern Railway. I understand that he is about to leave for overseas, and we all wish him a pleasant voyage and a safe return. I know he would not like, on going away, to leave the promise in such a position that it might not be carried out by his successor.

Hon. Mr. DANDURAND: Would my honourable friend remind me of another document that was requested, besides those to which he refers? It escapes my memory at the moment.

Hon. Mr. LAIRD: The other document I asked for was a copy of any appraisement made by the officials of the Department, or any report by Canadian National officials.

Hon. Mr. DANDURAND: I have already asked the Department for the documents desired by my honourable friend. Just at the moment I did not remember the second point. I should perhaps have had them by this time but that the officials of the Canadian National Railways had returned to Montreal. I had it in mind to enquire for such papers when I should meet the officials again. I met them again this morning, but the matter escaped my memory. I will see the Minister of Railways and ask him to be kind enough to have those two statements sent to this Chamber as early as possible, as requested by my honourable friend. There is no objection whatever; on the contrary, the more light we bring to Parliament the better satisfied we are.

JUVENILE DELINQUENTS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 170, an Act respecting Juvenile Delinquents.

Hon. Mr. TAYLOR.

He said: Honourable gentlemen, this Bill is a consolidation of the Act respecting juvenile delinquents, with a number of amendments. These modifications or additions to the Act are underlined in the Bill, and there are some explanations on the page opposite. I need not go through all these amendments; they can be taken up separately when we go into Committee of the Whole.

I may add that I have received, as perhaps have other members of this Chamber, from people in practically all the provinces who are interested in the protection of young delinquents, a number of letters in favour of the amendments that are contained in this Bill.

Hon. Mr. WILLOUGHBY: I have not had time to examine the Bill containing these amendments, which have been supported generally by persons who are interested. I understand that judges and delinquency officers all over Canada have commended them.

Hon. Mr. DANDURAND: Yes; I have received so many commendations that I would say they come from all of the provinces, and have received not a single protest. I might hand these over to my honourable friend.

Hon. Mr. WILLOUGHBY: As a rule amendments make the restrictions more and more drastic. That is what the officials like. However, I do not know what these alterations are, because I have not seen them.

Hon. Mr. DANDURAND: I understand that a convention of social workers from the various provinces met in Ottawa and suggested, or approved of, most of the amendments that are before us.

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

GENEVA PROTOCOL

JOINT RESOLUTION ON PROHIBITION OF POISONOUS GASES AND BACTERIOLOGICAL METHODS OF WARFARE.

The Senate proceeded to consider a message from the House of Commons with regard to the Geneva Protocol for the prohibition of the use in war of poisonous or other gases and of bacteriological methods of warfare.

Hon. R. DANDURAND: Honourable gentlemen, the resolution which is before us is to be found in the Minutes of Proceedings of this Chamber, page 376, and reads as follows:

Resolved,—That a Message be sent to the Senate to acquaint their Honours that this House has adopted the following Resolution,—

That it be Resolved:—
That it is expedient that Parliament do approve of the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare, which was signed at Geneva on the seventeenth day of June, nineteen hunded and twenty-five, on behalf of His Majesty for the Dominion of Canada, by the Plenipotentiary named therein, and that this House do approve of the same;
and requesting that their Honours will unite with this House in the approval of the above-mentioned Protocol.

Hon. Mr. GRIESBACH: Will the honourable gentlemen read the document which is to be approved?

Hon. Mr. DANDURAND: I have not the document.

Hon. Mr. GRIESBACH: Has anybody the document?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. GRIESBACH: Who?

Hon. Mr. DANDURAND: I have seen it more than once, but I cannot say that I have it under my hand just now, nor do I remember having seen it in my room in the Senate.

This Protocol was signed at Geneva in June 25, 1925 by more than thirty countries, including Great Britain and Canada, and has since been ratified by a number of the signatories. Lately, before the Preparatory Commission on Disarmament, Great Britain's representative, Lord Cushendun, expressed the intention of his Government to ratify the Protocol, subject to two reservations: first, that its provisions should be binding upon Great Britain only with respect to parties to the Protocol; and, second, that these obligations of Great Britain should cease to apply to any party who would violate his engagement. The Canadian Government, through its representative at Geneva, Dr. Riddell, made a similar declaration at that time. I do not know whether the British Government obtained approval at the last Session of the British Parliament, which was recently dissolved. At all events Canada intends to follow the lead of the British Government and is moving in the direction indicated.

With this summary explanation I move the adoption of the resolution.

Hon. Mr. GRIESBACH: I would ask the honourable gentleman whether he is able to inform the House what view the United States takes of this particular Protocol, and what is the attitude of the United States towards the use of asphyxiating gases in war, as evidenced in any document that it has ever signed.

Hon. Mr. DANDURAND: I think I can give some information on this point to my honourable friend. The first declaration against chemical warfare was that drawn up at The Hague in 1899, to which Great Britain and the United States, alone, of all the countries represented at the conference, did not subscribe. The Hague declaration of 1907, however, prohibiting gas warfare, was signed by both Great Britain and the United States.

At the Washington Conference of 1922 a convention prohibiting chemical warfare was signed by all the countries represented. The convention was ratified by the United States in 1923, and was also ratified by the British Empire. The treaty, however, is not in effect, because it has not been ratified by France, one of the signatory powers, their opposition being based not on the chemical warfare provision, but on another clause of the treaty regarding submarine warfare.

The United States was one of the original signatories of the Geneva Gas Protocol of 1925. This Protocol has been signed by some thirty-four states. It has been ratified by France, Italy, Poland, Russia, and a number of smaller countries. As a matter of fact, it has not yet been ratified by the United States, but I am informed that the United States Government, including their Navy and War Departments, are supporting the ratification of this Protocol.

Hon. Mr. DANIEL: I suppose there are reservations made in this Protocol that if some nation breaks its agreement and uses poisonous gases, such action shall relieve the other signatories from continuing to observe the contract?

Hon. Mr. DANDURAND: Yes, that is one of the reservations which Great Britain is making and which Canada will make when it is signifying its ratification.

Hon. Mr. GRIESBACH: Has the document itself been distributed to members of the other House? Upon what information did they proceed? I should like to know how the Protocol defines asphyxiating gas, and how anyone is to know that some nation has used a prohibited gas. What is the chemical property of the gas that is complained of? I am curious to know these things, because in a projectile there are two elements, the propellent charge and the explosive charge. It is the explosive which is gaseous and may be asphyxiating. How are munition workers to avoid using in the bursting charge gases that may be determined to be asphyxiating in a confined place, though not asphyxiating in the open?

Hon. Mr. DANDURAND: I do not know whether the document was distributed to members of the other House. I think I shall have time before I leave to see that, if it was, a similar distribution is made to honourable members of this Chamber. If copies have not been printed, I shall try to obtain from the Department of External Affairs a typewritten copy for my honourable friend.

Hon. Mr. GRIESBACH: I should not be surprised if the other House adopted the resolution without having any information at all on the details of the Protocol, because the ordinary legislator knows practically nothing about this matter and really cares much less. The average person will be in some doubt as to the value or efficacy of any such treaty as this, because anyone who has a slight knowledge of human nature knows that when men are fighting for their lives they will use any available weapon. History teaches us that if two men are engaged in a life and death struggle in a dark room they will not follow the Queensberry rules, but will use any weapons or methods they can. That is the cause of the great fear in the minds of those who know something about gases. Asphyxiating gas is the most terrible thing with which one could be confronted. I would do anything in my power to prevent its use, but I gravely doubt the value of treaties or resolutions of this kind. If, as I think is probably the case, the other House casually passed this resolution just as it was presented, without taking the trouble to inquire what was contained in the document, their action rather suggests to my mind the hopelessness of the whole thing. Of course I shall vote for the resolution, as it can do no harm, but it would be the height of folly for any person to be misled into thinking that our approval of this Protocol settles the question of the use of gases in warfare.

Hon. Mr. DANDURAND: My honourable friend will realize that covenants of this kind tend to create an opinion which minimizes the possibility of war being declared. It is true that some nation may violate its engagement, but it cannot be denied that such treaties have a powerful moral effect. The whole trend of thought on the part of men who are planning for the future of humanity is towards the betterment of conditions. My honourable friend might contend that the preaching which goes on in the churches every Sunday does not abolish sin, but there is no doubt that that preaching is one of the very great influences which are working to raise our civilization to a higher level. We could not dispense with the work of the churches. Representatives of the various Governments have pledged themselves openly before the world that their nations will maintain certain ethical standards. I rely upon the undertaking of the nations to endeavour to settle their differences by arbitration and thus prevent war, more than upon an agreement that a certain degree of restraint will be exercised if and when war is declared; but I am glad that the various countries of the world are pledging their honour that, in the event of war, they will observe certain rules which will go to make the conflict less cruel and savage. I believe that one effect of these treaties is the creation of a world-wide opinion which would react very violently against any country that broke this solemn pledge.

Hon. Mr. MACDONELL: I should like to ask the honourable gentleman if there is anything in the Protocol specifying just how long the signatory powers are going to abide by their agreements. Can we say that in this regard it is on a par with the League of Nations, that is, that the powers will stand by their undertaking as long as it suits themselves to do so? As we all know, prior to the Great War there was an agreement whereby the use of poisonous gases, amongst other things, was absolutely forbidden in warfare, but almost the greatest nation in the world disregarded its pledge and broke that treaty. Is there in the document before this Chamber anything that will inform us how long the signatory powers intend to abide by what they have signed?

Hon. Mr. DANDURAND: As far as my memory goes, there is no limitation as to time. I shall make an effort, before I leave, to have the document itself brought down to this Chamber.

Hon. Mr. GRIESBACH: May I ask the honourable leader of the Government (Hon. Mr. Dandurand) if, as the League of Nations develops its thesis, there grows in the minds of the enthusiastic gentlemen who assemble annually at Geneva the idea that they must provide some force to control the observance of the prohibitions, now getting to be quite numerous, that they are evolving? Do they rely upon public opinion amongst the nations of the world, or are they beginning to approach the point of view that in order to ensure the observance of their various regulations the nations of the world must combine and actually use force to compel such observance?

Hon. Mr. DANDURAND: Well, there is no agreement for the employment of force, save the provision in certain clauses of the Covenant that the Council may call upon some nations for help against any signatory nation that violates the Covenant. The Covenant provides for the meeting of the Council in such circumstances, and their calling upon the nations to take the necessary action. The Council may ask for economic sanction against the culprit nation and proclaim that nation as under the ban of all the other signatories. This instrument is fairly strong and should force a nation to reflect deeply before it would launch out into a war at the risk of being isolated, commercially and otherwise, by the other nations. The most potent force of the League for the prevention of war is the threat of ostracising any nation that disregards the Covenant and endeavours to settle a dispute by force of arms. My honourable friend is familiar with the terms of the Covenant and knows the power of the Council to call upon the nations for military intervention.

Hon. Mr. GRIESBACH: That is provided for in clauses 10 and 16. My honourable friend used the expression "economic sanction." That, in plain English, is a blockade, is it not? That means refusal to trade and, I take it, a refusal to allow anybody else to trade. Yes or no?

Hon. Mr. DANDURAND: It all depends upon the conditions which arise.

Hon. Mr. GRIESBACH: Very well. Assuming it is a refusal to trade and a refusal to allow anyone else to trade with the offending nation, how does my honourable friend propose to deal with the United States, which, by its declared public policy, refuses to recognize the right of blockade and is building a navy at the present moment for the purpose of enforcing, if necessary, its peculiar views on this subject?

Hon. Mr. DANDURAND: The United States has signed the Paris Pact, the Kellogg-Briand Pact which renounces war and suggests that other means be found for settling international differences, and there is a very strong implication that that country would have to stand by the side of other nations which refused to deal with any League member that violated the pledge it signed at the request of the United States Government itself.

Hon. Mr. GRIESBACH: That is not the interpretation which the members of the United States Senate placed upon the Kellogg Pact, when considering the question of protecting, in the event of blockade, what they claim to be their trade relationships with the other nations of the world. The discussion upon the Cruiser Bill disclosed the fact that that body, in particular, does not hold the view that the Kellogg Treaty precludes the United States Government from taking necessary military action in the protection of what they claim to be an internal situation, that is to say, the rights of their nationals to trade freely with the world, regardless of any blockade imposed by any other nation.

I am raising these questions merely for the purpose of putting a few thoughts into the mind of the honourable gentleman (Hon. Mr. Dandurand) before he proceeds to Geneva, where he represents us with great distinction. I should like him to keep his feet on the ground when dealing with matters of this sort there.

Hon. Mr. DANDURAND: Of course everyone knows that in the report of the Committee which was studying the Kellogg Pact the United States Government made certain declarations; and I think that Mr. Kellogg himself, as well as Senator Borah and a number of other public men in and outside Congress, is very strongly of the opinion that the United States could not, without the risk of impairing its honour, align itself actively, or indirectly by supplying instruments of war, with any nation that might violate the Pact.

I should like to inform my honourable friend (Hon. Mr. Griesbach) that I am now informed that an order was given on the 16th of May for the printing of 500 copies of the Protocol for distribution to the members of Parliament.

Hon. Mr. DANDURAND moved:

That the Senate doth unite with the House of Commons in the approval of the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare, which was signed at Geneva on the seventeenth day of June, nineteen hundred and twenty-five, on behalf of His Majesty for the Dominion of Canada, by the Plenipotentiary named therein.

The motion was agreed to.

Hon. Mr. DANDURAND moved:

That a Message be sent to the House of Commons to acquaint that House that the Senate has adopted this resolution.

The motion was agreed to.

POSTAL OR RAILWAY MAIL SERVICE EMPLOYEES BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 252, an Act respecting certain employees of the Postal or Railway Mail Service of Canada.

Hon. Mr. Robinson in the chair.

On section 1—Salaries of certain post office employees:

Hon. Mr. DANDURAND: Honourable gentlemen, it will be recalled that the honourable member from Welland (Hon. Mr. Robertson) stated that he did not see clearly who were the "other employees" with whom a comparison would be established under the Bill for the determination of the remuneration to which the re-employed would be entitled. As the Order in Council, passed on the recommendation of the honourable gentleman himself (Hon. Mr. Robertson), made it clear that the strikers who had refused to return when summoned to do so could only come into the service as new men, their status as newcomers is thereby established, and they must necessarily be treated as such. The comparison indicated in the Bill will necessarily be with men having the same status, and the sole question to be determined by the investigating Commission is the quality of the services they have rendered. The appointment of a nominee from the Civil Service Commission has for its special object the carrying out of the letter and the spirit which govern the Civil Service Commission.

I move the adoption of this clause.

Hon. Mr. ROBERTSON: The explanation which my honourable friend has just given meets quite fully the objection which I had in mind last night. All that I feel inclined to urge upon the House is that these men who unfortunately made a mistake, which they have long since recognized, should be treated in exactly the same way as other men who entered the service at the same time. Such is the practice that has been in vogue in other activities in Canada for many years, especially in our great transportation systems. If an employee has been dismissed for what to his employer seemed to be good cause, it very often happens that through the representations of an organization of which he is a member, and a request for reconsideration of the discipline imposed, he secures re-employment. If the restoration of the man to service carries reinstatement, he undoubtedly goes back into the position he previously occupied and receives the same rate of compensation that he received before he was dismissed. In many cases a man must be dismissed outright; particularly the employee who gets his money mixed with that of his employer. It may be that he has had long years of service and that, even though his offence was a serious one, there was no intention of being dishonest. It then often happens that six months or a year later a plea is made to his employer to give him another chance, and that he is permitted to return as a new employee. When he re-enters the service he receives the minimum compensation for the work in which he is engaged, which at first is of an inferior nature; but as time passes he gradually makes his way upward till he reaches the position which he formerly occupied. There is a very important principle involved in this practice, and if you ignore that principle and say to the men, "You are going to be rewarded when you are taken back," the consequence will be that employers will refuse to re-employ men, who thereby may lose entirely the chance of employment, and the situation created will be difficult and embarrassing to both employers and employees.

My honourable friend has now asserted the principle that I think ought to be laid down and followed, and I am satisfied with his explanation. It is, I would infer, what the Prime Minister had in mind, but he did not make it as clear as it has now been made.

Hon. Mr. DANIEL: Would the honourable gentleman mind repeating the statement of the leader of the Government? I did not quite catch it.

Hon. Mr. ROBERTSON: The honourable gentleman can repeat it for himself.

Hon. Mr. DANDURAND: I said that the Order in Council which was passed at the time, on the recommendation of the honourable gentleman from Welland (Hon. Mr. Robertson), who was then Minister of Labour—

Hon. Mr. ROBERTSON: In June, 1920.

Hon. Mr. DANDURAND: —made it clear that the strikers who had refused to return when called upon to do so, could only come into the service as new men. Their status as newcomers is thereby established. They are not reinstated, they are re-employed, and must necessarily be treated accordingly. The comparison indicated in the Bill will necessarily be with men of the same status, and the sole question to be determined by the in-

vestigating Commission is the quality of the services rendered. This is in accordance with the letter and the spirit governing the Civil Service Commission.

Hon. Mr. ROBERTSON: May I conclude what I had in mind? I have never wilfully done any individual an injustice. Last night the right honourable gentleman from Eganville (Right Hon. Mr. Graham) read a certain communication, signed by a gentleman named Knowles, which had been circulated among honourable members, and I made some remarks in reply, pointing out the origin and growth of the organization that Mr. Knowles represented. During my remarks I said that there was a secession movement at the Hamilton convention of September 4, 5, and 6, 1918, in which Mr. Knowles participated, and that he later went to the Trades and Labour Congress meeting at Quebec, where he joined with others in the promotion of certain radical resolutions. I am informed that Mr. Knowles was not at Quebec in 1918 or at any other time, and I wish to explain that while I was right as to the incident at Hamilton, I was mistaken as to the situation at Quebec.

I do not know how other honourable gentlemen on this side of the House may feel, but so far as I am concerned, I am satisfied with the explanation of the honourable leader of the Government.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill.

Hon. Mr. McMEANS: May I indulge in the hope that this is the last we shall hear of the Winnipeg strike of 1919?

Hon. Mr. CASGRAIN: Amen!

Hon. Mr. DANDURAND: The honourable gentleman from Winnipeg (Hon. Mr. McMeans) expresses the hope that this is the closing chapter of the very grave disturbance that took place in Winnipeg in 1919. I join with him in that hope, and in so doing I may be permitted to say that I believe Parliament will have contributed its share towards the healing of the wounds that remain after ten years. The men who participated in the strike have been given a stern lesson, which will be a guide not only to themselves, but to people generally throughout the country.

There is one other remark that I should like to make. When the Prime Minister was at Geneva last year he made a statement which had considerable effect throughout Europe, and beyond. He said that Canada was a land of reconciliation and peace—a land where two races who once fought each other on the battle-field are now united and working hand in hand for the development of their country. Canada is a land of reconciliation, and in this Bill we have done a little towards reconciliation and social peace.

Hon. Mr. WILLOUGHBY: They expected an orange, and they have been given a lemon, I think.

Hon. Mr. SCHAFFNER: Honourable gentlemen, the honourable member from Winnipeg (Hon. Mr. McMeans) says that he hopes this will be the last we shall hear of the 1919 strike. I hope so too. But the honourable gentleman from Welland (Hon. Mr. Robertson), if I understood his remarks correctly, made a comparison between the persons to whom this Bill may, I hope, be of some benefit, and the employees of ordinary industries. I do not think that comparison should be made. I believe that the men who struck in Winnipeg, their work being of the utmost importance to the law and order of this country, are in an entirely different position from those who strike while engaged in any ordinary industry.

This Bill is about to be passed, and while it may be the last that we hear of the Winnipeg strike, I am afraid—and some of the most influential papers in Western Canada express the same fear—that it may be the cause at some future time of these postmen striking again.

Hon. Mr. ROBERTSON: The honourable gentleman's interpretation of my remarks is quite correct, but I ask him whether he does not agree that Parliament ought to go not merely to a reasonable length, but to a generous length, in granting to these postal workers the same sort of treatment that for the past thirty years private employers have been in the habit of granting and labour organizations have accepted as fair and just. The offence of these postal workers is probably more serious than it would have been if they had been employees in private industries. I think that in doing what it has done Parliament has been fair and generous.

Hon. Mr. SCHAFFNER: I do not agree with that at all. There is no comparison between a strike in an industry and a strike in the Post Office.

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

The Senate adjourned during pleasure.

After some time the sitting was resumed.

COMPANIES BILL

REPORT OF COMMITTEE

Hon. Mr. BLACK presented the report of the Standing Committee on Banking and Commerce, to whom was referred Bill C, an Act to amend the Companies Act.

He said: I think no explanation is necessary, except to say that a sub-committee of the Standing Committee on Banking and Commerce have considered the Bill very thoroughly. The honourable gentleman from De Salaberry (Hon. Mr. Béique) and others have given a great deal of time to the consideration of amendments to this Bill, but it would be out of place to attempt to explain them at this time.

I move that the Bill be reprinted with the amendments as submitted, and that they be considered by the House on Wednesday next.

Hon. Mr. BEIQUE: I would suggest that the printing of the amendments in the minutes of the Senate be dispensed with, because there are a great many amendments, and the Bill as reprinted can be taken into consideration on Wednesday next.

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

THE SENATE

Thursday, May 23, 1929.

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

Prayers and routine proceedings.

OPIUM AND NARCOTIC DRUG BILL

THIRD READING

Bill 4, an Act to amend and consolidate the Opium and Narcotic Drug Act.—Hon. Mr. Dandurand.

SPECIAL WAR REVENUE BILL

FIRST READING

Bill 278, an Act to amend the Special War Revenue Act.—Right Hon. Mr. Graham.

EXPORT OF PROHIBITED MERCHANDISE TO UNITED STATES

INQUIRY AND DISCUSSION

Right Hon. Sir GEORGE E. FOSTER rose in accordance with the following notice:

That he will call the attention of the Government to the situation created by the traffic, between the ports of Canada and the United States, in merchandise declared illegal by the laws of either country, and the necessity for prompt and effective action in relation thereto from both a national and international point of view; and will inquire of the Government what measures it proposes to take in dealing therewith.

He said: Honourable gentlemen, the question which I purpose to discuss for a short time this afternoon is an old one and as troublesome as it is old. It presents the same special phase to us in this Chamber as it did when discussed yesterday in another place. It is almost impossible to engage in a discussion of the traffic in intoxicating liquors without evoking feelings, founded on principle or on prejudice; but in the observations I shall make to-day I shall try to keep away from any personal considerations and any examination of the nature of the traffic itself, and confine remarks to a businesslike discussion of the present problem.

In order to picture the situation in its proper setting it will be necessary for me to make a short historical survey of the background, or basis, of the existing problem. Ever since the 18th Amendment became a part of the Constitution of the United States, more or less trouble in connection with the regulation of the traffic from Canada to the United States has been experienced by our Government in general, and by one or two administrative departments in particular. About the years 1924 and 1925 matters seemed to have taken on a rather serious aspect, and both in the public press and in various legislative assemblies there were hints and forecasts of coming difficulties, due to illegal and corrupt practices, which were alleged to be more or less prevalent. In 1926 definite charges were made in the House of Commons, where it was alleged that lawlessness and corrupt influences were active, and that the situation generally was so grave as to require the serious attention of the Government. As a result of these charges and the ensuing discussion, a special committee was appointed by the House of Commons to examine into the charges and to report upon the facts. That committee was an able one, and I am bound to say that, so far as I can judge, it was impartial, as it was composed of representatives of all political parties in the other House. It gave thorough and skilful attention to the matter, and agreed upon a report which was presented, and which, I think, it would be well to place upon the records of this House.

On the 18th of June, 1926, the Committee reported:

The Committee finds that it is the common practice of the Department to grant clearances to vessels wholly or partly laden with liquor for the United States, or allegedly bound for a

foreign port, but admittedly sailing to "rum-rows", and that false landing certificates have been produced to obtain cancellation of bonds given for foreign export of cargoes so cleared.

The Committee further finds that a strong presumption is raised that some proportion of the liquor so shipped and cleared finds its way back into Canada for consumption. The Committee, therefore, recommends that excise and sales tax be levied on all Canadian made intoxicating liquors released from bond, no matter where they are carried or consumed, and that duty and sales tax be levied on all alcoholic liquors entering Canada, whether in bond or otherwise, irrespective of their ultimate destination.

The part of that report which is pertinent to the question now before us is contained in the following paragraph:

Doubts have been cast upon the sufficiency of existing legislation to prohibit or authorize regulations prohibiting the illegal export of intoxicating liquors to the United States. To the extent to which such legislation may be insufficient the Committee recommends that it be amended. The Committee further recommends that, as soon as possible, regulations be made to prohibit clearances being granted to vessels carrying liquor as cargo, sailing from a Canadian port to a United States port, such regulations to make an exception in favour of liquor being imported into the United States in accordance with the laws of that country.

The report, which I believe was agreed to by the Committee without division, was debated in the House of Commons and on the 29th of June it was passed there also—if my memory serves me—without division. That final paragraph thus became an imperative utterance and instruction of the House of Commons upon the matter now under our consideration.

Parliament was shortly afterwards dissolved, and an election took place on the 14th of September. On the 11th of September the Leader of the present Government, then in opposition, made a statement which was published in the Toronto Globe. Before quoting that statement I wish to say that both in the appointment of the special Committee and in the support of the investigation, the Prime Minister of the present day was outspoken, sincere and cordial. His statement which appeared in the Globe seven days before the polling was this:

When returned to power I pledge myself to continue relentlessly the investigation of the Customs Service and to carry out without fear or favour the needed requirements.

The election resulted in the return of the present Government to power, and almost immediately thereafter the Prime Minister fulfilled his promise of a thorough investigation by appointing a Royal Commission, consisting of Chief Justice Brown of the Court of King's Bench of Saskatchewan, Mr. Justice Wright of the Supreme Court of Ontario, and Mr. Justice Roy, of the Superior Court of the Province of Quebec. These gentlemen undertook their mission on the 17th of November of that year, travelled this country from one end of it to the other, were assisted by most able counsel, and made, I believe, one of the most thorough and fearless investigations ever made in the parliamentary history of Canada. After eleven months of survey and examination of sworn evidence, the Commission, on the 15th of October, 1927, submitted its report, which I think should also be placed upon record. Its chief recommendations read as follows:

At the time of the Treaty and since considerable quantities of liquor, upon which excise duties had not been paid, were exported in bond for alleged destinations other than the United States. The Customs Act and the regulations thereunder require that in such cases a bond should be given requiring liquors to be exported out of Canada to the port named in the Customs entry, and requiring a landing certificate from the proper officers of the port of destination, and that in default of the obtaining of such landing certificate and compliance with the other conditions the bond should become due and payable.

The evidence adduced before us disclosed that a great majority of such shipments never reached the named destination, and the inference was strong that the liquor comprised in such shipments had been smuggled into the United States. In many cases landing certificates were produced to Customs that our investigation showed to be forged and fraudulent. In some cases the bonds were released, but in other cases the Department was not satisfied, and the bonds are still outstanding. We have dealt with this aspect of the matter in our Interim Report No. 10.

For some time past an additional method has been adopted, which is to export duty-paid liquor. The practice is to enter at Customs the liquor as being for export to certain ports in the United States, but the liquor is never landed at a port recognized by the United States authorities, and is smuggled into that country in various places where there are no recognized ports or customs houses.

Many regulations have been framed and enacted for the purpose of meeting this method of smuggling, but they have proved ineffective.

And here follows the paragraph which is more pertinent to the question that we are now discussing:

We are convinced that the export houses are established in practically every case for the sole purpose of selling liquor to be smuggled into the United States and that they exist for no legitimate purpose whatever. Some of these export houses have Customs bonds, and we would recommend that all these bonds be cancelled.

As all of the Provinces of Canada have either assumed control over the sale of liquor or have prohibited it altogether, the principle of the Doherty Act should in our opinion be extended to prohibit the export from any of these provinces by anyone other than the Provincial Governments or the manufacturer.

We also express our entire concurrence in the recommendation of the Special Committee of the House of Commons as contained in para-

graph 10 of that Committee's report. An effective method of carrying out the intent of the Treaty referred to would be to prohibit clearances to vessels or vehicles of all kinds carrying a cargo of liquor to the United States, contrary to the laws of that country.

It would be interesting, if time allowed, to trace briefly the report which was handed in by that Commission dealing with other phases of their investigation, but I will not take up the time of the Senate this afternoon for that purpose. Suffice it to say that there was revealed a state of active lawlessness and corruption—rank, slimy corruption, conducted in and by the illicit liquor interests—which gave great concern to all administrators of the Government and all honest citizens of the country who came within the range of that information, and gave them reason for serious thought. It would seem as though the administrative functions in some cases had almost ceased to operate fairly and honestly, and that we were really on the very edge of the Serbonian bog to which we were being pushed by the lawlessness and corruption of the liquor traffic.

So much, then, with reference to that. There you have, in the first place, from a special Committee of the House of Commons a recommendation which was agreed to and approved by the House of Commons itself, supposed to represent the will of the people, that there was one method amongst all others that might be adopted, and in the Committee's opinion should be adopted, in order as far as possible to cure the evil which was existent. Then we have a judicial investigating body of repute and capability, vigourously conducted and ably assisted, coming to the same conclusion after a most thorough investigation, agreeing upon that as one method of meeting the situation. Seldom has there been a more authoritative recommendation founded upon a wider and surer basis of investigation. So much, then, for the Canadian setting of the situation.

Let us now pass over to the United States of America. Our neighbour is the other party in these negotiations which have been lately going on, and which have now come to a head, though not, I hope, the ultimate head.

The United States of America, in a history of more than a hundred years of repeated and varied attempts to deal with the liquor traffic, to curb its power and diminish its evil influences, had, by perfectly constitutional methods, by the co-operation of its Federal Congress and the forty-eight States which make up the United States of America, embodied their conscience and conviction in reference to the treatment of this traffic in an amendment to the constitution of the United States. That amendment, with the co-operation of all those bodies, had gradually developed from the doubtful field of contest to the undisputed and strong majority which was necessary for an amendment to the constitution.

From 1919, when the enabling laws for carrying out the purposes of that amendment were passed, the United States of America, particularly the Federal power, entered upon a struggle and an undertaking of supreme difficulty. No matter what may be our convictions as to the personal use or the legislative control of the traffic, we must as reasonable men agree that they were trying a new experiment on a vast scale, with a people 120,000,000 in number, made up of all classes, all creeds, and almost all colours—a polyglot democracy in which states and federal powers were often at odds with one another.

Now, that was an undertaking which in itself was a tremendous task. But consider, as well, the border-line of the United States, into which and against which all illegal operations were directed to defeat that law, as far as the importation of intoxicating liquors was concerned. It is of immense extent, with two long land borders, that of Mexico and that of Canada, 5,000 or more miles in extent, and two ocean borders of almost equivalent length, which were vulnerable to the attack of the smuggler and the law-breaker from abroad. Added to that was the herculean effort necessary to cover the illegal activities which were developed within the country itself. The mere mention of them shows us what immense difficulties must have been encountered.

The Federal authority went to its work, with the sympathetic co-operation of State powers in many cases, but in others with the absolute indifference, and—still harder to contend with—the actual animosity of some State Legislatures with regard to the enforcement of the Act. But it has persisted, and it is possible now for one to state that through the long ten years in which it has persisted the accordant sentiment and support of the United States people, so courageously shown in placing the amendment in the constitution under the difficulties which in the United States surrounded that process, have not diminished. On the contrary, as far as we can judge from legislative and electoral indications, they are stronger now than at any previous period, and the efforts have been to a large extent successful.

I have not very much sympathy with this attempt that is being made to create in Canada the impression that the United States has

been over lax, has practically done little, or has been entirely negligent in the enforcement of its law—of this amendment. I hold a contrary opinion, and I think that an unbiased valuation of the difficulties which were encountered and the results which have been achieved will absolve the United States from that general accusation. Rum Row has practically disappeared. Along the Maritime Provinces border of our own country the illicit traffic has been to a large extent scotched or killed. Some progress has been made on the Pacific coast, and now those law-breaking forces at work to defeat the object of the amendment in the United States and thrust liquor into that territory are chiefly deployed along the lakes, particularly Ontario and Erie, and the narrow straits and rivers which separate Canada from the United States.

On the whole, I think I am fairly well based in stating that a gigantic effort has been made by the United States in good faith to carry out the purposes of the amendment and perfect the organization which shall ultimately make this as successful as similar laws can be made.

If we look for another indication, it is found in the events of last year, at the Republican convention at Kansas City and the Democratic convention at Houston, both representative of two immense parties with tremendous electoral constituencies behind them. They passed resolutions in both conventions which favoured the retention of the 18th Amendment and pledged both parties to the enforcement of the laws which were necessary for its support. In the Republican convention the Republican candidate himself, a man not given to fads or fancies or over-enthusiasms, I should judge, pledged himself both as a personal believer in and a political supporter of the 18th Amendment, and the enforcement of such laws as were necessary in order to carry out its purposes.

To-day in both the Senate and the House of Representatives at Washington there is a larger proportion of Drys to Wets than at any period of the history of Congress from 1919 up.

If one more fact is necessary I adduce this one. When enforcement is taking place, and suspected persons are brought within the toils of the law, you have not only the individual violator of the law, but largely in the United States and also here in Canada you have the organized violators of the law—shrewd, skilful, daring, conscienceless, with illimitable funds at their back, and with the very best of legal advice that can be got to support them in the courts. A fine which would be effectual for an individual violator has no effect at all upon your commercialized bands and their violations. Your bands and your bandits and your associations of men are firmly linked, and skilfully and shrewdly organized. A fine which is sufficient in the case of an individual is to them a mere fly upon a wheel, and has no effect upon the organized violator. When that weakness was brought before both Houses of Congress at its last Session the Jones Bill was passed, which has been much criticized, but which has its defenders. The purpose of the Jones Bill was to impose a penalty which would be effective on the organized, combined violators of the 18th Amendment and the Volstead Act; and so the penalty was set at $10,000, or five years' imprisonment, or both. That is a drastic penalty. It was admitted to be drastic, but it carried in both Houses; in the lower House by a vote of 283 to 90, and in the Senate by a vote of 65 to 18. Now, men in the legislatures vote either from personal conviction or because of the conviction of the electorate behind them; and for myself I find it difficult to draw the conclusion from that legislation that the sentiment of the United States is not for the enforcement of the Volstead Act and the strengthening of the 18th Amendment. So much then for that.

Now, the very moment that the United States of America came to deal with that vast coast line, with depredators upon almost every league of it, both by land and by water, they began to look around to see whether or not there was any sympathetic good-will amongst the nations of the earth, particularly near neighbours, which could be enlisted in their aid. But not for the enforcement of their law. That is not the angle from which to look at it. The United States of America, to my knowledge, never asked any country in the world to help them enforce their law, but what they did was this. The people of the United States, in the most democratic fashion possible, came to the conviction that the way to treat the traffic in intoxicating liquors in the United States was to prohibit their import, their manufacture, their transport and their sale. They have embodied that in their highest legislation, so embodied it and embedded it in the constitution that no man of sound common sense to-day believes that the United States of America are anywhere within measurable distance of the repeal of the 18th Amendment and the consequent abrogation of prohibition in that country. To accomplish repeal the reverse of the enaction process has to be followed, and there must be not only the enactments of two-thirds of the Senate

and the House of Representatives, but also the approbation of three-quarters of the States of the Union.

What did the nations say to the United States of America? They met them, I think, in a very reasonable way. They paid some respect to the fact that a great nation of 120,000,000 people, working against an age-long evil of admitted intensity, had come to the conclusion according to its conscience and conviction as embodied in the constitution. So from various countries the United States of America received sympathetic help. First, all the nations gave adhesion to a system of port regulations necessary to prevent smuggling by foreign ships visiting the United States. Then came the wider sphere of sympathetic assistance, which was in the line of getting countries to pass legislation or make regulations, not to enforce the prohibitory law of the United States, which the people of the United States proposed to do and ought to do themselves, but to make it a little more difficult for law-breakers and rum-runners from these countries to violate the legally embodied conscience and conviction of the people of the United States. Great Britain held conferences with the United States. While she did not go as far as the United States would have liked her to go, she went a long distance and placed difficulties in the way of those who proposed to violate the law of the United States, by extending the area from the three-mile limit to the twelve-mile or the fifteen-mile limit—to be exact, one hour's steaming distance from the shore. Within that extended limit, whatever it may be, the United States was empowered, so far as British vessels were concerned, to hold them if they were suspected, to examine them if that was thought necessary, and to seize them and take them into port. That was as far as Britain went, but it was a great distance to go, and proved a great help to the enforcement squadrons and authorities of the United States.

Canada adopted the same principle, which was embodied in the Treaty of 1924. Cuba, a near neighbour, did exactly what the United States asked her to do, and made a convention or treaty under which clearance was refused to any vessel having a cargo of liquor destined to the United States, or which, even though purporting to be for other countries, was thought to be for rum-running purposes. Mexico, on the southern border of the United States, concluded a treaty of exactly the same import. Norway not only refuses clearances, but punishes navigators or carriers who engage in this illicit traffic. Eleven states bordering on the Baltic have passed legislation which is favourable to the prevention of these raids from outside, and lately Japan has made a convention along the same lines.

And now the United States comes to Canada and says, "You are our nearest neighbour." —I think I may well translate that by another adjective.—"You are our dearest neighbour, our most intimate neighbour, with whom we have most of our dealings, and with whom our relations are most agreeable." They ask us whether or not we cannot do the same thing that Mexico and Cuba have done—not to go over into the United States to help them enforce the law, but simply to make it less easy for those who in our country band themselves together to defeat the purpose of American legislation by smuggling liquors into that country. I think, honourable gentlemen, that there is a vast difference, according to the angle from which you view the question. How easy it is to tell the man on the street: "That is their own kettle of fish; let them stew it themselves. They passed the legislation. It is their problem, let them solve it." But I think they are justified in asking us out of good-will and mutual interest to assist them to the extent of refusing would-be lawbreakers, whether their own citizens or ours, harbourage, and sustenance, and ammunition, and arms, in their assault upon the legislation of a neighbouring country.

There is a difference in the point of view, but I think my point of view is a reasonable one. So much then with reference to the historical background of the United States.

Negotiations were commenced between the two governments in 1925, and continued for a period of nearly two years, during which time the United States was trying to get its proposal before the Canadian Government and to have it embodied in a convention or agreement. One thing after another stood in the way, and the final delay was caused by the fact that the Royal Commission was at work. It was very good policy for both our Government and the Government of the United States to wait until that investigation was completed. So there was an interregnum until the report was finally issued and digested, and then there came the conference of last January.

Now, it would be interesting to review and comment upon what took place in that conference between the officials of Canada and the officials of the United States, all of whom were practical, clever men. I cannot read over the report of what was said pro and con at the conference without feeling, however, that the Canadian representatives were more fruitful in finding objections to co-operation than in

devising means by which both sides might come together to a satisfactory conclusion. However, I am not going to make any further criticism with reference to that. The report of the conference is open to all members of the Senate who wish to read it, and I think that the ten or twenty minutes required to do so would not be badly spent.

After these delegates had held their conference and come to no conclusion, the matter came before the Canadian Government for action, and the action that was taken is outlined in the letter of the Prime Minister of the 15th of March last. Just here may I remark that it has been stated in numerous headlines in the newspapers that the Government had come to a final decision, and that that was the end of the matter. But the Government has not finally decided, and it is to the credit of the Government that it has not done so, and it is the hope, if not of all the people of Canada, of a very large proportion of its reputable citizens that a better conclusion may be reached. The Government was wise enough not to close the door, and if you read the Prime Minister's letter to Mr. Phillips you will find that he expressly states in the opening paragraphs that the Government has not come to a final decision on this matter. Then certain suggestions are made that officers from the United States force should be placed in certain Canadian ports in order that they might despatch information to officials on the other side. That proposition has been as courteously declined as it was courteously offered, and the United States Minister says that in the opinion of his Government it would be of no particuler use. For my part I am rather glad that the United States Government has come to that decision, for after all, the information which is provided by the customs officers as to the clearance and despatch of vessels carrying cargoes of rum, ostensibly for the United States, is of very little practical use, because it is very largely fictitious and the distances are so short that the boat arrives often at its rendezvous before the information can be acted upon. The Canadian officer takes the information that the captain of the vessel gives him, the name of the ship, its description, whither it is bound, and anything like that. The loading of the cargo is now supervised by Canadian customs officers—an improvement possibly on the old system. Inasmuch, however, as vessels carrying such cargoes do not dare to go into United States ports, nor can they enter their cargoes, because they are illegal, they seek an advantageous place, of which there are thousands along the lakes and rivers, for the disposal of the cargo, the hour for which, with the appropriate cover, they are skilled in seeking. That is the position at the present time.

Honourable gentlemen will, I think, agree with me that this is no light matter. It is not so simple as it sometimes seems to be to the man on the street. This is an international question. When one neighbour nation prefers a request, a request which it thinks is not unreasonable, and asks for consideration thereof, it becomes necessary for the nation which is approached to study the question in all its bearings, and if it possibly can, to sympathetically and practically co-operate. I think it is an international duty to do so, and it is generally considered in that light nowadays. We are passing into a somewhat different atmosphere from that which prevailed before the war. The honourable gentleman to my right (Hon. Mr. Griesbach) yesterday made an amiable allusion to the enthusiasts who gather annually at Geneva. Well, I take that in good part. I am happy that there are some enthusiasts who gather at Geneva and elsewhere in the interests of peace. The enthusiasts for war have had things their own way during all the ages, and a sorry mess they have made of it. If there is any possibility of the enthusiastic forces of public sentiment in fifty-four or sixty nations of the world mitigating the horrors of war and making more secure the blessings of peace, for Heaven's sake let us get down on our knees and pray for their success. Call them enthusiasts. Blessed be the enthusiasts. What a drab world we should have if there had been none of them in the past ages and were none now.

There is a growing feeling that no nation's life is separated, as in a water-tight compartment, from the life of other nations, but that there are obligations, benefits and interests which can be best effected by international co-operation, good-will and understanding. To a large extent, then, this is an international question, and on that ground I am sincerely glad that the Prime Minister has not closed the door on the negotiations. Let us hope that a solution may ultimately be found.

This is also a national question, for it affects Canada in many vital particulars. Morally, socially, and from an administrative and governmental point of view we are deeply concerned. No one can read the history unfolded in the reports of the Royal Commission without getting a poignant and humiliating sense of the position in which matters stood three years ago and thereabouts. I should like to say that the attitude of Government in Canada has undergone a great change, and I give the administration, and the energetic

Minister who is chiefly responsible for this change, all due credit therefor. Canada has done something. She has not been an altogether unsympathetic neighbour, but has co-operated in many ways, some of which have been quite effective, to make it easier for the United States to repel and to apprehend these would-be lawbreakers. Export houses no longer flourish to the same degree as they did some four years ago. And there are fewer export docks, the number in the Windsor district having dropped from fifty to ten, with corresponding reductions elsewhere. I know that the motive for the Government's course of action was not primarily a desire to co-operate with the United States, particularly, but sympathy with and for the furtherance of the objects of the Liquor Control Board of Ontario. Nevertheless, the result has been to diminish the facilities and restrain the activities of would-be lawbreakers.

I might go on and mention other commendable acts of the Government. Not long ago it was possible for a vessel laden with liquor and arriving at Halifax, St. John, or any other Maritime port, to extend itself there, form depots, and stock them for the rum runner to smuggle into the United States.

Hon. Mr. TANNER: Now they go to St. Pierre.

Right Hon. Sir GEORGE E. FOSTER: Now they go to St. Pierre, and I suppose the inference to be drawn from that remark is that we ought to get into touch with St. Pierre and endeavour to have that traffic put an end to there.

Hon. Mr. TANNER: That is where the trade is now.

Right Hon. Sir GEORGE E. FOSTER: I am quite sure that my honourable friend does not mean by that remark that he would have preferred to have the traffic continued at Halifax.

Hon. Mr. TANNER: I do not mean that.

Right Hon. Sir GEORGE E. FOSTER: Not at all. We have gained something by keeping these vessels as far off as Miquelon and St. Pierre. Stormy seas intervene. There is some hope that some of the vessels may go up on the rocks, or that the activities of some of them may be terminated by other means. There is always the possibility that the hi-jacker may intervene, seize the whole illegal cargo and pervert it to his own profit. From among the hi-jacker, the smuggler and the abettor of lawlessness there is not much to choose.

I repeat that I give credit to the Government and to the energetic Minister who, I believe, puts into this matter his mind and a goodly portion of his heart. I wish he could put his whole heart into it. But I must say here that I do not like the doctrine which was enunciated in another place a day or so ago, when it was stated that it was the Government's policy to treat a rum cargo exactly the same as a load of potatoes. I think a great fallacy underlies a statement and a practice of that kind. I take the familiar and homely spud and I go to the place of its generation, and I follow it up through all the stages of its growth, its handling, its being gathered, stored in cellars and warehouses, loaded on a vehicle of transportation and carried to its place of ultimate consumption, wherever that may be. But from the time that the spud begins to germinate in the field until it is consumed, I fail to find it accompanied by an army, or by an escort of Customs officers and preventive officials. There should be a difference between the treatment that is given to a load of potatoes and that which an illicit rum cargo receives. Furthermore, when the mild and well favoured potato is transported from this country across the boundaries of the United States, it is not pounced upon by Customs officers and thrown into the refuse heap, or otherwise maltreated. The spud maintains its honourable and useful character wherever it goes. Its entry into that community of 120 millions of people is legal and subject to the payment of duty, and it arrives there with its name unscathed and its character untarnished. Surely in this regard there is a great difference between a load of potatoes and a cargo of illegal liquor. I want that point noted, so that we may shun the delusion that there is no difference between the two.

Another fallacy underlies the assertion that the rum runner who finds his cargo in Canada and heads for the United States, either by land or water, is a gentleman, an honest trader, until he oversteps the boundary line between the two countries, although the moment he crosses that line, by so much as a few inches or a foot, he becomes a disreputable lawbreaker. The fact is that from the beginning to the end of his trip he has but one purpose, and if he goes no farther than the border he is of the same dishonest fibre as his ally to whom he delivers the cargo on the other side, because the second part of such a combination would be powerless and ineffective without the first part. All who participate in the rum running business are in the same class, are of one mind, and have but one object in view—the illegal

entry of liquor into the country of our neighbour to the south—and I can see no moral distinction between any of them.

It is sometimes argued that we have no right to interfere with an industry which is legal in this country, and that consequently we should not refuse clearances for the exports of brewers and distillers. But what is legal is changeable. A thing which is lawful to-day may, for reasons of public policy, be declared unlawful to-morrow. We need to get down to the truth that underlies the situation. Let us briefly attempt to do so.

I do not know the number of distilleries and breweries in this Dominion, but there are many and they are increasing in number and output. They get their product upon the market in such ways as are open to them, but they can get their liquor to the United States only by corrupting officials, by breaking the laws of a neighbour country, and, what is worse still, by active collusion, alliance and co-operation with rum runners and smugglers. Not a single cask of whiskey can go out of a Canadian distillery and find its way into the United States market unless there is resort to corruption, subterfuge and even violence. It is only by the connivance and active effort of such a combination that it is possible for this industry of brewing or distilling to sell its goods in the United States market. Every brewer or distiller knows that. And every child of observant nature and quick intellect, who is starting out on the way of life with its ears and eyes wide open, and who has an inquisitive mind, knows just as well as we do what is going on. It learns that a traffic is considered all right so long as the desired price and profits are obtained, even though the laws of another country are broken. The inference is that the same thing is allowable even though it involves the breaking of laws in our own country. My theory is that the man who does not respect the aggregate conscience and conviction, as these have been framed into law by democratic and constitutional methods, of another country of equal civilization with his own, is not very likely to honour the laws of his own country, if as a result of violating them he can make financial profits.

So I say we should give careful thought—I shall put it no more strongly than that—as to whether or not we are prepared to face international complications which are certain to arise if this thing goes on; and whether we are ready to risk the corrupting influence and the schooling in actual lawbreaking which are offshoots of these operations. Do we think we can afford to pay so high a price in order that brewers and distillers may make bigger profits? They have all the rest of the world open to them to prey and fatten upon. They should not be allowed to conspire with bandits to break the laws of a neighbour country and thwart the will of a friendly neighbour. We are bound to seriously consider this question, and some day or other we shall have to reach a conclusion.

Let me make one other observation before I close the remarks to which honourable gentlemen have listened so carefully and so sweetly. This is not a temporary emergency question, nor a small one. The United States is our near neighbour, a country of 120 millions of people, with probably as high an average of intelligence, character and culture as any people in the world possess. By immense majorities persisting over a series of years, they have registered their will and their conviction as to the treatment which should be given to one particular commodity within their own country. Should we incur their ill-will, and, if so, can we afford to do so, for refusing what seems to them to be a reasonable sympathy and practical help, by providing place and opportunity for this traffic to continue? Depend upon it, the United States of America is bound to enforce its law. President Hoover is pledged to the enforcement of the law. Congress passed a vote of $43,000,000 last Session in order to carry out its enforcement. A body of very able men were appointed just a day or two ago by President Hoover to look into the very bases and foundations of the lack of respect for law and enforcement of law, which is becoming so impressive a feature of United States civilization to-day. All these things look towards a determination to uphold this law, to enforce it, and to continue it. It lies before us, and it becomes us to think whether or not there is not some means, other than that which has already been adopted, by which we may co-operate with each other to promote amity or prevent the spirit of ill-feeling which is likely to arise.

We have a young External Affairs Department. Take my word for it that if that Department continues its existence, as it seems likely to do, it will have plenty of work which will be of such complexity and such spirit and quality as will try the very best of relations which exist between our two countries. The "I'm Alone" case is an instance. Suppose, just for example, that Belize had been in the same position of co-operation with the United States as Cuba, and had concluded a convention with the United States that it would not give clearance to prohibited cargoes which were bound for the United States, though they might

ostensibly be going elsewhere. As the Belize authorities knew quite well when the "I'm Alone" took its second cargo from Belize, its first cargo was for Nassau, but never went to Nassau; it was disposed of by a known rum-runner of hardened conscience and of long experience. The captain went back to Belize and asked for clearance for another cargo. If the proper conditions, such as I have stated, had been arranged with the United States, Belize would have said to the captain of the "I'm Alone," when he came back: "Did you go to Nassau?" Being an honest man, he would say, "No, I went away up along the coast of Florida and Louisiana, and got pointed off there, and I am back for another load." Then the Belize authorities would say, "No other load for you," and that troublesome international incident would not have occurred in the way it did, and Canada would have been saved the humiliation of setting a fresh young embassy to fight for a disreputable case.

Along the crowded border of thousands of miles between ourselves and the United States, how many possibilities are there for international complications? With large bodies of coastguards and preventive officers, equipped with swift gunboats, coming in constant contact with bands of rum runners, armed with sawed-off shot guns, carrying the orders of Canadian brewers and distillers, something is sure to happen; and I ask the Government to give its most serious attention to this phase of the question.

I thank you very kindly for listening to my speech—the last I will give you at this Session. It may be that very few are to come after; things which happen here day after day remind us of the shortness of human life. I love this old Chamber in one way; I like it because of its associations, and my associates on both sides. Altogether, I have found no rabid partizanship; I have found the heartiest of good-feeling by members on both sides, and a keen desire to do the right thing.

Let this Senate take up just such questions as this in its calm, deliberate and non-partizan way. Let it thoroughly sift them and examine them, removed from the political atmosphere, the fluctuations of which bother the members of another Chamber, and perhaps the very best service that ninety men could give to their country can be given in this Chamber itself.

I commend what I have stated. I have tried to keep myself from being voluntarily partizan. I believe that the liquor traffic is evil, and that continually. I believe it is the biggest curse that ever plagued humanity; but I believe the problem is being solved by experimentation and by teaching, and the time will come in the history of the human race when it will triumph over this, as over all other of its great human ills.

To that end let us dedicate what years we have remaining, with our best efforts and with unwearied purpose.

Hon. CHAS. E. TANNER: Before my right honourable friend (Right Hon. Mr. Graham) proceeds to answer, there are a few observations which I should like to make on this subject. There is one aspect of the speech which I am hoping my right honourable friend, the leader of the House, will clear up when he replies to the right honourable gentlemen who has just spoken.

About two weeks ago I had the privilege of being one of a party who went on a week-end motor trip through parts of New York State. While over there I was interested enough to ask some questions of persons with whom I came into contact, in regard to this matter, and practically every one with whom I discoursed appeared to be under the impression that the whole flood of liquor consumed in the United States of America comes from Canada. I have observed also that many of the leading newspapers in the United States present the same view, namely, that the Dominion of Canada is the source of supply.

I am not saying that my right honourable friend who has just spoken has any such idea in his mind, but I feel that a great deal of the discussion on this side of the line would convey to the uninformed the very same impression in regard to the quantity of liquor consumed in the United States and the proportion of it that is exported to that country from Canada. I should therefore like the right honourable leader to clear up the question whether or not the statement is true that of all the imported liquor consumed in the United States only 5 per cent goes in from Canada. That statement has been made on what seems to be good authority. I am not justifying the 5 per cent, but I understand that that is the relative quantity for which the Dominion of Canada is responsible, and that 95 per cent of the liquor consumed in the United States comes from southern ports, and from manufactures in that country itself.

I happened to be in the southern parts of the United States last summer when the Democratic convention was being held at Houston, and I naturally took observations, and also read a great deal about the proceedings of that convention. Honourable members of this House who observed events will

remember that the Democratic convention insisted upon having a dry plank in its platform, whereas Mr. Smith, the Democratic candidate, insisted on having a free hand to wipe out the 18th Amendment and the Volstead Act, and the party went to the country with those two policies. My reading and observation of conditions in Houston during the carrying on of that convention convinced me, beyond a shadow of doubt, that never was a convention that talked temperance and prohibition held in any city in which intoxicating liquors were flowing more profusely. The Baltimore Sun, a very reputable and dependable newspaper, which is disposed to be Democratic, had a special writer from Washington at the convention, and his descriptions of the drinking, and of the quantities of liquor that were being consumed by the very people who were carrying on this convention, were appalling. That was one event which rather convinced me that on the other side of the line there is just as large a percentage of hypocrisy on this subject, among political parties and in other quarters, as there is in this country.

I have had reason to be in the United States, particularly in the southern parts, during the summer, for the last four or five years, and I have conferred with business men and other prominent citizens there. The information I have received from those men was that they never had any difficulty in getting liquor when they wanted it; that almost unlimited quantities came in, and that it was manufactured in the country in almost unlimited quantities. I have been in houses down there where very fine qualities of ale, of wine, and of brandy liqueurs, made on the premises, were served to the guests in the house. I have seen that.

I have been in departmental stores down there in which as you went about you could see the various parts which make up stills. You do not find them all in one place; you see one part on one counter, another part on another counter, and a third part somewhere else. All you have to do is to buy the various parts, take them home and assemble them, and you have a still for making liquor. My information from reputable citizens is that large departmental stores in New York, Chicago, Baltimore and other cities carry on the same kind of business that I have just mentioned.

Now, if it is true that 95 per cent of the liquor consumed in that country is made there, or imported from other countries than Canada, it seems to me that the first duty of the Government of the United States is to tackle the 95 per cent, and not to make so much fuss about the 5 per cent. In any event I should like it spread abroad in this country that Canada is not responsible for the consumption of the huge quantity, but that the people of the United States are responsible for 95 per cent, as against 5 per cent which possibly goes from Canada.

Right Hon. GEORGE P. GRAHAM: Honourable gentlemen, I am sure we were all very much interested in the eloquent, earnest and interesting speech of our right honourable friend from Ottawa (Right Hon. Sir George E. Foster). He always has something to say when he talks, and thus he sets a good example to the rest of us. But there is one thing he said with which none of us will agree—that he is getting anywhere near the time when he will cease to talk to us in the Senate, and be with us. We honour him, we admire him as a Canadian, we look with pride on the work he has done for the Dominion of Canada, and we are all of one mind in the hope that he and his good wife will have a pleasant trip, and that he will meet us next year and the year after, and be here among us, giving us such addresses as we have listened to to-day.

Now, I do not see why I am the leader of the Government. I did not know anything about it till I got here, and I am not yet sure of the reason.

Right Hon. Sir GEORGE E. FOSTER: In the fitness of things.

Right Hon. Mr. GRAHAM: Thank you. I surely expected the honourable senator from Ottawa (Hon. Mr. Belcourt) to be in his place this afternoon, and I made no preparation in any way for taking charge of the business of the House.

This is a big question, and a serious question. It has an international aspect, no doubt; and I submit that we are gaining ground and improving our position, even internationally, on this subject as well as others. I do contend that our friends across the line are more eager to co-operate when they want something than they are when we want something. I think that is true in respect to nearly everything, even including the humble spud which my right honourable friend described. They are lying in wait with a hatchet at the present time, until their legislation is passed, and I am not sure that the Canadian spud will not be even more unpopular in some parts of the United States than a bottle of Scotch whisky. But, as my right honourable friend has said, we are advancing. Short-circuiting was one of the things investigated by the Commission. By

short-circuiting I mean that a boat would be cleared from some Canadian port, would go out two or three miles and then turn in to some cove a few miles farther down the shore. I presume that the end of short-circuiting is due to the Liquor Control Act of the Province of Ontario.

Hon. Mr. ROBERTSON: And the collection of excise before shipment.

Right Hon. Mr. GRAHAM: And the collection of excise. Then the Canadian Government have ceased to give clearance to any vessel that is not competent to make the port for which it clears. For instance, they do not give clearance for Cuba to a boat that cannot make the trip. Then there were false certificates. I am told they have practically disappeared. Many of the things to which my right honourable friend referred, in reading the report of the Royal Commission and the report of the Committee of the House of Commons, do not now exist; and I think we can safely say that the Minister of Customs has been pretty energetic in carrying out the laws that we have. What the Minister meant by that reference to potatoes was that under the existing law the export of liquor was like the export of potatoes, or any other commodity, so long as it complied with the law. I do not think he was saying that the law might not be changed. Under the existing law his statement was absolutely correct.

I do not want to cast any dissension over our friendship with the United States, which was so ably delineated by my right honourable friend (Right Hon. Sir George E. Foster), but I think that before asking us to pass legislation which will assist in the enforcement of its laws a friendly nation should first see to their enforcement in its own country. It is a hard task and a heavy one, but I submit that so long as the United States continues to select men to carry out the provisions of such measures as the Volstead Act from a party and political standpoint, it cannot hope to succeed thoroughly in their enforcement.

Right Hon. Sir GEORGE E. FOSTER: It is now under the Civil Service.

Right Hon. Mr. GRAHAM: But it has not been in the past. Several years ago, being a representative of the county of Essex, I was moving in and out along the border for some years, and what I saw led me to the conclusion that the attempted enforcement of its own laws by the United States was worse than a joke. The customs authorities on the other side of the line, not very far from a big city, would watch certain fellows start out with a boatload of liquor, and when they thought the boat was sufficiently close to the American side they would find it convenient to disappear. What would be the use of notifying those officers, except to tell them when to get away from their posts? I am not exaggerating at all. Any person who knows the conditions on the border will thoroughly agree with me.

I am not so sure that my right honourable friend is correct in his judgment about the refusal of the United States to place officials in Canadian territory, and for this reason. I am told that a very large percentage of the tonnage used in this rum-running trade is American tonnage and American registration. The American officers could follow that tonnage right to shore. I am told also that a very large percentage of the men engaged in rum-running are American citizens. American officials could locate those men and could take them in charge as soon as they reached American territory, if they really wanted to enforce the Act.

My right honourable friend says that Norway makes it an offence for any Norwegian ship to carry an illegal cargo to the ports of another nation, and that the sailors are also liable to punishment. Why cannot the United States do the same with regard to its own tonnage and its own sailors? They come into our territory, and the American Government knows that they are coming into our territory to violate the law of the United States. Why does it not take charge of that tonnage and confiscate it, and punish its own citizens?

As I have said, this is a big question, but I believe we are making progress. I do not know what will be the answer of the honourable leader of the Government to this interrogation, because I am not the Government. However, I will call it to his attention. But this I do say, and I say it boldly, that in my humble judgment the United States ought to be more in earnest, more practical and less political in its enforcement of the Volstead Act before calling on any sister nation to do much more than we have done. We must not forget that Canada has done exactly what Great Britain has done, and that there may be some very potent reasons why Great Britain has seen fit to refuse to accede to the request of the United States to cease granting clearance to vessels carrying liquor cargoes. Canada has followed in the footsteps of Great Britain, I think, in everything she has done in regard to the twelve-mile limit, and one hour's sailing from shore, and all that sort of thing, but Great Britain has not seen her way clear to refuse clearances, even though that

has been done by Mexico—which in many things is not a very good example—and by Cuba.

Having said so much to show that the question is not easily solved, and that there are a great many things that we do not see clearly, nevertheless I think we are making progress, and that the two Governments will continue to keep closely in touch, and perhaps will be able to devise some means to assist in limiting the traffic in liquor from Canada to the United States.

Having taken the bold stand that the United States has not done her best in this matter, I want to call attention to another fact, namely that our negotiations with our friends across the line are not always responded to as quickly as they might be. For a time, you will remember, we were very dry, particularly in Ontario. During that time we never had any aid or sympathy from the United States in stopping the flow of liquor from the other side. I am mentioning this just to show the attitude of many of our people.

Then there is the well known fact—it was referred to before the Commission of investigation—that even since we have had liquor control alcohol in large quantities has come in from the United States. Many of our druggists to-day buy alcohol at a very low price because it has been smuggled in from the United States. The negotiators may have discussed that question. Another matter of paramount importance is the fact that every smuggler who took a cargo of liquor across the imaginary line smuggled back just as full a cargo of silk and things of that kind. Our friends across the line did not assist us very strenuously in stopping that sort of thing. But our Customs Department, following the investigation, put on more men, spent more money, and put more boats into service in the Maritime Provinces. What I want to impress on honourable gentlemen is that the United States, in wishing us to go further than we have gone, to go further than Great Britain has gone, should at least do her very best to enforce her own law. If she wants us to do something, she should reciprocate, and reciprocate very heartily.

As I have said, I will call the attention of the honourable leader of the Government, when he is here, to the very eloquent remarks of my right honourable friend.

Right Hon. Sir GEORGE E. FOSTER: Will the honourable gentleman permit a question?

Right Hon. Mr. GRAHAM: Certainly.

Right Hon. Sir GEORGE E. FOSTER: In looking over the correspondence I find the statement that Great Britain does not issue clearances for liquor cargoes to any United States port. That statement was denied by members of the Canadian delegation, but I find it was made by the British Embassy in Washington and forwarded to the United States Government. I wish my right honourable friend, who is now the leader of the Government—and a very agreeable leader—would find out for me which statement is correct. As I read it I come to this conclusion: that while the British Government does not issue any clearances for liquor cargoes to the United States, yet it is possible for liquor cargoes to be cleared. I do not know whether the British Government feels that if those cargoes are interchanged on the ocean, it has nothing to do with them at all, and no authority. It may be that between those two things there is a little misunderstanding, and I think it would be an advantage to get that matter cleared up and know exactly how it stands.

Right Hon. Mr. GRAHAM: I certainly will ask the leader of the Government to look into that matter. My own view was that to all intents and purposes Great Britain issued clearances for liquor that was assuredly going to the United States, though it might be short-circuited en route. From an article that I read in one of last night's papers, purporting to originate with a Minister of the Crown, I understood that Great Britain still granted clearances for liquor cargoes.

Hon. GEORGE GORDON: Honourable gentlemen, in view of the fact that we have a new leader—one whom we all respect and like very much—perhaps, with his consent and that of the House, it may not be inappropriate for me to add a few words with reference to the speech of the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster), to which I have listened with great pleasure. Would it be in order?

Right Hon. Mr. GRAHAM: There is no law to prevent it, much as we might want to.

Hon. Mr. GORDON: I shall be very brief. I entirely sympathize with a great deal that has been said by my right honourable friend from Ottawa, because I have about as much use for liquor as he has. But this is a matter that must be looked at in a practical way. If by one stroke of the hand I could wipe out every distillery in the world, I would gladly do it, provided that in so doing I should wipe liquor off the face of the earth; but, knowing perfectly well that my action would have no such effect, I think it would be useless to attempt any such thing.

With reference to the observations made by the honourable gentleman from Pictou (Hon. Mr. Tanner), who has spent some time in the United States, I may say that I too have spent some time there, and my observation is that the liquor which goes over there from Canada does not saturate even the frontier. That liquor is met very close to the border by a flood of liquor coming from the interior States, which keeps it from flowing any farther. I have been to Nassau, in the Bahamas, and I have been in Cuba, and I am sorry to have to tell my right honourable friend (Rt. Hon. Sir George E. Foster) that I have there been shown vessel after vessel loaded with liquor leaving for the United States. Nevertheless, the quantity which goes from there and from Canada, as my honourable friend from Pictou (Hon. Mr. Tanner) has said, is only a small proportion of what is consumed in the United States.

I am satisfied that the United States can never reach the point desired by the so-called dry law, because in order to do so they would have to do certain things which they never will do. To begin with, they would have to pass a law preventing the farmers from planting corn. That would bring about a reduction of millions of quarts of liquor.

Hon. Mr. GILLIS: What would they feed their hogs?

Hon. Mr. GORDON: In addition to that, they would have to pass a similar law to prevent the raising of barley, they would have to wipe out their prune industry—

Hon. Mr. McMEANS: Potatoes too.

Hon. Mr. GORDON: —and they would not only have to stop our potatoes from going over there, but would have to stop growing any more of their own. Any practical man must know—I should not put it in that way, because my right honourable friend from Ottawa is a practical man; but perhaps he has not been around in the same places in the United States that I have—

Some hon. MEMBERS: Oh, oh.

Hon. Mr. GORDON: —but any practical man must know that all the products that I have mentioned can be easily utilized to make whisky, and that no law will ever accomplish the end they have in view, namely, the wiping out of the liquor traffic. It is impossible. After observing the situation in the interior of the United States, my conclusion is that conditions there are very much worse than here. I was informed that if anyone in a certain city in the State of Georgia wanted liquor, he had but to go to a telephone booth and get into communication with almost any person whose name he might pick at random from the directory—except, perhaps, some lawyers—

Hon. Mr. McMEANS: What about the preachers?

Hon. Mr. GORDON: I do not know about the preachers. Liquor is as easily obtainable there, I think, as in Canada. I should like honourable gentlemen to understand that I was not looking for liquor over there, nor do I look for it here. I am a temperance man, and I should be glad if everybody were an advocate of temperance, but I am sorry to have to say that some time ago I was forced to come to the conclusion that the net result of all the talking that is done in favour of prohibition, not only in the United States but elsewhere, is a waste of time. If my right honourable friend (Right Hon. Sir George E. Foster) and all others who are so deeply interested in this matter would endeavour to educate the people to become supporters of temperance, I believe that some real good would be accomplished.

When it was first suggested that there might be trouble over the smuggling of liquor from Canada into the United States, I thought we should take some action with a view to helping that country to cope with the situation. I think now that Canada, in taking the steps to which my right honourable friend (Right Hon. Sir George E. Foster) referred, has gone as far as it should go in that direction, and I say that we should co-operate no further until our good neighbour shows it is able to control its own citizens.

Hon. Mr. ROBERTSON: I should like to remind my right honourable friend (Right Hon. Mr. Graham) that in the course of his interesting remarks he omitted to answer the question asked by the honourable gentleman from Pictou (Hon. Mr. Tanner).

Right Hon. Mr. GRAHAM: I have no authoritative information, but I shall get it for my honourable friend. My understanding is that of the total quantity of liquor shipped into the United States, the percentage from Canada is very small.

Hon. Mr. TANNER: I had the impression that at the conference which was held here between officials of the two countries it was admitted that Canadian liquor represented only 5 per cent of the total importation into the United States.

Right Hon. Mr. GRAHAM: I shall ascertain the facts and get a statement for my honourable friend.

CANADIAN NATIONAL RAILWAYS BRANCH LINE BILLS

THIRD READINGS

GRAND'MERE—EAST BURRILLS

Bill 166, an Act to amend an Act respecting the construction of a Canadian National Railway Line between Grand'Mère and East Burrills, in the Province of Quebec.—Right Hon. Mr. Graham.

ROSEDALE SOUTHEASTERLY

Bill 768, an Act to amend an Act respecting the construction of a Canadian National Railway Line, being a joint section from Rosedale southeasterly, in the province of Alberta.—Right Hon. Mr. Graham.

CANADIAN NATIONAL AND KENT NORTHERN RAILWAYS BILL

THIRD READING

Bill 175, an Act respecting Canadian National Railways, and to authorize the acquisition of The Kent Northern Railway.—Right Hon. Mr. Graham.

CANADIAN NATIONAL AND INVERNESS RAILWAYS BILL

THIRD READING

Right Hon. Mr. GRAHAM moved the third reading of Bill 176, an Act respecting Canadian National Railways, and to authorize the acquisition of the Inverness Railway.

Hon. Mr. McMEANS: I should like to ask the right honourable gentleman (Right Hon. Mr. Graham) a question. Can he inform the House if there are any more railways left in the Province of Quebec or the eastern part of Canada, or anywhere else, which the Government is going to acquire? In this Session and the preceding Session the Government has arranged for the expenditure of many millions of dollars in the acquisition of railways.

Hon. Mr. STANFIELD: What about the Hudson Bay Railway?

Hon. Mr. McMEANS: The Hudson Bay Railway is not finished yet. Perhaps my right honourable friend can tell us whether there are any more railways left for the Government to purchase, and if so whether we shall be asked to spend public money in acquiring them?

Right Hon. Mr. GRAHAM: If there are more left we probably shall hear from them in due course.

Hon. Mr. ROBERTSON: I do not desire to oppose this Bill in any way, but before it is given the third reading I think it is fitting that we should consider briefly the results of the indiscriminate policy of railway building and granting of charters in the past, the fruits of which policy Parliament and the country are now plucking. Do honourable gentlemen realize that within the last week Parliament has authorized the purchase of 786 miles of railroad, nearly all not self-supporting, at a cost of $29,000,000? We have increased our total obligations to that large extent without getting a mile of additional railroad for the accommodation of passenger or freight traffic.

I am not objecting to our authorization of the purchases, because I was a member of the Committee which considered the Bills, and I think that in each case there was a reasonable necessity to acquire the road in order to give the people of certain districts the service to which they were entitled, or to put an end to the already big leaks which were draining some provincial treasuries. But the burden has been merely transferred to the Federal arena. Surely the picture that we saw in the Railway Committee the other day of the dire results of indiscriminate railroad building and charter granting should bring us to a realization that we must determine now and forever that there shall be no more railroad construction, except as extensions to the two existing systems, unless we can be shown in a manner that leaves no room for doubt that there is justification for the work.

Hon. Mr. McMEANS: I understand that there is another $51,000,000 to be granted to the Canadian National Railways for the purpose of building a railway station; so we shall be adding $80,000,000 to the debt of this country. I do not know how far this thing is going. Year after year we are adding to the burdens on the people, and there seems to be in sight no end to these huge expenditures. The public debt is increasing by leaps and bounds, but there is no growth in the country's prosperity.

I should like to ask my right honourable friend (Right Hon. Mr. Graham) a question. If a man were endeavouring to select a place in which to live to-day, would he choose the Province of Manitoba, for instance, in the face of the heavy taxes that are imposed upon our citizens? I am not one who is given to decrying his own country, nor do I indulge in whispers of death, but I am wondering whether some prospective settlers do not consider that our high taxation is a greater handicap than they care to assume. Is it not time to call a halt in the unnecessary expenditure of huge sums of money? Should we not endeavour to institute a policy of retrenchment, with a view to lightening taxes instead of increasing them year by year?

I realize that it is useless to raise my feeble voice in protest against the Government's policy in this matter, but I hope that the time will come when we shall no longer be asked to approve of the expenditure of $6,000,000 for some railway here, $10,000,000 for another railway there, and $50,000,000 for a new station somewhere else. And I may say here that the station which I mentioned at the beginning of my remarks is likely to cost a great deal more than the estimated amount.

Hon. Mr. ROBERTSON: I am sure most of us will agree with the general tenor of the remarks of my honourable friend from Winnipeg (Hon. Mr. McMeans), but I think we might with propriety postpone criticism of the Montreal Terminals project until we are more familiar with the details of it. I had the advantage of getting a couple of years ago some intimate knowledge of the New York Central Railway terminals in New York City, and I think without doubt those terminals are among the most profitable of that railway's investments. I am very hopeful that the Montreal Terminals will prove a great asset to the Canadian National Railways, and I regard the project that is about to be undertaken as a sound business proposition, provided it is carried to completion reasonably, without extravagant expenditures of money and construction on too large a scale.

The point that I wished to emphasize when I rose just now was that we have this week acquired six broken-down railroads which have not been paying their way and have been burdens to the provinces where they were owned. We have now assumed those burdens, although we know that the money spent on the roads will never be a good investment. The lesson we should learn from this is that in future we should grant charters no more to private concerns, but only to the two large railway systems when conditions warrant the extension of their lines. The continuance of the old policy can result only in saddling generations to come with unnecessary debts.

Right Hon. Mr. GRAHAM: I agree with what the honourable gentleman from Welland (Hon. Mr. Robertson) has said about the Montreal Terminals—not a station project. I feel sure that when the Bill comes before the House, if the information we have is correct, I shall be almost able to convince my honourable friend from Winnipeg (Hon. Mr. McMeans) that the proposed terminals will be a great asset. I shall say no more now.

Hon. Mr. McMEANS.

I have been for some years of the opinion that not only should we go more slowly in the granting of railway charters to private companies, but we should endeavour to come to some arrangement with the provincial governments whereby they will not grant charters to companies that will have to be taken over by the National Railways eventually.

Hon. Mr. McMEANS: That is locking the stable after the horse is stolen.

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

DIVORCE BILLS

SECOND READINGS

Bill C8, an Act for the relief of Barbara Elise Sewell de la Penotiere.

Bill D8, an Act for the relief of Oliver Milton Martin.

Bill E8, an Act for the relief of Catherine McRae Beattie McRae.

Bill F8, an Act for the relief of Mary Jane Teeson.

Bill G8, an Act for the relief of Sam Gladstone.

Bill H8, an Act for the relief of Charles Smolkin.

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill I8, an Act for the relief of James Franklin McDonagh.

Bill J8, an Act for the relief of Joseph Louis Philippe Corbeau.

Bill K8, an Act for the relief of Ruth Elizabeth Greene.

Bill L8, an Act for the relief of Frances Thirza Edlund.

Bill M8, an Act for the relief of Vivian Elizabeth Pearce.

The Senate adjourned until Tuesday, May 28, at 8 p.m.

THE SENATE

Tuesday, May 28, 1929.

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

Prayers and routine proceedings.

VISIT TO MONTREAL HARBOUR

Before the Orders of the Day:

Hon. W. B. WILLOUGHBY: I have been asked by several honourable members to express on their behalf the thanks due to the

Harbour Commissioners of Montreal, who, through one of our members, extended to us an invitation to visit the harbour. Had the right honourable gentleman who is leading the House to-night (Right Hon. Mr. Graham) been with us, I should have asked him to say a few words, and should not myself address the House.

Not only did we enjoy the hospitality that characterizes our Montreal friends and the citizens of Montreal generally, but we had more than the usual hospitality: we had a real opportunity of viewing the harbour, which was the primary object of the visit. After partaking of refreshments at the quarters of the Harbour Commissioners, we went in a boat down the river and had a full opportunity of seeing not only what has been done, but what is contemplated to be done with the money that has been voted. When the vote for Montreal Harbour came up in the House I said that it had my heartiest endorsation. We were reminded then by the Chairman of the Board (Hon. Mr. McDougald) that Montreal has the greatest grain harbour in the world, and that in volume of business it is second largest on this continent, and, I believe, the fifth largest in the world. That is a record of which Canada may well be proud.

Some hon. SENATORS: Hear, hear.

Hon. Mr. WILLOUGHBY: It is indeed a great satisfaction to us to know that the Harbour of Montreal is self-sustaining in every way. Moneys for harbours and harbour improvements are voted by this House on the faith that is in us, not on facts accomplished. Fortunately, the Harbour Commissioners of Montreal have a record of achievement, not only in building up the harbour, but in making Montreal a great national port. Although I come from the western country, I look with great pride upon that development for the furtherance of our trade, just as I am gratified at the progress made at Vancouver and other harbours of Canada.

After we visited the harbour we had the pleasure, through the kindness of the honourable gentleman from De Salaberry (Hon. Mr. Beique), of visiting one of the oldest churches in Canada; and some honourable gentlemen anticipated the last journey that they will make in this world, by unintentionally visiting a cemetery.

Some hon. SENATORS: Oh, oh.

Hon. Mr. WILLOUGHBY: Altogether the trip was a thoroughly enjoyable and instructive one.

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I know a little about the grain trade. I am not a practical man, but it has been my duty, as well as my opportunity, to acquire some knowledge of the grain trade in the West, and of the methods of handling grain, and it is quite obvious even to a neophyte that the facilities already provided in Montreal Harbour, or now being installed, are most up-to-date and adequate for the quick despatch of grain—the important thing—so that there will be no congestion.

So, on behalf of the members of the House, I extend to the Harbour Commissioners of Montreal, through their president, one of our members, our very hearty thanks for their invitation to visit the harbour.

Some hon. SENATORS: Hear, hear.

Hon. W. L. McDOUGALD: Honourable gentlemen of the Senate, may I at once thank the honourable leader on the opposite side of the House for his very kind remarks regarding the trip to Montreal which those who were good enough to honour me with their presence yesterday enjoyed. My only regret is that all of you could not come. I think perhaps we may make this an annual affair, and that next year we may plan it sufficiently in advance so that all may be able to avail themselves of the opportunity of visiting Canada's national port.

Right Hon. G. P. GRAHAM: Honourable gentlemen, I am not going to add to the eloquent remarks of my honourable friend (Hon. Mr. Willoughby). But I had a really good alibi for not accepting the invitation of the chairman of the Montreal Harbour Board. I can assure you that it had to be a good one to prevent me from being present.

Montreal Harbour is ably managed under the guidance of our good friend the Senator from Wellington (Hon. Mr. McDougald), and, without being peculiarly altruistic, I may say it is just another example of the wisdom of the Government in selecting its officials.

REPARATION PAYMENT BILL

FIRST READING

Bill 285, an Act to provide for the payment of Claims for Compensation for loss sustained by the civil population of Canada during the late War.—Right Hon. Mr. Graham.

RETURNED SOLDIERS' INSURANCE BILL

FIRST READING

Bill 310, an Act to amend the Returned Soldiers' Insurance Act.—Right Hon. Mr. Graham.

ALBERTA, SASKATCHEWAN AND MANITOBA WATER POWER BILL

FIRST READING

Bill 311, an Act respecting Water Power in the Provinces of Alberta, Saskatchewan and Manitoba.—Right Hon. Mr. Graham.

PENITENTIARIES SERVICE—WARDEN COOPER

REQUEST FOR RETURN

Before the Orders of the Day:

Hon. Mr. TAYLOR: Honourable gentlemen, may I ask the right honourable gentleman who leads the House if he will try to obtain for me the return for which I moved last Wednesday, and which is supposed to have some connection with the inquiry that has just been allowed to stand?

Right Hon. Mr. GRAHAM: I will call the attention of the Minister of Justice to the request of my honourable friend.

Hon. Mr. TAYLOR: I might say that it is a very short return; it will not be more than two or three pages at the most.

Right Hon. Mr. GRAHAM: When I was in the Government I always found difficulty in getting returns from the Justice Department. The handling of that Department is the most delicate part of the administration. Very frequently it is not in the interest even of the person whose trouble is being discussed that such a return be brought down, but I will call the attention of the Minister to my honourable friend's request.

DIVORCE BILLS

THIRD READINGS

Bill C8, an Act for the relief of Barbara Elise Sewell de la Penotiere.

Bill D8, an Act for the relief of Oliver Milton Martin.

Bill E8, an Act for the relief of Catherine McRae Beattie McRae.

Bill F8, an Act for the relief of Mary Jane Teeson.

Bill G8, an Act for the relief of Sam Gladstone.

Bill H8, an Act for the relief of Charles Smolkin.

ELECTRICITY AND FLUID EXPORTATION BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 15, an Act to amend the Electricity and Fluid Exportation Act (Exportation of Electric Power).—Hon. Mr. Tanner.

Hon. Mr. Copp in the Chair.

On section 1—export of power:

Hon. Mr. BUREAU: Honourable gentlemen, this Bill comes before the Committee now on account of an amendment which I moved some time ago, the effect of which was to bring all licenses or all permits for export of electric power under the control of Parliament in 1935. My object in presenting the amendment was to have somebody explain the reason why the proposed change in the Act was sought. I think the first Bill that ever came before this Parliament for incorporating a company for the purpose of producing power and connecting its wires with wires across the Niagara river was introduced in 1887. There was a company then incorporated to develop power at Niagara Falls. In 1891 it came before Parliament again and asked for an extension of six years within which to perform or terminate its work. In 1900 it again came before Parliament requesting a further extension of time, for another six years, which would bring it to the year 1906. In 1906, after those Bills in connection with the Ontario Power Company of Niagara Falls had repeatedly come before Parliament, a Bill was presented by Sir Charles Fitzpatrick, then Minister of Justice, for the purpose of vesting in the Governor in Council the right to issue licenses. The Bill was thoroughly discussed, but it was not passed, because of the contention that it was important to consult with the Ontario authorities. Sir James Whitney, then Premier of Ontario, was consulted and in the following Session, in 1907, the same Bill was presented by the then Minister of Justice, the honourable gentleman who is my right-hand neighbour (Hon. Sir Allen Aylesworth). At that time there was a full discussion, and the suggestions of the Premier of Ontario were given due consideration. The Bill went before Committee, where it was further discussed. When it came before the House of Commons for third reading, the then Leader of the Opposition, Right Hon. Sir Robert Borden, moved an amendment, the purpose of which was to transfer to the Railway Commission the power to issue licenses for the export of electricity.

Let me say en passant that the principle of exporting power by license was then universally admitted, but various amendments were proposed bearing more on the subject of who should exercise the authority. The wisdom of leaving to the Governor in Council any discretion as to the issue of licenses for the export of power was challenged, on the ground, as it was then put by Sir Robert Borden, that the Governor in Council was a transient and partisan body and there was danger that all

applications would not receive equal consideration. The first amendment was negatived without being put to a vote. Another amendment was proposed by Dr. Sproule, and this was negatived on the third reading. A third amendment was also thrown out upon a division. I see my honourable friend from Wentworth (Hon. Mr. Smith) smiling. He was the last man to speak upon this question. I think the vote was 38 to 102. There was a big majority of the House in favour of granting the Governor in Council the right to issue licenses for the export of power.

As I stated at the opening of my remarks, Parliament had granted a charter to the Ontario Power Company of Niagara Falls, and, as everybody in the House knew, the company was at this time in existence. The only discussion was on the export of power from Niagara Falls. I think my honourable friend from Wentworth (Hon. Mr. Smith) did mention some other powers, but nobody else mentioned any others than those at Niagara Falls.

The principle of controlling the export of power by license was not disputed, the whole discussion being over who should exercise this right. When the present Bill was introduced in the Senate I looked up the House of Commons Hansard to see what reasons were advanced to justify the proposed change of legislation. I found that the mover of the Bill had advanced no other reason than that, electric power being one of our great natural resources and being exported in such increasingly large amounts, it had become necessary to give the control of the export to Parliament. But if the increase in the exports is the chief reason for the proposed change, then what about controlling the export of pulpwood, and wheat, the exports of which have also increased wonderfully? I see no reason why I should change my mind and vote differently from the way I did in 1907. This Bill went through the House of Commons without discussion, and I suppose we shall never know the reason why there was no opposition to it. My contention is that if licenses for the export of power are to be granted by the Crown—and they are privileges of the Crown, as was said by the then Minister of Justice (Hon. Sir Allen Aylesworth)—they should be granted by some department of the Government or by some officer representing the Crown. But if it is agreed that there should be a change in the system which formerly was universally admitted to be the right one, of exporting under a license, then I say that that change should be complete and that all applicants should be subject to the same authority. My right honourable friend from Ottawa (Right Hon. Sir George E. Foster) said it was possible that Parliament might refuse to grant a license. I agree with him there, but I think that Parliament, having granted a company the right to develop electric power and connect its wires with those of an American company, would respect its obligations and act as wisely towards those who have had licenses in the past as towards those who will require them for the first time in the future.

My reason for moving the amendment is that I think it is unfair to have two classes of exporters, or two different authorities to regulate the same thing. If in the past the Governor in Council has not overstepped the bounds of wisdom in issuing licenses, are there any particular reasons now why we should fear that in the future, under the same circumstances, the Governor in Council will be less efficient and impartial? On the other hand, if we think it is in the interests of the country that Parliament should control the export of power, that the question of the advisability or inadvisability of granting the right to export electric power should be submitted to Parliament, then why should this control not be exercised over all companies, including those who now hold licenses and are exporting power? I want my position to be very clear. If it was feared in 1907 that the Governor in Council was too partial a body, too much under the influence of partisan motives, it must be admitted that the House of Commons is far more so. The House of Commons is equally as transitory as the Governor in Council, and just as liable to be influenced by partisan motives. After all, we might say that there is only one stable body, which is not transient and not partisan, and that is the Senate.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BUREAU: But, if any bill for such a license is defeated in the other House, it will never reach this Chamber for analysis, and we shall be helpless.

Are we justified in changing the system that has been in force since 1907? No new conditions have arisen and all the companies that are now exporting power from Niagara Falls, with one exception, were exporting at that time. The whole subject was thoroughly discussed during two Sessions. The matter came before the Senate and it was amended. The Bill required all companies exporting power to take out a license three months after the law came into force, and in the Senate the three months period was changed to six months. This amendment was agreed to by the House of Commons and the Bill became law.

As I have said before, my sole object in moving this amendment was to discover if

there was any justification for the proposed change. I made the declaration, which I now repeat, that I had no interest to protect, and that I was not inspired by anyone to propose this amendment. But I thought that if Parliament desired to stop the granting of licenses for the export of electric power, it was only fair that those American companies which to-day are buying power from this country for consumption in the United States should have a fair notice of the change. That was the reason why, in my amendment, I proposed the year 1935 as the time after which all companies should be treated alike. I might just as well have suggested 1940, or any other year, since my purpose was to have these questions discussed. By being given ample notice, if companies fear their licenses will not be renewed after 1935 they have time to provide other means for the generation of electricity. If I can become convinced that the proposed change which the Bill contemplates is justified, I do not want to press my amendment, but as things now stand I desire to leave my amendment for consideration by honourable gentlemen.

Hon. C. E. TANNER: Honourable gentlemen, of course I am no more interested than any other honourable member of this House in the Bill. It came from the House of Commons and happens to be standing in my name; so probably I should say a few words in reply to my honourable friend who has just resumed his seat.

I am a little at a loss to understand just what my honourable friend means. From his remarks one might think that the Bill proposed the taking of some rather grave steps which might imperil the public interest. Now, I presume we all are going to deal with this Bill with a view to the public interest as we understand it, and I confess that I am unable to see any danger in Parliament itself undertaking to decide when power shall or shall not be exported. If this Parliament, embracing the House of Commons and the Senate, is not an authority to whom that discretion may safely be entrusted, then, honourable gentlemen, I do not know whom in this country we may trust. It appears to me that the argument of my honourable friend would lead inevitably to the conclusion that we do not trust ourselves.

Hon. Mr. BUREAU: Oh, no.

Hon. Mr. TANNER: It seems to me his stand, if endorsed here, would imply that we have not sufficient self-confidence to reinvest ourselves with the authority to decide when power shall or shall not be exported. I am not prepared to take that position and I hope that other honourable members of this House are not prepared to take it.

It is quite true that in 1907 Parliament delegated authority to the Governor in Council to issue licenses for the export of power. My honourable friend seems to be under the impression that there is no good reason why the step taken at that time should be retraced. Well, I am not disposed, nor do I think other honourable gentlemen are, to stand fast to a policy because it was adopted twenty years ago. Time passes and conditions change, and what was the best policy in 1907 is not necessarily the best in 1929. There has been great advancement in the development of electric power since 1907, but I do not think it is any exaggeration to say that right now in Canada we are only beginning to go ahead in this direction. I am looking forward to the time when this country will have a very much larger population and much more extensive development of electric power, and I see no reason why Parliament should not take any step which might be calculated to safeguard the public interest for the future. Coming back to my first point, if we cannot safely lodge the control of export licenses in the hands of Parliament, I am at a loss to understand to whom we can entrust this discretionary power.

Now, honourable gentlemen, this Bill was introduced in the other House in 1928, and if it had not fallen by the way with a number of private bills—it having been introduced by a private member—it would have come to this House in the form in which it now is, with the approval and the benediction of the Government of the day. This year it was introduced earlier in the Session, and more quickly passed its several stages in the other House. It has come to us again in a form which I feel bound to accept, not merely as the Bill of a private member, but as one which has the full approval and the benediction of the Government. To my mind no argument is necessary to establish that point, because anyone who knows anything about the proceedings of Parliament—as my honourable friends here do—must realize that it is not very likely that the Bill would have come here if it had not the approval of the Government. All the Government of the day had to do was to lift its hand, and the supporters of the Government would not have allowed it to come here. So I am treating this Bill not merely as the Bill of a private member of the other Chamber, but as one involving a very important matter of public policy which comes to us with the Government's approval. I hold that under our parliamentary system, if

a Bill deals with an important matter of public policy, whether it be introduced by a private member of not, we must look to the Government of the day to approve of it or not to approve of it; to accept it or to reject it. I think it is its duty and responsibility to the country not to let such an important Bill become law unless it has merit.

I do not know whether my honourable friend (Hon. Mr. Bureau) intended to suggest such a thing or not, but in my judgment there can be no reflection on the Governor in Council, for the reason I have just stated, and for the further reason that if the Bill does pass and some question arises in regard to the export of electrical power, any proposition submitted to Parliament must come through the Governor in Council. The Governor in Council will advise Parliament; the Governor in Council will give Parliament information; Parliament will look to the Governor in Council for guidance and information and counsel on the subject. After all, the Governor in Council is but an integral part of Parliament, a Committee of Parliament; and I hope that this Chamber will not in its mind divorce the Governor in Council from Parliament, because the two are part of the one system which controls public business in this country. As I see it, we have before us a Bill dealing with an important public question, the whole principle of which is whether or not we shall provide for the future an additional safeguard, if you like to call it that, by allowing Parliament to take back into its own hands the control of the issuing of licenses for the export of power. That is the fundamental principle of the Bill.

The provisos, as honourable members no doubt have observed, deal with licenses already issued. They provide that the Governor in Council shall continue, if well advised, to renew or cancel wholly or in part any of those licenses, and may either authorize an increase or grant a license for the purpose of meeting temporary emergencies. That part of the Bill, I am informed, was put in specially at the instance and direction of the Government of the day; and I think the other Chamber, so directed and so advised, took a very wise course.

My honourable friend has moved an amendment which would fix a date—1935, if I remember rightly—when the Governor in Council would cease to exercise this power. I submit that we are taking a very important and very prudent step when we re-invest Parliament with power in regard to licenses; I further submit that we are also taking a very wise and very prudent step when we leave the Governor in Council, for the present at least, to deal with the licenses which have been issued. We have had a statement submitted by the honourable leader of the House, who is now absent, showing the licenses that have been issued. I am convinced that those licenses, the circumstances surrounding them, and the conditions under which they were issued, require careful and perhaps prolonged study, and that we are not at this moment in a position to deal with them summarily, but should be on far safer ground if we accepted the proposition which I understand came from the Government of the day, and which is embodied in these two provisos that my honourable friend opposite proposes to amend.

I do not know that there is anything further that I can add to the discussion at this stage. I do not know whether I have convinced my honourable friend that it is not necessary for us to adhere to the policy of 1907, or that we are not stepping on to dangerous ground at all. I hope that he will see that it is sufficient for the day to take the one step, namely, to re-invest the authority in Parliament for the future, leaving it with the Governor in Council to deal with the licenses already issued.

Hon. Mr. BEIQUE: Honourable gentlemen, on a previous occasion, in Committee of the Whole, I stated that as far as I was concerned I had not sufficient information regarding the Bill to enable me to arrive at a judgment. I suggested that the leader of the Government should obtain a list of the different companies exporting power, the quantity of power exported, the price at which it was sold on the other side of the line, and the terms of the contract. Honourable members of this House will find some statistical tables on page 208 of Hansard, but the answer to my question is not there. I think that it is essential to any member of this House, in order to pass judgment on the Bill, to know the terms of each contract; and there are other important terms besides the quantity of power exported and the price at which it is sold. I refer especially to the terms governing the right of renewal, whether by license or otherwise. In the absence of this information I shall be unable to pass judgment on the Bill.

I attach a great deal of importance to the subject dealt with by this measure. I doubt whether we in this country realize the magnitude of the national wealth represented by electric or hydraulic power. I think we should realize not only the value of the power itself, but the national wealth which is involved in

the use of such power, on account of the expense and the number of persons necessarily added to the population by reason of the man-power required for building and operating the works.

Unless it is shown that there is a special reason for dealing with this measure now, I would suggest that it would be wiser for this honourable House to wait until next Session, and then, early in the Session, entrust to a committee of this House a study of the whole situation under the different existing contracts in regard to the export of power. I cannot suppose that there is any hurry. If it were not so late in the Session I would move for a reference of the Bill to such a committee as I suggest, but it is evidently too late now to do so, and therefore I think it is our duty to defer the consideration of the Bill until next Session, and then to make a complete study of the whole subject.

An additional reason for taking that position would be the fact that in several respects the relations between the United States and Canada are to a certain extent in the making, and while taking steps towards conserving the whole of our national wealth for this country, we should be very careful, on the other hand, to avoid infringing upon any contract.

The terms of some of those contracts may be renewable with the consent of the Governor in Council. If there were any such provision if would be an infringement of the contract to substitute Parliament for the Governor in Council, and I think we should be careful to avoid the danger of committing a mistake of that kind.

In dealing with a Bill I always try to understand it fully, but in this case I feel that we are not sufficiently enlightened to pass judgment upon the proposal. Unless honourable members should think otherwise, I should be tempted to move that the committee rise, and the adoption of such a motion would of course kill the Bill for the present Session.

Hon. Mr. GRIESBACH: Honourable gentlemen, I have been endeavouring to interest the House in an aspect of this Bill which is not without some importance. I have spoken for the power plant that has been established in Canada for the production of power for use within this country, but that accidentally, owing to falling off in demand for power or because of exceptionally high water or some other condition, has a substantial surplus of power, which, unless it can be disposed of, would be a dead loss.

I am in the heartiest agreement with those who think that in the past some of our arrangements in the matter of exportation of power have been valueless, and that the situation has some elements of danger in it. I am rather inclined to agree with the honourable gentleman from De Salaberry (Hon. Mr. Beique) that we are very ignorant of all the circumstances involved in matters of this sort. I should be disposed to think favourably of the proposal he has made. If, on the other hand, the House desires to proceed with the Bill, then I feel that I ought to move an amendment which would bring out in bold relief the situation in which those domestic producers of power will find themselves.

As has been said by the honourable gentleman from La Salle (Hon. Mr. Bureau) and the honourable gentleman from Pictou (Hon. Mr. Tanner), under the Bill of 1907 the power to license resided in the Governor in Council. It is the purpose of this Bill to remove that power from the Governor in Council and place it in Parliament, but not wholly so. The two provisos are pretty far-reaching in their nature. The first reads:

> Provided nothing herein contained shall be deemed to affect the right of the Governor in Council to renew or cancel wholly or in part any license for the exportation of power issued before the first day of January, 1929.

In other words, by the terms of this proviso the disposition of all electric power now under license remains where it was before. I cannot conceive of its being transferred to Parliament unless the Governor in Council were able to cancel the contract outright, and then I am not sure that the proviso would not apply. What is being transferred to Parliament's control is the right to export power that may be developed and leased in the future, but is not now in contemplation at all.

Then there is this further clause:

> Provided also that the Governor in Council may grant licenses, or may authorize an increase in the amount of surplus power to be exported under existing licenses, in cases of temporary emergency.

I have endeavoured to ascertain from anybody what these words "temporary emergency" mean. When I asked the honourable leader of the Government (Hon. Mr. Dandurand) what they meant, his answer, as given him by some member of the Government, was that any dictionary would define an emergency. But I am not asking for a definition; I can go to a dictionary and get a definition myself. What I want is an explanation of Government policy in respect to this matter. On a previous occasion I added the further observation that Government officials, in interpreting a statute, ought not to interpret it as a court of law does, but should carry out

the statute in accordance with the terms and tenor of the explanations made by representatives of the Government in the House. So I think I was right in asking what this word "emergency" meant—whether it meant an emergency in the United States from a shortage of power, or whether by a stretch of imagination it might be taken to mean the existence of a situation wherein somebody produced more power than he could use. Having no explanation of that term, I do not know what it means, and I do not think anybody else does, because nobody has touched the kernel of it.

Those people for whom I am speaking, who have power plants erected in Canada for the purpose of developing power here, who accidentally—because of failure of orders in our own country, or because of high water and such conditions—produce more power than they can use, and who have power to sell, must be very small in number. As matters now stand, I believe that the Cedar Rapids Power Company and the Niagara Power Company, I think it is, export 96 per cent of all the power that is exported, and the smaller concerns in Canada export only 4 per cent altogether. These smaller concerns are the people for whom I am speaking. They are not covered by either of these provisos, because they have no licenses as yet. Under this proposal, if it carries as it is, should these people have a few thousand extra horse-power to export, they will be put to the expense and delay of having to apply to Parliament for a Bill. Parliament might not be sitting at the moment of need, and even if Parliament were in session, the time taken in passing the Bill would seriously militate against any profitable transaction.

What I hoped for was that we might have an amendment to this Bill to provide that these small exporters of power might apply to the Governor in Council to procure the necessary permit with the least possible delay. With that end in view I had prepared an amendment, which might go in as a third proviso:

> Provided that the Governor in Council may grant licenses to export power when such grants are consented to by the Government of the province where the power originates.

That raises another question of provincial rights—the question of the right of a province to have some say in the disposal of power, while recognizing clearly the right of control by the Federal Parliament. The Provincial Government is on the spot and knows the situation. If, having granted its own terms to corporations or companies developing power in a small way, the Provincial Government is of the opinion that those small companies should have the right to export their accidental surplus and thereby add something to their revenue, the Governor in Council might be well advised to agree to such a small export under a special Act. Otherwise, under the terms of this Bill, all those small exporters who have no licenses for the exportation of even the smallest quantity of power—and who, according to my recollection number a hundred or so—must come to Parliament for a private Bill. They must put up the necessary funds, and in addition to that expense must endure a delay of several months in getting the Bill through. In many cases the result will not justify the expense. It is to these small exporters that I would direct the attention of the House.

I am inclined to agree with the honourable gentleman from De Salaberry. From conversation with other honourable gentlemen I am led to think we are actuated more or less by the motive of panic when we propose passing this Bill at all. We ought to know a great deal more about the subject before we solemnly embalm in a statute of Parliament our somewhat unconsidered views on the matter.

Hon. Mr. BEIQUE: I may be allowed to add this, that on referring to page 367 of the Debates of the House of Commons honourable gentlemen will see that this measure, which is a very important one, did not receive the attention that it deserved. The second reading and the passing of the Bill are covered in five or six lines of Hansard. It was not discussed at all. A motion was made for the second reading of the Bill and was agreed to immediately, without any debate Then the Bill was read the third time. I think that is an additional reason for us to defer consideration of the measure until next Session. We ought to be fully advised.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman from Edmonton if he has any idea where those small exporters are? I can understand that they would have to be near the international boundary.

Hon. Mr. GRIESBACH: I think most of them are.

Hon. Mr. CASGRAIN: It would not pay them to build long transmission lines. They must be immediately adjoining; but I do not know or recollect any such, and I thought the honourable gentleman could tell us where they might be.

Hon. Mr. GRIESBACH: We now burn millions upon millions of feet of gas from our oil wells in Alberta. Nothing else can be done with it. That is pure waste. A project is under discussion to develop power plants at the wells and turn that gas into electric fluid, which would be exported.

Hon. Mr. CASGRAIN: I thought it was hydraulic power.

The motion of Hon. Mr. Beique was agreed to: contents, 37; non-contents, 11.

The Committee rose.

CRIMINAL CODE (FINES AND FORFEITURES) AMENDMENT BILL

FURTHER CONSIDERATION POSTPONED

On the Order:

The House again in Committee of the Whole on Bill P7, an Act to amend the Criminal Code (Fines and Forfeitures).—Hon. Mr. Beaubien.

Hon. Mr. McMEANS: I am informed that the honourable gentleman who moved this Bill has gone to Europe and will not be here again this session, and I would suggest that the Order be allowed to stand. I understood that the honourable leader of the Government was to bring down to this House certain information from the Department of Justice. I do not know whether the right honourable gentleman who now takes the place of the leader of the Government, and is leading the House, has that information. Perhaps he would inform the House.

Right Hon. Mr. GRAHAM: Honourable gentlemen, I have no information on that point. I would suggest that the Order be discharged and placed on the Order Paper for a day or two hence. I will try to get whatever information has been asked for.

The Order stands.

JUVENILE DELINQUENTS BILL

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Graham, the Senate went into Committee on Bill 170, an Act respecting Juvenile Delinquents.

Hon. Mr. McLennan in the Chair.

Sections 1 to 6 were agreed to.

On section 7—Appointment of deputy judge:

Hon. Mr. BEIQUE: I may say that the Bill, which is quite voluminous, is a consolidation of the law. The new part of the Bill, which is only a very small portion, is underlined. I took a special interest in this law when it was passed in the first instance, and I think it is along good lines.

Section 7 was agreed to.

Sections 8 to 16, inclusive, were agreed to.

On section 17—Proceedings may be informal:

Right Hon. Mr. GRAHAM: I would move that section 17, subsection 3, be amended by inserting at the commencement thereof the words:

Save as provided in subsection 5 of this section—

Hon. Mr. GORDON: There is no subsection 5.

Right Hon. Mr. GRAHAM: There will be in a minute.

Hon. Mr. WILLOUGHBY: I want to say a word on subsection 2 of this section. It provides that:

No adjudication or other action of a juvenile court with respect to a child shall be quashed or set aside because of any informality or irregularity where it appears that the disposition of the case was in the best interests of the child.

That provision is most embarrassing to anybody practising law, and it is hardly fair. An irregularity appears in the proceedings in the juvenile court, and action is taken to quash the court proceedings. After this has been apparently successful there arises the interest of the child, which is always a controversial question, and a matter of opinion. I think that at least there should be some provision that a person who, in the interest of the child, properly takes proceedings for the purpose of quashing the action of the juvenile court, even if unsuccessful, should be indemnified as to costs. If you bring irregular proceedings in any other court you are punished by having to pay the costs; but in this case you may be successful and yet have to pay your own costs.

Hon. Mr. BEIQUE: This provision has been in the Act for many years.

Hon. Mr. WILLOUGHBY: I know it has.

Hon. Mr. BEIQUE: The honourable gentleman surely is not losing sight of the fact that the interested party would be the one moving to quash, and that the Government or the officials of the Government would be the other party, and that the indemnity would have to be paid by the Government. I doubt whether that is in line with the usual practice. I think in the Criminal Code there are some

provisions similar to this. In the province of Quebec, for instance, even in civil matters we used to be very formal; but recently the Government and the people at large came to the conclusion that it was wise to get rid of these formalities.

Hon. Mr. WILLOUGHBY: I am not going to press my suggestion unduly. The proceedings are not always taken under this Act. As a matter of fact, they frequently are instigated by some private individual. However, I shall not press my point.

Hon. Mr. BEIQUE: As a rule proceedings are taken at the instance of an officer whose duty it is to help, to guide, and to see that the child is protected. The interest of the child always should be the cause for the proceedings, and it is the duty of the judge to see that this is so.

Hon. Mr. WILLOUGHBY: Proceedings frequently are taken by an officer at the instance of some individual. But I am not going to press it any further.

Right Hon. Mr. GRAHAM: Honourable gentlemen, the amendment proposed is to insert at the beginning of subsection 3 the words:

Save as provided in subsection 5 of this section,

and to add the following as subsection 5:

(5) If a child who has been before a juvenile court and is still under the surveillance of such court has been caused by the court to be placed in a foster home outside of the jurisdiction of such court or has been committed by the court to the care or custody of a probation officer or other suitable person or to an industrial school, outside of the jurisdiction of such court, the court may take any action with respect to such child that it could take were the child within the jurisdiction of such court, and for any such purpose any warrant or other process issued with respect to such child may be executed or served in any place in Canada outside of the jurisdiction of such court without the necessity of complying with the provisions of subsection 3 of this section.

The comment by the Department of Justice is:

The purpose of this amendment is to authorize a juvenile court to exercise control over a child who has been before it, and who has been committed to a home or place of detention outside the territorial jurisdiction of the court.

Hon. Mr. McMEANS: Can the right honourable gentleman give us a little more explanation? What does it really mean?

Hon. Mr. CASGRAIN: If a child is sent to another province, the original court still looks after it.

Hon. Mr. McMEANS: Does it change the old law in any way, and if so, what is the necessity for the change?

Hon. Mr. BEIQUE: It is an addition to the law to make it more efficient.

Right Hon. Mr. GRAHAM: These children move from place to place.

The amendment was agreed to, and section 17 as amended was agreed to.

Sections 18 to 21, inclusive, were agreed to

On section 22—recovery of amount:

Right Hon. Mr. GRAHAM: Honourable gentlemen, I wish to move that the present subsection 3 of section 22 be stricken out and the following inserted in lieu thereof.

(3) Where, under the provisions of this section or of section 20, a sum of money is ordered to be paid, the court may adjudge, either by the order respecting the payment of such sum or by an order made subsequently, that the same shall be recoverable by distress and sale of the goods and chattels of the party and in default of such distress by imprisonment, and the amount shall be so recoverable or shall be recoverable in the same manner as a fine imposed under any provision of the Criminal Code is recoverable, or shall be recoverable as provided in any Act of the legislature of the province making provision for the recovery of fines.

That amendment has been drawn because of objection to the present draft by the Deputy Attorney General of the Province of Nova Scotia. The proposed new subsection is more specific.

The amendment was agreed to, and section 22 as amended was agreed to.

Sections 23 to 35 were agreed to.

On section 36—Contempt of court:

Right Hon. Mr. GRAHAM: I have an amendment to this section. Strike out section 36, and substitute therefor the following:

(1) Every juvenile court shall have such and like powers and authority to preserve order in court during the sittings thereof and by the like ways and means as now by law are or may be exercised and used in like cases and for the like purposes by any court in Canada and by the judges thereof, during the sittings thereof.

(2) Every judge of a juvenile court, whenever any resistance is offered to the execution of any summons, warrant of execution or other process issued by him, may enforce the due execution of the same by the means provided by the law for enforcing the execution of the process of other courts in like cases.

The comment of the Department is as follows:

Section 36 as presently drafted is not satisfactory to the sponsors of the Bill because it does not go far enough, and some slight objec-

tion was taken to it in the House of Commons on the ground that it goes too far. It is thought that the varying views regarding this section might be reconciled if it were struck out and replaced by the new draft, which gives the juvenile court the same powers as are conferred upon a magistrate by sections 606 and 607 of the Criminal Code.

Hon. Mr. WILLOUGHBY: That is to preserve order. I have no objection to that.

The amendment was agreed to, and section 36 as amended was agreed to.

Sections 37 to 40 were agreed to.

On section 41—Section 12 (4) and 17 (3) in force in Canada:

Right Hon. Mr. GRAHAM: I wish to move to strike out section 41 and to substitute therefor the following:

41. Subsection four of section twelve and subsections three and five of section seventeen, and section thirty-four, shall be in force in all parts of Canada, whether this Act is otherwise in force or not.

This is the comment of the Department of Justice:

Section 41 is amended by adding subsection 5 of section 17 and section 34 to the list of sections which are to be in force generally without proclamation. The former should be inserted only if said subsection 5 mentioned above be added to the Bill. The insertion of section 34 is necessary for the effective enforcement of its provisions.

The amendment was agreed to, and section 41 as amended was agreed to.

Sections 42 to 46 were agreed to.

The preamble and the title were agreed to.

The Bill was reported, as amended.

THIRD READING

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

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

DIVORCE BILLS

SECOND READINGS

Bill I8, an Act for the relief of James Franklin McDonagh.

Bill J8, an Act for the relief of Joseph Louis Philippe Corbeau.

Bill K8, an Act for the relief of Ruth Elizabeth Greene.

Bill L8, an Act for the relief of Frances Thirza Edlund.

Bill M8, an Act for the relief of Vivian Elizabeth Pearce.

THIRD READINGS

Hon. Mr. McMEANS moved that these Bills be read a third time.

He said: Honourable gentlemen, I would ask the indulgence of the Senate in order to have these Bills read a third time now. There is a rumour that Parliament will prorogue at the end of the week, and it is important that these Bills should reach the House of Commons as soon as possible. These are not opposed cases.

The motion was agreed to, and the Bills were severally read the third time and passed.

FIRST, SECOND AND THIRD READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first, second and third times and passed:

Bill N8, an Act for the relief of Alice Clarke.

Bill O8, an Act for the relief of Kathleen Mary Hambourg.

Bill P8, an Act for the relief of Florence Gertrude Singer.

Bill Q8, an Act for the relief of Mabel Bullis.

Bill R8, an Act for the relief of Fanny Elizabeth Reed Kendall.

Bill S8, an Act for the relief of Robert Henry Dunlop Ellis.

Bill T8, an Act for the relief of Evelyn Cowie.

Bill U8, an Act for the relief of Enid Marjorie Judd.

Bill V8, an Act for the relief of Vera Alice Griffin.

Bill W8, an Act for the relief of Christina Adams Bourne.

Bill X8, an Act for the relief of Ruth Agnes Townsend.

BUSINESS OF THE SENATE

Hon. Mr. McMEANS: Before the House adjourns I should like to ask the right honourable leader of the Government if he would be good enough to take the House into his confidence and tell us when we may expect prorogation. Many rumours are going about. Several members, including myself, are very anxious to know.

Right Hon. Mr. GRAHAM: If I had the information I should be very glad to give it to my honourable friend. I too have heard rumours, but I cannot say that they are authentic. However, I should like the Chamber to keep right up to date with its business, so that it may not be said that prorogation was delayed by the negligence of this House. To-night we have put through several Bills without undue hesitation, I

think, thus showing an inclination to clear up the Order Paper.

While I am on my feet may I say that we all regret very much the illness of the honourable Senator from Ottawa (Hon. Mr. Belcourt). He was taken ill on Sunday. I am told that, while he is detained at home, his condition is not serious. We hope he will be around in a few days.

EXPORT OF PROHIBITED MERCHANDISE TO UNITED STATES

Right Hon. Mr. GRAHAM: The right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster), in a recent discussion of illicit trade in certain articles, made an inquiry at the close of his remarks as to the intention of the Government. All I can say in reply to his inquiry is that the present attitude of the Government was aptly described by the Minister of National Revenue, but that the door is never closed to conversations between friendly nations on this or any other subject.

Another honourable gentleman (Hon. Mr. Tanner) asked if information of an authentic character could be brought to substantiate the statement that not more than 5 per cent of the liquor consumed in the United States is from Canada. I referred that matter to the Minister of National Revenue, and his reply, in short, was that prominent prohibitionists in the United States have placed the percentage of liquor consumed in the United States and coming from Canada at from 1 to 5 per cent. This statement was made by one of the Canadian officials at the recent conference between the two countries, and it was not said that it was not correct.

Hon. Mr. McMEANS: How much would be consumed in the United States if we sent over only 2 per cent?

Right Hon. Mr. GRAHAM: Fifty times that amount.

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

THE SENATE

Wednesday, May 29, 1929.

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

Prayers and routine proceedings.

PRIVATE BILL

THIRD READING

Bill 84, an Act to incorporate the Royal College of Physicians and Surgeons of Canada.—Hon. Mr. Beique.

PRECIOUS METALS MARKING BILL

FIRST READING

Bill 24, an Act to amend the Precious Metals Marking Act, 1928.—Hon. Mr. Bureau.

PENITENTIARIES SERVICE—WARDEN COOPER

INQUIRY AND DISCUSSION

Hon. J. D. TAYLOR rose in accordance with the following notice:

That he will call attention to maladministration in the Penitentiaries Branch of the Department of Justice, and will inquire whether or not the Government will direct investigation of this matter by royal commission.

He said: Honourable gentlemen, any proceedings that I have in contemplation with respect to this inquiry might be shortened very much if the right honourable gentleman leading the House (Right Hon. Mr. Graham) would signify the assent of the Government to the proposition I am about to make. This notice has been on the Order Paper for ten days now, and I presume the right honourable gentleman has received some advice on the subject from the Department concerned.

Right Hon. Mr. GRAHAM: Let me hear the argument.

Hon. Mr. TAYLOR: I am pleased to find that the right honourable gentleman is at least in a receptive mood, and although they are lengthy, I will proceed to present, not so much the arguments as the facts. Let me say that as to these facts I speak by the book, from a record submitted to Parliament —a very lengthy record indeed, which I have done my best to boil down into reasonable compass.

About this time last year I directed the attention of the Senate to this subject and concluded, as I shall now conclude, with a request for an inquiry. Up to the date of prorogation last year the honourable gentleman then leading the House (Hon. Mr. Dandurand) had not been able to get into touch with the Department of Justice, pleading the inevitable rush at the close of the session; so I could get no answer before the House prorogued. After prorogation, in answer to a communication that I addressed directly to the Minister of Justice, I received from him a reply that, as the Warden at New Westminster had been dismissed simply that efficiency and harmony might be promoted, and as there were no charges affecting the character of the gentleman concerned, he did not see that any good purpose would be served by an inquiry. Since that time the head of the Penitentiaries Branch, the gentleman at

whom my chief complaint was levelled last year, has supplied the deficiency mentioned by the Minister: he has put on the record odious charges against the character of the former Warden of New Westminster Penitentiary—charges of such a nature as to justify me in meeting the Minister's objection to my request of last year by now repeating it.

In the annual report of the Penitentiaries Branch most contemptuous reference is made by the Superintendent to the Warden. I have the report here. I will not read it, but will simply refer to it, under the heading of British Columbia Penitentiary. In the return to which I have alluded there are two references to the "mentality" of the ex-warden. The first reference, on page 21 of the return, might mean nothing in particular, but to put the matter beyond peradventure the same expression is repeated on page 23 and is underscored, apparently with the object of calling attention to this attack on the mentality of the recently trusted officer of the Government who is now endeavouring to make his living before the public. As if this vicious and unprovoked suggestion were not enough, Superintendent Hughes proceeds with something much more atrocious, the subject of my request of ten days ago for a return from the Justice Department. This supplement to the story told by Superintendent Hughes in his letter to the Minister I have not been able to get, and in its absence I must only assume that the missing documents are even more disreputable than the document which I have received, and that that is why they are being withheld from Parliament. I can assume no other reason for withholding a return which might be had in ten minutes by any officer of the Justice Department who desired it. I will read the reference in the return I have before me. This is a memorandum of May 31, 1928, headed "Memorandum for the Hon. the Minister of Justice," and signed by W. S. Hughes, Superintendent. On page 38 of this return I read:

> The Department is in possession of correspondence from a life insurance company as follow:
>
> "We are enclosing a form which we should appreciate having filled out in connection with Mr. Cooper who, according to information we have before us, was Warden of the gaol at Vancouver, B.C., from December, 1907, to 1911."
>
> The form to be filled in bears the following:
>
> "Mr. Herbert Walters Cooper states that he was in your employ as gaol warden."
>
> Herbert Walters Cooper is the name of the ex-warden of British Columbia Penitentiary. Information at hand is to the effect that he was never in British Columbia prior to his going there as Warden of the New Westminster Penitentiary in 1923. The document is addressed to the Minister of Justice, and contains the statement that "Herbert Walters Cooper states he was in your employ as gaol warden." It is, therefore, logical to believe that the application made was made by ex-warden Cooper. The camouflage used in this application demonstrates clearly the present mentality of Cooper. He has used almost similar methods in writing the eleven pages of single-spaced typewriting forwarded to the Minister.
>
> Respectfully submitted,
>
> W. S. Hughes (Sgd),
>
> Superintendent.

Any sane business man—and when I say any sane business man I mean to imply a contrast—any sane business man receiving a document of that kind from an insurance company would appreciate that the supposed statement that Herbert Walters Cooper was in the employ of a gaol as warden, under the Justice Department, from 1907 to 1911, or whatever are the dates in the remote past, was an error on the part of some copying clerk in the insurance office. Every business man here, I suppose, is in frequent receipt of documents—I often get them myself—asking him to confirm the reference and make whatever report he may choose as to the responsibility of the person. It was in order to ascertain what reply the Justice Department had made that I asked for the return which has been withheld by that Department. Am I right in inferring that the Department is ashamed of the response that was made, and therefore thinks it is not in the public interest that so shameful a document should be read before the public? I can think of no other reason for it, and I can conceive of nothing more vicious than this attempt of Superintendent Hughes to follow out into civil life a man who for seven years was an officer of the Justice Department, without a mark against him, and who went out purely on a personal quarrel. His prospects of success in civil life are menaced by the publication of documents such as this, which bears the date of May 31 of last year, but which is only now being brought to light, for only two weeks ago was it laid before the House of Commons. Ex-warden Cooper is a gallant soldier, a commissioned lieutenant-colonel in the reserve of officers of the Canadian Militia, a man of family, of good connection, a man who has been taken on by the insurance company notwithstanding the attitude of the Department, the insurance company apparently having more confidence in him than in the Department. I ask honourable gentlemen opposite if I am not justified in requesting on his behalf that an independent inquiry be made into slanders such as that, as well as many others that I shall mention, made

by Superintendent Hughes against an officer of the Penitentiaries Branch of the Department.

In case anyone who has read the voluminous documents from the Superintendent to the Minister, none of which have been disclosed to Cooper, has been misled, I want to read to the House now the last official report made by Superintendent Hughes on Cooper while he was still a warden in the service. That report is to be found on page 243 of the return. It is from the office of the Superintendent of Penitentiaries, and is dated Ottawa, October 7, 1927. The official inspection by Superintendent Hughes and Inspector Jackson and an engineer of the Department who does not enter into the story, and whose name has slipped my memory at the moment, had taken place about the middle of September. Fresh from that inspection, the Superintendent sent the usual letter to his Warden. I read from page 246:

Some of your officers, more particularly your instructors, do not appear to realize their position or understand that they are employed in a disciplinary institution where discipline is essential and where a chain of responsibility is imperative. Most of the discipline officers appeared to be doing their duty while a number of them were very new and much could not be expected from them. The type is visibly improved as compared with what it was some years ago, but there is not the esprit de corps that exists in some of the other penitentiaries. Outstanding in this respect, I would mention Dorchester and Prince Albert, with Manitoba also doing fairly well in this respect. This is a condition you should set yourself about heartily to improve.

The small yard within the brick enclosure has been wonderfully improved since my last visit. Work in connection with the north wing, kitchen, new chapel, etc., has been done in a most praiseworthy manner. It has not been done as speedily as I would like to have seen it. The laundry and changing room were in exceptionally good condition— in fact all of the shops were improved as compared with previous years. Work being done on the administration building while I was at your institution was being carried on splendidly—in fact, if continued at the same rate it would be ready for the roof in a very short time. I will breathe a good deal easier when that building is completed and the gateway erected. No penitentiary is worthy of the name with a construction such as existed at your institution when I took over as Superintendent. It was a joke.

There seems a great deal of unnecessary obstruction regarding movement of officers and performance of duty in connection with the handling of keys and locking of doors between your office and the dome. It is better to err on the side of caution than to be too lenient and lax in administration, but am of the opinion that several of the present methods of doing things in that hallway particularly during the noon-hour are unnecessary. I hope to visit your institution next year earlier than I did this year and I trust will find the work problem I left you carried out and a tremendous change made in connection with the entire place.

If there is anything that we may do at this end, more than is being done at present, we will be glad if the matter is brought to our attention, to assist in every way. The most important things in connection with your construction at the present time are the Deputy Warden's residence, the new administration building and the roadway across the front.

Just here let me interpolate. This is told by Superintendent Hughes to Cooper.

Hon. Mr. HAYDON: Will the honourable gentleman say to what period the report refers?

Hon. Mr. TAYLOR: Yes. I think I did say so. This is the report on the last inspection made during Cooper's incumbency. It is dated the 7th of October, 1927. This is from the report of the last visit that Superintendent Hughes made while Cooper was Warden. He says here:

The most important things in connection with your construction at the present time are the Deputy Warden's residence and the new administration building.

A few lines before that he says the work being done on the administration building was being carried on splendidly. That is, the most important work of the institution was being carried on splendidly. Then he proceeds:

Your farmer should be given a small gang of safe men and an officer to properly guard them and he should be made work every available day during the year at clearing up some of the land in order that your institution may at least grow its required supply of vegetables, roots, etc., as well as sufficient oats to feed his horses.

I had better read to the end. There is not much more.

It is the intention to remove a portion of the old board wall, twelve feet high, each year and replace same with a permanent non-climbable fence. This is something that you should make arrangements for in connection with your work problem. I feel that if you discuss matters with your Deputy Warden, Chief Trade Instructor and decide on your industrial problem you will not have the difficulty you have been experiencing. It would appear that a great deal of waste effort has in the past existed in the British Columbia Penitentiary. I hope to see this removed.

The Structural Engineer, Industrial Inspector Jackson and myself have discussed this matter very fully since we left your institution. I have written moderately as compared with our remarks regarding some of the things mentioned. It is recognized that you are at times handicapped by fog, perhaps more so than other penitentiaries, but if yourself and your officers have only the interest of the penitentiary at heart, do not worry about matters outside, build up a happy family amongst your

staff. This does not mean that the Warden should associate with his guards socially and after hours, but it does mean that the Warden and his family must respect the officers and families under him and treat them in proper manner, else neither esprit de corps nor success will result.

Yours sincerely,

(Signed) W. S. Hughes,
Superintendent.

I wonder who would imagine that within a few weeks of that report Superintendent Hughes would be recommending to the Justice Department that this man should be summarily dismissed from the service for inefficiency and for failing to promote harmony, when the last report is in every sense complimentary to his administration—complimentary while written in the spirit of criticism by a Superintendent. There is praise and blame, but, on the whole, the praise predominates; and there is the promise that the Superintendent will meet the Warden again next year. Before the year comes about he is writing that vile paragraph, which I have read, about the application to the insurance company, to indicate that Cooper is a man of deficient mentality and not to be trusted either with the administration of a penitentiary or outside work.

The first paragraph is "re administration." It says there:

Relative to the above, your administration staff, being entirely new, could not be expected to understand penitentiary administration and control as officers who have been many years in the Service would. I found a great deal in your institution when making my last inspection that I did not like.

Then he writes in praise of Chief Instructor Allen, and proceeds to criticize that—

During the first year you were in charge not one day's work was done on the erection of the boundary wall—

I will not go into that, because there is an answer to it, but I will call attention to the fact that that was going back four years to Cooper's first year.

The next paragraph reads:

An assistant was appointed for the Accountant whom I personally saw a fair portion of the time, when at your institution in 1926, driving trucks around the prison yard.

A whole year had passed before he thought it was worth while to ask the person why he was driving trucks, or to check Cooper about it. The answer, I may say, is typical of the answer to most of these criticisms. This clerk was engaged at the time as temporary storekeeper and was driving a truck on an emergency message for stores when he met the Superintendent. Then it goes on:

The storekeeper you have reported on many occasions as inefficient, but you did nothing whatever of constructive nature to have matters put right in that department.

It was the Superintendent's duty to remove the storekeeper, who had been reported many times as inefficient. He does not do so, but comes back for another report.

You went whole-heartedly behind the appointment of your present Chief Keeper, Mr. Goss, to the position of Chief Trade Instructor.

That was two years ago, and three years since Goss retired as Chief Keeper. It goes on:

The work on the Deputy Warden's house, which should have been completed and occupied before now, has been carried on in a most indifferent manner.

The work in connection with your farm does not appear to be taken seriously, apart from the piggery, which appeared to be clean and the hogs in good condition.

Do honourable gentlemen note that in all this report there is not a word about the prisoners in the pen? The Superintendent seems to have been totally unaware of what condition the 300 prisoners were in, and the good and safe husbanding they had had from Warden Cooper, but he has time to go out and count the hogs in the piggery, and to ascertain that the farm was not properly administered. The farm, I may say, is a joke. And there is something in the report about gates being open at noon hour, when all the men are inside. But apart from these criticisms, there are all those expressions of praise and satisfaction with Cooper, and acknowledgment of improvements that had been made under several heads, in spite of difficulties due to the presence of new officers. There is also the promise of a friendly conference next year. Now, what came over the spirit of the Superintendent's dream between the writing of the letter of October 7 and the dismissal of Warden Cooper?

In this file we have some of the private and confidential letters of the Superintendent. Exception was taken here last year because I proceeded to read them. I think the exception was fully met, but without any explanation whatever as to why private and confidential letters should be on a public file, we have here such of those documents as it suits Superintendent Hughes to include. Such letters which I read last year and which he does not wish to have on the file are not here now, although reference is made to them in some of the other letters, and the whole correspondence is necessary in order to understand the story. What happened was that this letter of the 7th of October on its way to British Columbia crossed the first of the

5-o'clock-tea letters from Warden Cooper. The first of the series complained that the Warden and the Inspector, who had travelled three thousand miles for the purpose of inspecting a great institution, were in their correspondence paying no attention whatever to the 300 prisoners, not even to the extent of mentioning them in the correspondence, but were filling up page after page with what they saw at the 5 o'clock teas—how many pieces of cake were taken by ladies at the tea table, and whether or not the ladies took cake every time it was offered to them. That correspondence was going on then, and that is what sorely touched the social tea Superintendent and induced him to send the series of abusive and destructive letters immediately following that hymn of praise.

Warden Cooper answered this letter on the 31st of October. I find certain parts of his answer on pages 252 and 253 of the report. The answer is not solely to the letter of the 7th, but is based also on Superintendent Hughes' private and confidential letters about the cake-eating incident. Warden Cooper naturally became annoyed at that and finally, perhaps with more courage than discretion, asked Superintendent Hughes to mind his own business and make no further reference to the women and families of the staff in the official correspondence. Cooper finished his reply to Superintendent Hughes in this way, as set out in page 252 of the report:

> For a Warden to reach his greatest efficiency, he must not only have the support of his superior, but it must be generally known that he will be upheld unless proven to be in the wrong. Without that support and common knowledge of it, his prestige is diminished and his difficulties increased. But when he finds he is officially censured upon conclusions based upon insufficient premises and that there are recorded against him statements which have no foundation in fact, he is robbed of the confidence necessary to handle his staff and the inmates committed to his charge for detention and reformation. No subordinate can act freely when he feels his actions may be misconstrued and he may be given the reverse of the benefit of the doubt.
>
> During the two weeks which have passed since receiving your letter, I have endeavoured to free myself from this feeling, but cannot do so.
>
> I therefore respectfully ask that this correspondence be forwarded to the Honourable the Minister for his consideration and that I be permitted to communicate directly with him on matters arising out of these letters, and on other subjects affecting the Penitentiary administrations.
>
> I would also ask that should the Honourable the Minister then deem an investigation necessary, that it be conducted by one other than an official of the Penitentiaries' Branch.
>
> Yours faithfully,
>
> H. W. Cooper,
> Warden.

Superintendent Hughes made a simply furious rejoinder to this respectful request from a man whom he had threatened with dismissal in a private letter, saying in effect: "Unless you bring these two women together, and compel your wife to accept on cordial terms this other woman, I will remove you; I put you there." "I put you there," he says, and perhaps it is true that the Civil Service Commission has nothing to do with appointments under Superintendent Hughes. "I put you there," he says, "and I will remove you unless you bring this about." That is what caused Cooper to say: "If my position is menaced, I ask the right to appear personally before the Minister and to plead my case." Surely the man had a right to do that without being abused for it. The result of this appears at page 254, under date of December 8, 1927, as a Memorandum from Hughes to the Honourable the Minister of Justice. As I have sized it up, this one letter contains nine or more absolute misrepresentations or direct falsehoods. I say that on the basis of my own knowledge and with a full sense of my responsibility as a member of this honourable House; and the unfortunate Cooper does not know to this day what the contents of this letter were.

In the meantime, during those months while the acrimonious correspondence had been going on, something had been happening out in British Columbia. There was a carpenter-instructor named Robertson there, an official for about one year. The reference to this is on page 164. He was charged with leaving his post without authority. The Warden telegraphed to Ottawa the circumstances and recommended that this officer be dismissed, because in his opinion a fine would have no beneficial effect on Robertson. He also asked that the names of two eligible persons be sent to him from a list submitted a few months previously, so that he might replace him.

I might say that the man had left his post in the ward, leaving fifteen convicts, four or five of whom were lifers, entirely unattended. This was a defiance of one of the strictest rules of the institution, namely, that no one should leave his post without written authority from his superior officer, who of course would have power to replace him.

Cooper sent down the full particulars with his report, and also the evidence that he had taken from the Chief Keeper and the Chief Trade Instructor, Allan. The latter was in the confidence of Superintendent Hughes. He has been spoken of, and still is, in terms of the highest confidence, and I believe he is

here on headquarters duty now, but I am not sure of this. He is a man of irreproachable character, and is not, and never was, a partizan of Cooper's. He had supplied the evidence; Instructor Allan himself had told this man to get out of his place and back to his ward, where he belonged. He had joined in the report to the Warden, and the Warden simply heard it. But what did Superintendent Hughes do? At a cost of upwards of $1,000, in the most penurious of all the Government departments, he sent Inspector Jackson straight out to British Columbia to investigate whether or not they should remove an officer of only one year's standing who deliberately went away from his post, leaving fifteen prisoners unattended, including several lifers.

This occurred during the cake correspondence period. When Inspector Jackson got out there he took the part of a friend of the accused; not an investigator or prosecutor, but a man there making excuses. His reports reflected on Cooper for having ventured to take notice of information conveyed by the Chief Keeper and the Chief Trade Instructor. He recommended that Robertson be fined $15, that he be restored to duty, and that he be paid for all his time while he had been under suspension. He recommended further that the Superintendent send word back at once, because he wanted to restore Robertson before he left the institution. On the same day that all this was done he was restored. The man was put back, but the Warden was snubbed.

On the very day when Jackson did this he in turn was reported by Cooper. The report is not on the file; possibly it was private and confidential. He was reported by Cooper for an indiscretion at New Westminster, which had caused grave scandal and was the subject of general conversation on the part of guards and convicts alike. Cooper's duty was to report this, and he did report. No investigation was held. It was worth sending Jackson across the continent over a carpenter-instructor who had left his fifteen prisoners unattended, but no investigation was held into the case of this high officer in the Department causing such a scandal as he is alleged to have caused there. Indeed, his own answer was taken by the Superintendent as absolutely satisfactory, and Cooper's word was not credited. The Inspector went back to Ottawa.

Some one may say that perhaps this carpenter-instructor was a very valuable officer, more valuable than the Warden who recommended his dismissal. That question was asked by Jackson of Chief Instructor Allen, how would he rate Robertson, and he said, "I would rate him at about 50 per cent." That is, he was just coming and going; he was not a particularly valuable man.

Two weeks later the same Robertson was reported again for two offences in one day. The first was that, being nominally on duty outside of the institution, he attended in the office of his assistant carpenter-instructor at eight in the morning, and until 9.30 sat beside a prisoner, named, in a ward, conversing intimately with him. The assistant finally reported him to the Deputy Warden, Trollope, as interfering with the progress of a place where the assistant was supposed to be in charge. Trollope saw him, and passed on to Warden Cooper the complaint of the assistant, with his own addition to it.

Cooper had no direct connection with that information at all; he was simply the recipient of it. He held a penitentiary inquiry, the evidence being taken down in shorthand, the witnesses being Chief Trade Instructor Allen, Deputy Warden Trollope, and carpenter-assistant Chaplin, all establishing the man's committal of those two offences, two in one day, just two weeks after he had been restored by Inspector Jackson. The Warden sent a report to Ottawa.

When all that information came to Ottawa, what do you suppose Superintendent Hughes did with it? Gave it to this very Inspector, Jackson, whom Cooper had reported two weeks before for investigation; as much as to say, "Now, Jackson, here is your chance at Cooper." And what did Jackson do? Reference to this is at page 237 of the return. Before learning anything about it except the evidence that Cooper had sent—the evidence of the three chief officers establishing those offences—Inspector Jackson says:

> The whole case has the appearance, either rightly or wrongly, of retaliation.

And having established his opinion, and his course of action, to Superintendent Hughes, the Superintendent appears with another report to the Minister, withholding from the Minister the fact that the Trade Instructor and other superior officers of the institution have testified against Robertson, and that Cooper is only a mechanical actor in the piece; and he receives from the Minister authority to send Jackson out on another trip to make another investigation between Cooper and this accused carpenter-instructor. At the same time, and only as a secondary matter, the Minister says, "When he is out there let him investigate the charges made by Cooper." I am entitled to assume that the Minister was innocent in thus commissioning Jackson, because he had not all the information before him when he gave that instruction in per-

fectly good faith to Hughes. The Superintendent had written to the Minister—see page 261—with reference to Cooper's letter of October 31, as follows:

The Warden's action in writing the letter he has to the Superintendent demonstrates that he has not fully recovered from the serious illness with which he was afflicted last year. The best friend he has ever had, and he admits it, is the Superintendent of Penitentiaries. He recognized the weakness of his second attempt to get rid of Instructor Robertson. He knows that if anyone investigates this case the result could only be favourable to Instructor Robertson. He himself is guilty of insubordination in doing what he has done. It was recognized when Superintendent was at British Columbia in 1927 that the Warden was in somewhat of an unsettled state of mind and far from being the officer he was when transferred to that Institution. His recommendation that one other than an official of the Penitentiaries Branch be sent to investigate this matter is an insult and an act of insubordination. Any other Warden would have received the letter written by Superintendent in the proper spirit, made any explanation he deemed necessary in the proper way, and would have promised at once to agree to remedy anything the Superintendent had suggested.

It is respectfully submitted and recommended that Inspector Jackson be sent to British Columbia to make full enquiry into this matter, and also report on the present condition of the Institution, including any complaints the Warden may have to make.

There is not a word there about the recent difficulties with Jackson, Cooper's report on him, or the evidence that Cooper had sent down. That is all withheld from the Minister, and on that partial statement the Minister makes this order (page 262):

Inspector Jackson is instructed to go immediately to British Columbia to investigate the whole matter, and report on present conditions in the Institution, including all complaints from the Warden and others, and he should be given all papers, documents, or correspondence concerning matters causing the existing difficulties and troubles.

The next I want to read is Superintendent Hughes' version of those instructions. I think this is the most remarkable document ever written in connection with a sworn investigation. He says, at page 266:

Please take all evidence in connection with this investigation under oath. Secure the services of an outside stenographer and I would advise your being very careful in the selection of this person. Place them under oath not to divulge any matters resulting in connection with the investigation nor to retain extra copies of evidence, or books containing shorthand notes. Do not permit other than those called to give evidence to be present in the court, and please use your best endeavours to keep the fact that an investigation is being held from the newspapers and public generally. I trust you will impress the necessity of this being done on those giving evidence.

Do not permit the admission of extraneous affairs that do not pertain to penitentiary management to be introduced by any officer.

By that sentence he excluded the very thing that Cooper had taken the responsibility of asking the Minister to investigate. Cooper had applied to the Minister to investigate the threat that he would be dismissed because he would not tell his wife that she must make up with the other woman. The Minister sent his officer to make an investigation into all the matters under discussion, but the Superintendent limited this and issued the order that no transcript of the evidence should be retained by the reporter, nor should he retain even the note books. I have had a great deal of experience in listening to evidence and seeing the taking of evidence on enquiries in courts and in other places, and I never heard of anything of that kind before. I can conceive of no honest reason why such an order should be issued, and the only purpose that could be served by having the notes destroyed, it seems to me, would be that the evidence might be manipulated to suit the ends of the person giving the order. If any other suggestion is forthcoming, I should like to hear it.

I am told—and to this extent I must depart from the record—that when Jackson went up there he moved around amongst the officers in the penitentiary grounds, talking to this one and the other privately, and ascertained from them what, if anything, they would say to the discredit of the Warden; and if they would say nothing to his discredit they were not called, but if they would, then they would be called and, following a preliminary talk with the person who was to give the testimony, Jackson would turn to the reporter and say, "Now, you can take that down." And a series of leading questions would be put, in order to get from the witness precisely what Jackson needed. I have the written evidence of the result of that process in the case of two witnesses, at page 224 of the report. When Cooper sent down the evidence of Deputy Warden Trollope and the carpenter, Trollope reported:

That while visiting the Carpenter's shop this morning about 9.30 I went into the Paint Shop and saw Instructor Robertson sitting by the side of inmate No. 3212—de Bortoli. On my entering the Shop Mr. Robertson got up and I spoke to him regarding the shipment of a crate to Inspector Jackson. He did not seem to know exactly why this had not been shipped and I went outside to Mr. Chaplin to enquire why. I did not make the enquiry, as Mr. Chaplin at once made the remark that it was unfair for that gentleman, meaning Mr. Robertson, to be allowed to carry on as he was doing. Asked what he meant, he replied "Sitting alongside inmates for periods (I think he mentioned hour, or hour and a half) was not conducive to discipline—he was trying to get as much work as possible done by the men, but such actions did not assist him." I asked if he was

making this statement officially, and he replied "Yes, of course, otherwise I should not make it." I reported this to you verbally at the noon closing.

On visiting the Shop this afternoon at 3.10, I was informed by Mr. Chaplin that Mr. Robertson had been in the Paint Shop in the same place for the past three-quarters of an hour. On my entering the Carpenter Shop, Mr. Robertson was coming down the shop towards the entrance.

Instructor Allan gave evidence before Cooper, as reported on page 230, to this effect: "A check-up of stock would require from 20 to 30 minutes. He," meaning Robertson, "should have been on the outside job. I know of no reason why he was not. He had no reason to be in the paint shop; I would not consider he was properly performing his duties if he was there; he had ample duties to keep him outside."

By contrast this is the evidence as taken by Inspector Jackson, who had already said that this whole thing was a frame-up. Perhaps I had better read his report of Trollope's evidence, at page 277:

Q. Did you report Carpenter Instructor Robertson to your Warden on or about November 11th.

A. Yes.

Q. In reporting Instructor Robertson for sitting beside an inmate were you informed so or did you see him.

A. I am reporting him on Mr. Chaplin's report to me, not for sitting beside an inmate, because I only saw him there for a moment.

Q. Did you consider his act of sitting by an inmate, when you saw him, as being contrary to the regulations of the Institution.

A. As I could not see what Mr. Robertson was doing, whether instructing or otherwise when I noticed him there, I cannot say that he was acting contrary to regulations. Had Mr. Chaplin not reported Mr. Robertson's conduct, I should not have made a report on the matter.

Honourable gentlemen can see what a difference it makes how the questions are asked, and how a man who asks leading questions can influence any witness. I suppose during the whole of that investigation the evidence was devilled just as it was in this case by a man who opened every man-trap in the sewage system of the penitentiary for six or seven years and out of the filth presented all the dirty matter he could in an attempt to blacken the character of the Warden, against whom no charges were made.

In his annual report, too, recently submitted, the Superintendent makes most contemptuous and palpably untrue reference to the services of his victim. The man who does this pretended to be the bosom friend of Col. Cooper and his family, whose hospitality he freely accepted and with whom he had been on terms of the greatest intimacy. Similarly with the Deputy Warden and his family. Deputy Warden Trollope, like Warden Cooper, had been a worthy officer in Colonel (now General) Hughes' battalion in France, and Trollope had been led to believe that he too would be a warden in the Penitentiary Service. But the two men and their confiding families have been betrayed by this shameless assassin of position and character, who has made of them objects of doubt and suspicion on the part of people who find it hard to believe that a Department of Justice would do so great a wrong. Judas went out and hanged himself.

Right Hon. Mr. GRAHAM: What was that quotation from?

Hon. Mr. TAYLOR: I am sorry to say I have not the page for that, but it is well established. Deputy Warden Trollope faced the finger of scorn of the whole entourage of the penitentiary, bond and free, because he was credited with being the intended beneficiary of the despicable frame-up of Superintendent Hughes and his coconspirators and spies, and, having the instincts of a man and a gallant officer, retired in disgust from a service which had been so degraded. Superintendent Hughes remains, however, to spread deceit, equivocation and insinuation over the records of the Department of Justice (save the mark) and of Parliament.

Superintendent Hughes blatantly proclaims in the annual report of the department that his friend—or shall I more correctly say his accomplice?—Inspector Jackson has accomplished more at the New Westminster penitentiary than Col. Cooper did in ten times the period. Of the kind of accomplishment, yes. Surely he has been making history: the loss of his Deputy Warden; the burning of the Warden's residence, at a cost of perhaps $25,000, through leaving the place unprotected, in defiance of special instructions, and through negligence in allowing the water service for fire protection to be turned off; the loss of a convict, the first to escape in many years, through disobedience of the regulations forbidding one guard to take more than two convicts for work outside; the ruin of the guard, with seventeen years' service as a soldier and ten years' faultless duty in the penitentiary, through dismissal because of the improper risk imposed upon him; the pinching of the $900 good conduct money otherwise payable to the guard, and the contemptible slur cast upon this guard by the Superintendent when he pleaded to be allowed to resign and so save his gratuity; the making within the penitentiary of tools with which bars were filed to permit another

escape; sending a convict condemned to lashes out to work before this punishment was inflicted, and exposing him to the temptation to attempt an escape, for which the unfortunate received an additional term of punishment; the addition of hours of useless duty in retaliation on guards who asked their rights under the regulations; the levy of $6,000 upon the Dominion Treasury to keep the Acting Warden in luxury at a fashionable hotel in Vancouver, while the regulations direct that the Warden shall reside at the penitentiary. All these things have come under Inspector Jackson. Surely this is an incomparable record of accomplishment for one year. Is it to be believed that the Inspector owning this record is being recommended by the Superintendent for permanent appointment to the office of Warden, and that he in turn is being heard as a suppliant for higher pay for his endorser, the Superintendent?

That is the kettle of fish stewing now at New Westminster. Some of us have heard of Kingston and the penitentiary there. In his letter to the Minister, Cooper ventured to say that he addressed him in the hope that he would avoid a state such as had been brought about at another institution through continued friction between the Warden and the Superintendent. When Inspector Jackson was holding his inquisition he insisted upon full particulars of what he called this charge. He threatened Cooper, a gentleman, a lieutenant-colonel in the military service, and Jackson's senior in the penitentiary service. He threatened him with two weeks in Oakalla, which he said he had authority to inflict upon him unless he answered every part of Jackson's inquisition. He made him tell who was his informant, and what penitentiary he meant. I have lost my reference for the moment—lost it permanently, for I am about through—but all this is in the evidence. Cooper said his reference was to the Kingston Penitentiary and to Warden Ponsford. He was asked, "From whom did you hear it?" and he said, "Do you, Inspector Jackson, ask me that?" "Yes," he said, "and I demand your answer." Then Cooper said, "I heard it from you, Inspector Jackson, and Superintendent Hughes, when you were out here, in numerous free conversations, open to any persons who would listen to them." Inspector Jackson in his report tenders an unsworn statement contradicting Cooper's sworn evidence that he took part in any such conversation, and says that he never heard of any difference or difficulty between Superintendent Hughes and Warden Ponsford. Superintendent Hughes, on his part, writes a confirming letter describing Cooper's statement as an odious misstatement. He denies it in a most positive way.

There is not a soul in this Parliament who knows anything about the relations between Kingston and Ottawa who is not aware that Cooper was correct in every particular in his statement, though perhaps he was injudicious in making it, and that if Inspector Jackson and Superintendent Hughes were put upon their oath and compelled to answer, as they compelled Cooper to answer, and answered as they did in that correspondence, they themselves would be in danger of spending seven years behind the bars for perjury.

Now, is that a state of affairs that should be investigated, or is it not? I feel very keenly on this subject, and I believe that every syllable of what I have said is easily capable of establishment anywhere under any process. I feel for the people of the penitentiary service; I come from a penitentiary town, and I want to see ended the reign of terror that has been maintained by Superintendent Hughes. I want to see placed over the penitentiaries the sort of government that will put an end forever to the conditions there existing. I am fully aware, as I have stated before, that the last amendment to the Penitentiaries Act was made with the object of putting a responsible Superintendent over the inspectors who were then on duty, although the inspectors of the day were men of very high character indeed. I recall particularly the late Douglas Stewart, whom all old-timers in Parliament knew very well. Over men of that character it was thought desirable to place a Superintendent. Most of us who are acquainted with affairs of that kind know what happened that recommendation. A Committee appointed to choose a superman to be Superintendent failed to find any, and the job went to the Senior Inspector by promotion. The penitentiaries are paying the penalty to-day.

This Government appoints Commissions to investigate every little post office, every little lighthouse, where anybody says a disrespectful word about the local big man. Commissions issue as a matter of course. Why hesitate in a matter of this importance to grant the request that I made last year, and that was refused for a cause which does not now exist? Colonel Cooper is the victim of a most serious situation. Why refuse the inquiry which he has asked for in letter after letter to the Minister since his dismissal?

I regret that this House is not in a position to give effect to its wishes or desires except through the impression that may be made by any member on the honourable gentleman

who is entrusted with the responsibility of leading the House. I say that the right honourable gentleman opposite me (Right Hon. Mr. Graham) is a fair man, a man closely in touch with affairs all his life, and so must realize that the mass of statements in this record could not be got together except under very great provocation, and that anything that has given rise to a return of 512 pages is worth more than the little effort involved in the independent inquiry that I ask.

Hon. Mr. WILLOUGHBY: I shall make but a few remarks in regard to the matter which has been referred to in such great detail by my honourable friend. He has the advantage of being familiar with all the circumstances. Coming, as he does, from a small city like New Westminster, he is in a position to acquire a knowlege of the facts more easily than perhaps he would in a large city. I was astonished to learn from the remarks of the honourable gentleman that after an investigation was directed, no copy of the verbatim evidence was accessible, and the shorthand writer was ordered not to retain his notes.

I think it is the duty of the Senate and the other House to guard the good name of the public servants of Canada. The man in question here, the Warden of a penitentiary, occupied a high and important position, and we should not deny to him an opportunity for the fullest investigation by an independent party of the circumstances which have been referred to by the honourable gentleman. In any case where similarly improper incidents were brought to the attention of the House by any honourable member I would take the same stand, without regard to the side of the House on which he was sitting.

The honourable gentleman, in addition to giving us a statement of the facts from his personal knowledge, read a voluminous correspondence which has been difficult for me, and perhaps for other honourable gentlemen, to follow. But he has told us that of his own personal knowledge it is necessary or desirable, in the interest of the public and of former Warden Cooper, to have an independent investigation. I think we owe a duty to public servants to make sure that no subordinate is denied by his superior the right to ample investigation of any charge of unjust treatment. Such investigation should be directed by the Minister in charge of the Department, and not by some outside party. The complainant in this case has no ground for a law suit; there is no action for slander that would lie successfully in the hands of Cooper. But he appeals to those who employed him and placed him in his high position, a position of very great responsibility, for an opportunity to clear his name. If the charges that he has made should on investigation prove to be unfounded, let the consequences fall on him. I am quite satisfied that any gentleman appointed by the Minister of Justice, at the suggestion of this House, would make a report that would command our confidence. Nothing else is asked.

Hon. Mr. MURPHY: May I ask the honourable gentleman from New Westminster what was the date of the dismissal of the Warden?

Hon. Mr. TAYLOR: February 17, 1928, I think it was.

Hon. Mr. TANNER: Unless my right honourable friend (Right Hon. Mr. Graham) wants to go on, I should like to move the adjournment of this debate. Of course, if he wishes to speak now, I shall not intervene. Sometimes there is an understanding in this House that any honourable member who desires to speak on a subject should precede the honourable gentleman who replies on behalf of the Government; but I do not know whether that is a definite rule or not. If my right honourable friend desires to make a statement now and I may have the opportunity of moving the adjournment of the debate, that will be quite satisfactory to me.

Right Hon. Mr. GRAHAM: We are getting pretty near to the end of the Session, and my opinion would be that, since we have taken most of the afternoon on this discussion, we might go on with it till 6 o'clock in an endeavour to finish it. I have not a long statement to make, but I would rather that my honourable friend spoke first, because he might say something to which I should reply.

Hon. Mr. TAYLOR: If I might make another remark, I was jockeyed out of this House—I hope that word is not disrespectful; I do not intend anything of that kind—last year, while waiting goodnaturedly for a reply from the Department of Justice. Now, a year later, I again bring this matter to the attention of honourable gentlemen, and I think before the subject is dropped we should know what the prospects are of getting an inquiry into the circumstances which I have revealed.

On motion of Hon. Mr. Tanner the debate was adjourned.

NORTHERN ALBERTA RAILWAYS BILL

THIRD READING

Right Hon. Mr. GRAHAM moved the third reading of Bill 71, an Act to incorporate the Northern Alberta Railways Company and re-

specting the Canadian National Railway Company and the Canadian Pacific Railway Company.

Hon. Mr. GRIESBACH: I have a few observations to make before this Bill is carried, as I think the House is entitled to a short history of the facts preceding this measure.

The railways in Northern Alberta were built by the Government of that province, and for a number of years have been operated at a loss. For some years they have been offered for sale, and last year an arrangement was come to whereby the Northern Railways were sold by the Province to the Canadian Pacific Railway Company for some $26,000,000, to be paid partly in cash and partly by the assumption of liabilities. After the arrangement had been concluded, the Canadian National Railways were invited to take a half interest in the railways, and, they having done so, the present Bill is brought down to create a holding company for the purpose of operating these lines on behalf of the two principal railways. The agreement to sell has been approved by the Government, and, it may be said, by the people, of the Province of Alberta. All that remains for discussion is the situation resulting within the territory served by the railways, namely the Peace River country. Statistics concerning that country have been laid before the other House, and it is well known here that it is a very large, very fertile, and generally very desirable territory, with a great future. It is a part of Canada which the National Railways might well have entered, both in the exercise of its function of developing railways to serve the people, and also because of the profit to be derived there.

Having come in on the basis of paying half the cost, the Dominion Government has acquiesced in the price and cannot now repudiate the agreement. But I say that the National Railways should have entered into an arrangement with the Province of Alberta and had the sole railway privileges for this territory. I venture to assert that the only reason the National Railways did not do so was because of a lack of courage on the part of the Government to authorize the purchase; and the result of that lack of courage will be, I submit, more or less detrimental to the people of that part of the country.

I am going to vote for this Bill, for the reason that a vote against it would do no good. The Government of the Province, and the Province as a whole, have agreed to the purchase. But although everybody is satisfied with the arrangement, it is proper for me to draw attention to the condition of affairs that will now result from the passing of this Bill, including the creation of a holding and operating company to run the railways in that part of Canada on behalf of the two major railway companies. The branch line program, which is so essential to the development of that territory, is so limited in scope under this arrangement as to be of no value at all. In the purchase agreement some 60 miles of branch line railways were proposed, to be completed only in five years. As a matter of fact, 1,000 miles of branch lines are necessary to put a large number of the people in that district within twenty miles of a railway. But because of lack of competition, there will be no activity in branch line construction. On the contrary, the people of that country will be entirely at the mercy of the holding company, which will have no inducement to adopt a vigorous branch line policy.

The produce of that country amounts annually to something like 10,000,000 bushels of grain, which is brought down over the Northern Railways to Edmonton and then carried to the Pacific Coast or down east by way of Fort William. The people of that part of the country are condemned to pay freight rates over a very long haul, although they are comparatively close to tide-water on the Pacific Coast. The real development of that large section will come only when there is an outlet to the Pacific Coast, and such an outlet might have been found by the building of a line of railway from Grande Prairie, in the Peace River country, to some point in the neighbourhood of Jasper on the Canadian National; or another outlet might have been found by extending the line of railway beyond White Court, or by a route through the mountains. But no such solution has been attempted, and by reason of the lack of competition that there will be in the future, the prospects for a line of railway from the Peace River country to the Pacific Coast are much more remote than they ever were before. The development of that great country, measuring some 400 miles square, into which thousands of people are thronging to-day, will be retarded seriously as a result of this agreement.

As I have said, I shall vote for the Bill, because any other action would be futile, but it is my duty to point out to this House that the people of that section of the country have been treated with injustice, the effects of which will be felt for many years to come.

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

SPECIAL WAR REVENUE BILL

SECOND READING

Right Hon. Mr. GRAHAM moved the second reading of Bill 278, an Act to amend the Special War Revenue Act.

Hon. Mr. ROBERTSON: Explain.

Right Hon. Mr. GRAHAM: The object of this Bill is two-fold. It reduces taxation by removing certain impositions from railway and steamship tickets, and that kind of thing. Such taxes have not been in effect since the 1st day of May, as the people who buy railway tickets are aware. Those honourable gentlemen who buy chair seats will realize that since May 1 the War Revenue tax on parlour car tickets has not been collected.

The other portion of the Bill has been discussed at great length by members of Government and of Parliament. It is designed to replace the present tax on the transfer of stocks with a new kind of imposition. I am not sufficiently familiar with the entire effect that this will have on those dealing particularly in lower-priced stock. We are aware that this country, like others, has gone very far afield in making investments, and some people noted for care and acumen in finance believe that it would not be amiss to have a halt called to undigested and thoughtless investments.

This Bill will undoubtedly affect certain classes. One is the investor in small securities, what are called penny securities. Some people argue that it will affect prospectors. I am not so sure of that myself. The prospectors usually get their recompense in stocks in settlement with those who take over their properties, but I am not at all alarmed that they will be affected very materially. Then there are the people who wish to float securities in order to obtain money for carrying on their developments. If a development is supported by low-priced stock, I am inclined to think it will be affected to some extent.

On the other hand, all countries impose such taxes, and we have had in force for some time a tax of this kind, of which the present Bill furnishes a revision. I think the Province of Ontario imposes a tax on transfer of shares, and so do England and a great many other countries. As to the effect of this Bill, I have been informed from one source that it will not be serious, and it will give Canada a fairer revenue.

Hon. Mr. GRIESBACH: What is the estimate?

Hon. Mr. GRIESBACH.

Right Hon. Mr. GRAHAM: Some estimate about half a million dollars, perhaps a little more; by others I am told that it will reduce the business to such an extent that the revenue will not be as large as the Minister of Finance estimates. I have here a statement of the estimated reduction of revenue on account of tariff changes by the resolution of March 1, 1929, and amendments, as follows:

Insurance premiums..	$ 1,007,456
Cable and telegraph messages.	343,842
Railway and other tickets.. ..	2,191,139
Sales tax..	21,000,000
	$24,542,437
Less estimated increase on transfer of shares of stock.	400.000
	$24,142,437

I would suggest that for the discussion of the details of the Bill honourable gentlemen allow it to go into Committee of the Whole. Then they will be in a position to ask for information, and I shall endeavour to get all the information I can on the Bill.

Hon. Mr. WILLOUGHBY: I have a suggestion to make to the honourable gentleman, that instead of sending the Bill to Committee of the Whole we send it to the Commitee on Banking and Commerce. The honourable gentleman himself has said that it is a little indefinite in some of its sections.

Right Hon. Mr. GRAHAM: I think it is.

Hon. Mr. WILLOUGHBY: The honourable gentleman is not alone in making that discovery. I think it would be very desirable for us to have the better facilities of our Banking and Commerce Committee, where we could call anyone we wished for the purpose of investigating what the burden really is. Is that suggestion agreeable to the right honourable leader of the House? I do not want to make a formal motion. I assume that the proposal will be agreeable and that the Bill will be taken up at the earliest possible date by the Standing Committee.

Hon. Mr. CASGRAIN: If it is a money Bill, can we amend or change it?

Hon. Mr. WILLOUGHBY: Well, some of us have some ideas on that subject, too; but, apart from those ideas, I think we have a right to make the fullest inquiry, and to ask and obtain judgments on the Bill. If the Government is agreeable to that, I have nothing further to say on it now.

Hon. Mr. GORDON: Honourable gentlemen, this is the second reading stage of the Bill, and perhaps after the information I have

to give is heard in this Chamber it may be deemed unnecessary to send the Bill to a Committee, for I believe that I can show the inequalities of the Bill's provisions. I wish to deal with the proposed tax under section 4.

Hon. Mr. WILLOUGHBY: I do not want to interrupt the honourable gentleman. He has informed me that he would not have the opportunity of being here next week, and I know the House would be delighted to hear him, but his remarks would not interfere with the disposal of my suggestion. When that is dealt with, he might proceed to give the information that he wishes to impart to us, which I think would be very welcome.

Right Hon. Mr. GRAHAM: I see no objection to it, and I could not object if I wanted to do so. I should be glad to have the honourable gentleman speak on the second reading of the Bill, so that we may have at our disposal the information that he will give us.

Hon. Mr. WILLOUGHBY: But you have not dealt with my request.

Right Hon. Mr. GRAHAM: I will before I sit down. I understand the honourable gentleman is going to apply his criticisms to the increase of taxation on mining.

Hon. Mr. GORDON: Yes.

Right Hon. Mr. GRAHAM: I have no objection to referring the Bill to the Banking and Commerce Committee for thorough action.

Hon. Mr. WILLOUGHBY: That will be satisfactory.

Hon. Mr. GORDON: Honourable gentlemen, as a preliminary to my criticism, which will be practically altogether directed to section 4, I should like to make a few general remarks.

Canada's call to-day is for intensive and energetic research to develop our mining lands, having particular regard to the base metals, the importation of which in manufactured form from other countries is costing us appalling sums, creating industries elsewhere than at home, thereby losing population and markets for our own people. This necessitates unwarranted and wasteful expenditure for immigrants, who are brought in at one door and go out by another to swell the population and prosperity of foreign countries manufacturing mineral products, of which I believe we have an undreamed of proportion.

Let me instance, in this connection, the possibilities and potential wealth in iron ore alone, when hitched up with our water and coal. Is it conceivable that metallurgists, following the lead of those, for example, who have conquered the air, cannot solve the problem of economically treating our low-grade ore, of which we have quantities beyond calculation? I am convinced that if only a part of the millions thrown away on immigration were devoted to this task research would win for Canada, through mining, unparalleled progress and prosperity in industrial activity. This prosperity would react on every business throughout our land, and not the least of it would redound to the benefit of tillers of the soil. In other words, the creation of an industrial beehive of great dimensions would assure work to the newcomer in advance of his landing.

By section 4, new section 58, second paragraph (a), it is proposed to impose a tax of three cents for every $100 or fraction thereof of the par value of the bond sold or transferred. There is no objection to that.

In paragraph (b) a tax is imposed of four cents for every share of stock sold or transferred at a price over $100 per share. There is no objection to that. May I say the rates mentioned in these paragraphs (a) and (b) are really only a simple stamp tax, that is, a nominal charge on documents, papers, cheques and things of that sort, without regard to their value. The Minister of Finance said that this was a stamp tax, and he cited as a comparison the postal taxes. He said that the Leader of the Opposition might send to Calgary a letter containing a cheque for $100,000 at a cost of two cents, whereas the cost would be the same if he himself sent to Valleyfield a cheque for $100. He instanced that as an unequal basis of charge. Now, the postal tax, if it is a tax, is for services performed in the way of receiving letters, sorting them, then distributing and delivering them; and it costs as much to handle and transmit a cheque for $100 as it does to handle $100,000. Therefore there is no discrimination there; the charge is a proper one and has a good foundation. That having been given as an example by the Minister of Finance, why does he propose to deal in this Bill on an unfair basis? I want to prove by his own words that this is not the same sort of thing at all. In my opinion the basis of taxation should be an equal adjustment of value, and if we start with a wrong foundation the whole superstructure as well as the foundation will be wrong.

Looking at this Bill superficially, one might think it would be fair to all, because it starts

by making a tax of one-tenth of a cent on certain shares, one-quarter of a cent on others, one cent on others, two cents on others, and so on; but here are the facts in connection with that. I am going to produce figures based upon the selling of $100 of securities, and I am talking particularly of mining securities.

Under paragraph (g) the tax is one-tenth of a cent per share of stock sold or transferred at 50 cents or less; therefore if a small investor sells 200 shares of stock valued at 50 cents the charge will be 20 cents; but in that very same class, an investor who has 10,000 shares of stock which he sells at one cent will realize $100, the same as his neighbour, but his tax will be $10. In other words, one man's $100 is taxed fifty times as much as the other's. That comes within one clause. I am taking the minimum and the maximum amount that each of these shares will produce under paragraph (g).

Now, under paragraph (f) the charge is one-fourth of one cent on shares over 50 cents and up to $1. What is the result? My right honourable friend, the new leader of the House, sells 100 shares of stock at $1 a share, realizing $100. The tax on that is 25 cents. But the leader of the Opposition realizes only $100 by selling 196 shares of stock at 51 cents. The tax on that is 49 cents, or nearly double what my right honourable friend pays.

Under paragraph (e) the charge is one cent on shares over $1 and up to $3. Well, under this, 33 shares sold at $3, producing practically $100, would pay a tax of 33 cents; but 99 shares selling at $1.01, realizing practically $100, would pay a tax of 99 cents.

Under paragraph (d) the tax is two cents a share at a price over $3 and up to $20. As an example, if five shares are sold at $20 the tax would be 10 cents; 33 shares sold at $3.01 would pay a tax of 66 cents—six times the other one, though both are in the same class.

Under paragraph (c) the tax is three cents on shares over $20 and up to $100, and as an example, one share sold at $100 would pay a tax of three cents, but five shares sold at $20.01 producing $100, would be taxed 15 cents.

Under paragraph (b) the charge is four cents a share over $100; so if one share had sold at $100.01 it would pay a tax of four cents, and if that share were worth $1,000, or produced $1,000, the tax would be the same, four cents.

I am sure, honourable gentlemen, that after you have listened to these figures it would be insulting to your intelligence to ask if you thought this a fair proposition. It was said by the right honourable leader of the House a few moments ago that speculation is rife in the country and that many people are sitting up at night and wondering what might be done to stop this wild speculation. Well, there has been a good deal of it, and if any method could be devised to stop or limit it, it would be a good thing. Does anyone imagine for a moment that this will achieve that end? As soon as this Act goes into force many small investors will be desirous, as they have been heretofore, of selling their stocks. I ask honourable gentlemen to bear with me for a moment while I give them an example of what would happen. Living here in Ottawa is a very rich widow—rich by reason of the fact that her husband some years ago invested in Consolidated Smelters at $25 a share, a stock that is selling on the market to-day for $400 a share. This widow wants to buy a new gown, and as she has no small change she sends a share certificate over to the broker, who sells it and hands her $400 less the 4 cents tax and his commission. Down in the city of Montreal is another widow. She is living in a very modest way in a very small building upon which there is a mortgage. The Ottawa lady had no children, but Mrs. Montreal has ten children, ranging all the way from little Pierre, who is only fourteen months old, to smiling Marie, who is fifteen years of age. This widow finds among the assets her husband left her, in addition to these valuable children, some shares of Boischatel, which is selling for about 1 cent a share. In order to realize $400 she sells forty thousand shares. Much to her surprise, the broker tells her that the Government imposes a tax upon that sale of one-tenth of a cent per share, or $40. Now, why is that? She was not a speculator. Her husband was not a speculator. He had bought these shares as an investment, and they were held as such. Nevertheless, she has to pay a tax of $40, whereas the rich widow, who held a rich man's stock, had to pay only 4 cents on a transaction of the same size. What does that mean? It means that little Pierre, who heretofore has been getting milk with about 50 per cent of water in it, will now get milk with about 90 per cent of water in it, and that instead of the pea soup with a bone in it that he used to get, he will get soup without anything in it but peas and water. How anybody can justify a tax of that description is beyond me.

I cannot discern in this Bill the usually skillful hand of the Minister of Finance. This Bill is designed to strangle not only the

human baby in the cradle, but the mining baby. There is no mine in existence in Canada, not even Consolidated Smelters or International Nickel, which was not once a very poor prospect, and at one time the value of those properties might very well have been represented in cents rather than dollars. The prospect, like the baby, starts off in a small way; but as it gradually grows and proves its worth, its value increases from cents to dollars, and it takes its place in the world. Some people say that we should have no more of these penny stocks, that they should be squeezed out. When they talk that way they forget that many men, and many women too, for that matter, who invested a very little money in a penny stock and held it till the mine proved itself have been rewarded. Time flies, but I remember very well that not so long ago—not beyond 1921 or 1922—Lake Shore was a prospect. At that time an investment of $100 in Lake Shore at 30 cents, the price at which it was then selling, would have bought 333 shares of stock—and you could get a barrel of it at that price. That would have meant nothing if the stock had been sold on the market shortly afterwards, because very little more would have been got for it; but those who have continued to hold that stock until to-day find that their little hundred-dollar investment is now worth about $8,325, in addition to which they have received dividends meanwhile. That stock started off by paying 6 per cent; it is now paying 80 per cent, and I think before long it will pay 100 per cent. If this legislation had been in effect at that time and had wiped out the small penny stocks, nobody would have been the gainer. Take Teck Hughes: at that time it was worth about 15 cents, and $100 would purchase 666 shares. To-day those shares are worth $5,994, irrespective of the dividends that have been paid. A hundred dollars invested in McIntyre at that time would to-day be worth $4,500, in addition to the dividends. Some people think that there has been an orgy of speculation in Northern Ontario mines. They say: "Oh, So-and-so lost money. Some of the mines up there are wildcat schemes." That is true enough and it will continue to be true, but I want to read a list of mines that originally were penny stock affairs and later paid money to their shareholders on the basis I have stated: Keeley, Larose, Kerr Lake, Noranda (in the Province of Quebec), Nipissing, Mining Corporation, Dome, Hollinger, Hudson Bay.

With reference to Hudson Bay, let me state that a few farmers and small merchants in the town of New Liskeard thought there might be some mineral in that country. They organized a little company and started to prospect on a capital of $8,000, and for a long time their stock could be purchased at 10 cents a share. I know people living close to me who bought shares for less than 10 cents, as I did myself, and thought the stock was of no value at all. But within a short time silver was found near Cobalt. Fortunately this proved to be a poor man's mine; no large plant was required. Then someone came along and gave them $800,000 in cash for the property. Not a single man in that little company had been worth anything to speak of. Later on they developed other prospects and to my knowledge that company distributed many millions and enriched many deserving people who had been poor up to that time.

Some other mines which were originally in the penny stock class and developed into good paying proposition are: Crown Reserve, Croesus, Tretheway, Coniagas.

And now I come to the last, but not the least, on my list. I have given the names of these mines because most of them are within my own district—all around my own door, I might almost say. The last name I wish to mention is International Nickel. That was, in its early stages, one of the worst prospects that money was ever spent on in the Dominion of Canada. It was originally started as a copper mine, and when nickel was discovered mixed with the copper the owners were horrified, because there was no known process whereby the two metals could be separated economically. They were faced with bankruptcy, but instead of accepting defeat, they engaged the best engineering brains in the world and in a short time they solved the problem of separating nickel from copper. As late as 1923 this company was still in the penny stock class, its shares selling on a basis of about $1.66. That stock sold for $10, but subsequently the shares were divided into six for one; so they were still a penny stock.

This fatherly legislation seeks to deprive all the poor people of the country of the opportunity of investing in mines such as I have named. I am appealing against it solely on behalf of the small investor. The large investor can take care of himself, as under this Bill he would be subjected to a tax of only four cents a share on stocks producing $100 or over per share. I think I have said enough to obtain the support of honourable members of this Chamber in my endeavour to have this tax put on a proper basis. Is not the poor widow's dollar as good as the mil-

lionaire's? Should not both receive the same consideration in this matter? That is all I am asking, that the small investor should have the same opportunity as the big capitalist. All investors should be taxed the same, dollar for dollar. Certainly our poor people should not be penalized. Shares which have a value of from $100 to $400 or $500 are dealt in only by the rich men. Persons of small means, if they buy stock at all, are restricted to shares which have a much smaller value, and many people buy the stocks of mines the possibilities of which have not been proven. The chances are that if those shares are retained the holders will be enriched in the same proportion as those who held stocks in the mines which I have enumerated.

I may be wearying some honourable gentlemen—

Some hon. SENATORS: No, no.

Hon. Mr. GORDON: —particularly on this side of the House, but this is a thing which I have at heart. If I were still actively engaged in politics, as I used to be when I was a member of the other House, my inclination would be to let this Bill pass without comment and let the people take their medicine, as someone suggested. The Minister of Finance has said that he wants to be fair, and that if next year it is found that the Act has been causing injury we can wipe it out and go back to the old basis. What is going to happen to the small investors in the meantime? To honourable members of this House $10 is a small sum, but it means a great deal to many people. An oppressive tax which falls evenly on all concerned may be attacked from a good many angles, but it could not be opposed with the same force as one such as this Bill levies, which imposes an injustice on poor people. It seems to me that it is no credit to a democratic country that a Bill of this kind should receive a considerable majority in its passage through the other House. In my opinion it is a ridiculous piece of legislation. I am sure that in China or any of those countries that we think are not on our level we should find that they do not levy taxes except on an equalized basis.

I think I could talk about this for a week, but it all comes back to what I have said. I think I have given a fair summary that should convince any man who wants to be fair-minded that this Bill is unjust, inequitable and iniquitous. I am going to oppose it as strongly as I can, for several reasons. First, that it would deprive the small investor of his inherent right to buy or sell stock on an equal basis with his richer neighbour. Second, that the assessment basis is unequal and contrary to all known democratic methods, because it discriminates against mining operations in their infancy, thereby preventing or retarding their development. Third, it would impose on present holders of certain stocks an excessive and exorbitant tax, greater than a property or income tax, under cover of a classification as a stamp tax, as the examples which I have given show. Fourth, it would discourage a stock market method which constitutes a value-indicator through the gradual process of development of a prospect into a producing mine, commencing in cents and ending in dollars. Fifth, it would impose a tax on the small proprietor without any compensating return such as is given by the provinces to mines, in the way of schools, roads, etc. Sixth, outside of paragraphs (a), (b) and (c) it cannot be described as a stamp tax, but is really a property tax on proprietors within the jurisdiction of the provinces, whose rights are being superseded.

Now, in regard to the section which imposes a tax on shares of $100 or over, that looks to me like a real stamp tax, but I am satisfied that the others might be called property taxes. A certificate in a mining company is only evidence to show that the holder is proprietor to the extent of the number of shares he has in relation to the capitalization. A real stamp tax on the sale of a certificate would represent only a nominal sum, like any other stamp tax, whereas this Bill calls for an improper charge on property.

The Province of Quebec has spent a great deal of money in building roads, bridges, schools, etc., where mines are located, but the tax it levies does not amount to anything at all; it is merely a stamp tax. It is somewhat similar with the Province of Ontario. But here we have the Dominion Government intervening and putting on the small proprietor this excessive tax. I therefore say that the tax is unjust and unfair, and that in the interest of the Provinces and of the people of Canada, the present Government should refuse to propose unequal taxes of this description.

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

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

COMPANIES BILL

CONSIDERED IN COMMITTEE

The Senate proceeded to the consideration of the report of the Committee on Banking and Commerce, to whom was referred Bill C, an Act to amend the Companies Act.

Hon. Mr. BLACK: Honourable gentlemen, although this Bill appears on the Order Paper in my name, it is essentially a Government Bill, and was introduced by the leader of the Government (Hon. Mr. Dandurand). In his absence I would suggest that the honourable senator from De Salaberry (Hon. Mr. Béique) take charge of the Bill and give the necessary explanations.

I move that we go into Committee of the Whole on the Bill.

The motion was agreed to, and the Senate went into Committee on the Bill.

Hon. Mr. Griesbach in the chair.

Hon. Mr. BEIQUE: Honourable gentlemen, before proceeding with the Bill I should like to outline the proceedings taken by the Banking and Commerce Committee, to which it was referred. The Bill was referred to the Committee on the 15th of February. On the 19th of February the Under-Secretary of State, Mr. Thomas Mulvey, appeared before the Committee and made a long statement on the Bill as introduced in the House and referred to the Committee. That statement was printed, and, along with copies of the Bill, was sent to Boards of Trade and Chambers of Commerce, to a number of prominent lawyers of large experience in company matters, and to various other interested parties, all of whom were invited to appear when the Committee next took up the Bill, and to make such suggestions as they thought desirable.

On the 17th of April the following gentlemen appeared before the Committee: Mr. P. F. Casgrain, K.C., member of the House of Commons; Mr. E. G. Long, K.C., representing the Investment Bankers' Association of Canada; Mr. G. S. Stairs, K.C., of Montreal; Mr. Frank Common, K.C., of the firm of Brown, Montgomery & Co., Montreal; Hon. Adrian K. Hugessen, K.C., of Montreal. The suggestions of these gentlemen were in practical agreement. These gentlemen had drafted proposed amendments and were requested to change them if they desired to do so.

On the 2nd of May the Bill was again taken up by the Committee and the following gentlemen were heard: Mr. F. Wagenast, Toronto; Mr. E. G. Long, K.C., Toronto; Mr. Britton Osler, K.C., Toronto; Right Hon. Arthur Meighen, P.C., K.C., Toronto; Mr. G. S. Stairs, K.C., Montreal; Hon. Adrian K. Hugessen, K.C., Montreal; Mr. W. A. Roebuck, Toronto; Mr. Frank B. Common, K.C., Montreal; Mr. John Appleton, Secretary, Dominion Mortgage and Investment Association, Toronto; Mr. G. G. Hyde, K.C., Montreal, and Mr. G. D. Finlayson, Superintendent of Insurance, Ottawa.

The Committee had printed a document entitled "Copies of Provincial Legislation respecting prospectus and otherwise for the protection of the public."

The Bill was again considered by the Committee at large and was referred to a subcommittee of seven members. The amendments suggested by parties who had been heard were fully considered by the sub-committee, which reported to the general Committee, and the general Committee reported the Bill to the House.

On Monday morning I received in Montreal half a dozen copies of the Bill as reprinted, and I sent a copy to Mr. Stairs, Mr. Common, and Mr. Hyde, asking them to take communication of the reprinted Bill and make any further suggestions they desired. There was not time enough to send copies to other parties. I invited them to try to make their suggestions by the evening mail. On Tuesday morning I had suggestions from every one of them; and I obtained to-day some suggestions from Mr. Mulvey, which he made after seeing the Bill as reprinted and after having taken communication of the work of the sub-committee and the suggestions made by the three lawyers in Montreal whom I have just named. I obtained some further suggestions from Mr. Mulvey this afternoon. Most of the suggestions made by the different parties who have examined the Bill have been carried out. When we proceed with the Bill clause by clause I shall state which of these suggestions were not followed. I think honourable gentlemen will agree that the Committee has given all necessary attention to this Bill, and I am satisfied that the Bill as it now stands will be appreciated by all those who have to do with company affairs.

Section 2 was agreed to.

On section 3—companies incorporated for certain purposes:

Hon. Mr. BEIQUE: The only changes in the reprinted Bill from the Bill as it was first printed, are to be found in the insertion of the words "within Canada" and certain other words. The Secretary of State has power to incorporate a company

—for any of the purposes or objects to which the legislative authority of the Parliament of Canada extends, except the construction and working of railways within Canada.

The words "within Canada" are the only ones added there. The other amendments are indicated by the words which are underlined—"within the meaning of the Insurance Act,"

"within the meaning of the Trust Companies Act," and "within the meaning of the Loan Companies Act"—making the latter part of the section read:

the business of insurance within the meaning of the Insurance Act, the business of a trust company withing the meaning of the Trust Companies Act, the business of a loan company within the meaning of the Loan Companies Act, and the business of banking and the issue of paper money.

Section 3, as amended, was agreed to.

Sections 4 and 5 were agreed to.

On section 6, new section 9, subsection 4—shares to be allotted at price fixed by board or letters patent:

Hon. Mr. BEIQUE: This is one of the clauses recommended by the lawyers I named.

Subsection 4 was agreed to.

On subsection 8—capital not less than $500:

Hon. Mr. BEIQUE: This is a new subsection, and it now reads:

In the case of any shares without nominal or par value which were issued before the passing of this Act—

and so on. I move that the words "the passing of this Act" be deleted, and the words "the first day of July, 1929" be substituted therefor, with the remainder of the clause remaining as it now reads in the Bill.

The amendment was agreed to.

Hon. Mr. BEIQUE: Subsection 9 is also new. It has been recommended by the Under-Secretary of State, Mr. Mulvey, this afternoon, and reads as follows:

9. For the purposes of the provisions of this Part respecting commencement of operations or incurring any liability, ten per centum (10%) of the authorized capital of a company under this section shall be deemed to mean ten per centum (10%) of the number of shares authorized to be issued without nominal or par value and in addition thereto ten per centum (10%) of the authorized capital stock other than such shares without nominal or par value.

The amendment was agreed to.

Section 6, as amended, was agreed to.

Sections 7, 8 and 9 were agreed to.

On section 10—Minister may change name by supplementary letters:

Hon. Mr. BEIQUE: The only change here is the addition of the words "or on public grounds, or otherwise, objectionable," which are underlined in the Bill.

Hon. Mr. GORDON: Is that new?

Hon. Mr. BEIQUE: These words are new.

Hon. Mr. GORDON: The reason I ask is that for some years I have had occasion to protest, both here and at the office of the Provincial Secretary, against companies being permitted to use names which conflict with other names already in use. For instance, if a mine proves successful, somebody with a mine which is not known at all gives it a name similar to that of the well known mine. For years I have been protesting against that sort of thing, and I am glad to see this amendment.

Hon. Mr. BEIQUE: Of course, the matter has to be dealt with by the Secretary of State. He has power to change the name if it is so similar as to be liable to be confounded with another name.

Hon. Mr. GORDON: If proper care were taken to see that a similar name is not given in the first place there would be no conflict, and it would not be necessary afterwards to change it. I am making my statement in the House now in order that the right honourable leader of the House may convey my views to the Secretary of State. I know he will do it.

Section 10, as amended, was agreed to.

Hon. Mr. BEIQUE: I move that after section 10 the following be added as 10A:

10A. Section twenty-eight of the principal Act is hereby repealed.

The amendment was agreed to.

Hon. Mr. BEIQUE: 10B is a new section.

Section 10B was agreed to.

On Section 11—when company may surrender charter:

Hon. Mr. BEIQUE: The only addition to that is in paragraph (a). The charter may be surrendered if the company proves to the satisfaction of the Secretary of State—

(a) that it has parted with its property, divided its assets ratably amongst its shareholders or members;

And these are the new words:

(b) that it has no debts or liabilities.

The amendment was agreed to, and section 11, as amended, was agreed to.

On section 12, new section 32—incidental and ancillary powers:

Hon. Mr. BEIQUE: There was a change made in paragraph (c), to this effect:

(c) to apply for, purchase, or otherwise acquire, any patents, patent rights, trade-marks formulae, licenses, concessions, and the like.

The new words are "patent rights, trademarks, formulae."

The amendment was agreed to.

Paragraphs (a) to (s) were agreed to.

Hon. Mr. HAYDON: I should like to ask the honourable gentleman who is making explanation of this Bill why paragraph (t) was struck out. It has been a very common practice in this province to issue shares of capital stock in payment of property acquired by a company. I believe that, with care, the original provision could be used in a manner that would advance business. I do not understand why it should be struck out.

Hon. Mr. BEIQUE: The paragraph was struck out at my suggestion. Paragraph (t) read:

(t) to issue and allot fully paid shares of the capital stock of the company in payment or part payment of any real or personal property purchased or acquired by the company.

I took this position, that the public dealing with a company should have means of knowing whether they were dealing with a company of substance or not, and that such a provision opened the door to this possibility, that the board could accept a property of small value in return for a large amount of the capital stock of the company, thereby misleading the public. Some twenty years ago there was introduced in the Legislature of Quebec a clause of that kind. Being interested in the proposed legislation, I suggested that there would be no objection to it with a proviso that a copy of the contract under which the transaction took place should be lodged with the Provincial Secretary. The law in Quebec has stood in that form up to the present time. I suggested to Mr. Mulvey a similar clause, which would have maintained paragraph (t), thus amended, but he stated that he preferred to have the paragraph struck out, and I could not prevent that.

Hon. Mr. GORDON: Does the striking out of this paragraph mean that matter to the same effect is in some other paragraph?

Hon. Mr. BEIQUE: Under the Companies Act the capital has to be paid in cash, or the equivalent of cash. When $100 worth of shares are issued, $100 of value should be paid. If it is desired to permit of shares being paid for by property or any other value which cannot be controlled, then I think it is but fair that, by means of a copy of the contract lodged with the Secretary of State, the public should be able to ascertain what payment is made for the stock. I suggested an amendment to this effect, but Mr. Mulvey preferred to have the paragraph struck out.

Hon. Mr. GORDON: That is, the thing which this was intended to change will still be in existence?

Hon. Mr. BEIQUE: This was a new paragraph intended as an amendment to the principal Act.

Hon. Mr. GORDON: Perhaps the honourable gentleman has not understood what I meant to ask. The law which has been in effect is quite proper, and the practice has been going on from time immemorial.

Hon. Mr. BEIQUE: It remains as it was.

Hon. Mr. GORDON: So then I was right when I suggested to the honourable gentlemen that if paragraph (t) were struck out, the practice would still be legal.

Hon. Mr. BEIQUE: So far as this is concerned, the law remains as it was.

Hon. Mr. GORDON: But my honourable friend says that this is an amendment.

Hon. Mr. BEIQUE: It was an amendment, but it has been struck out.

Hon. Mr. GORDON: If an amendment was proposed, and you now wipe out the amendment, what is the position?

Hon. Mr. BEIQUE: The honourable gentleman has just stated that he was satisfied with the law as it has been for twenty years.

Hon. Mr. GORDON: Yes.

Hon. Mr. BEIQUE: Well, I affirm that the law remains as it has been for twenty years.

The amendment to strike out paragraph (t) was agreed to.

Hon. Mr. BEIQUE: Paragraph (u) is struck out.

The amendment was agreed to.

Hon. Mr. BEIQUE: Paragraph (v), giving powers to a company to distribute property or assets among the shareholders, in kind, specie or otherwise, by way of dividend or bonus, etc., was struck out.

Hon. Mr. HAYDON: I should like to ask an explanation of the honourable gentleman. The proposal embodied in paragraph (v) has been adopted as a common practice in Eng-

land and has been frequently used in this province—to distribute among the shareholders of the company in kind, specie or otherwise as may be resolved, the assets, shares or securities, or any property of the company. I would suggest that some words of that kind should be inserted. I understand the honourable gentleman's objection to be that it places in the hands of the directors an opportunity to cheat or to get hold of the shareholders' profits. I would respectfully suggest to the honourable gentleman, whose experience is much longer than mine, that former paragraph (v) should still remain, giving the power to distribute the remaining assets of the company in specie, etc. I have advised it many times, and I have never found it to be unfair or illegal or wrong to any shareholder.

Hon. Mr. BEIQUE: I am disposed to agree with the honourable gentleman, and I took the trouble to write to the Under-Secretary of State last week suggesting that this paragraph might remain if it were amended to permit the distribution of the assets of a company in lieu of dividends or bonus to which the said shareholders are by law entitled, and to a value not exceeding the amount of such dividend or bonus, or such portion thereof as has not been paid in cash. I think it would have been a good clause if modified in that way; but again the Under-Secretary of State preferred not to accept my amendment. Of course the time is very much limited, and the Bill may be amended next Session. It was represented to us that in the Bill there are a number of provisions which are very badly needed by persons dealing in company matters, and we should try to expedite the Bill as much as possible so that the necessary amendments might be carried out.

The amendment to strike out paragraph (v) was agreed to.

Paragraphs (x), (y) and (z) were agreed to.

Subsection 2 of section 12 was agreed to.

Section 12 as amended was agreed to.

Section 13 (new section 38) and sections 14 and 15 were agreed to.

On section 16, new section 50A—rectification of filing of prospectus in certain cases:

Hon. Mr. BEIQUE: That is an important amendment made by the sub-committee at my suggestion. The duty which is assigned to the judge by this section is an important one. If the law is administered as it is in Montreal, where there are twenty or more judges, a lawyer may find a judge who will be kind enough to grant his application; so I think it would be well to word the section in this way in order to entrust the duty to the Chief Justice or a person delegated by the Chief Justice. In practice it would put the responsibility upon one man. Therefore there would be more uniformity if the clause were made to read as follows:

50A. If the chief place of business of the company is in the province of Quebec the Chief Justice or the acting Chief Justice of the Superior Court for the district in which such chief place of business is situated, or a judge of the said court designated by either of them, or, if such place of business is in any other province any chief justice in that province or a judge designated by him, on being satisfied that the omission to file a prospectus—

Then I would suggest adding the words "or a statement in lieu of prospectus."

—as heretofore required, or that the omission or mis-statement of any particular prescribed to be contained in such prospectus—

or statement

—was accidental or due to inadvertence, or some other sufficient cause, or is not of a nature to prejudice the position of subscribers to any issue of shares or securities referred to in such prospectus—

or statement

—or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any person interested, and on such terms and conditions as may seem to the said judge just and expedient, order that the time for filing be extended or dispense with the signature of any director or directors or make such other order as to the said judge seems proper, and a copy of the prospectus filed in accordance with any order of such judge shall be deemed for all purposes a compliance with subsection 2 of section fifty of this Act.

I therefore move that the words "or a statement" be added after the word "prospectus" in lines 24, 26, and 29.

The amendment was agreed to, and section 16, as amended, was agreed to.

On sections 17 and 18:

Hon. Mr. BEIQUE: These are struck out.

Hon. Mr. ROBERTSON: What are they?

Hon. Mr. BEIQUE: They are already covered.

The amendment to strike out sections 17 and 18 was agreed to.

Section 19 was agreed to.

On section 20—notices of changes in capital structure to be filed:

Hon. Mr. SHARPE: What notice must be sent to the shareholders under new section 56B?

Hon. Mr. BEIQUE: The notice is provided for in the by-laws. Every company has to pass by-laws, and they provide what notice shall be given to the shareholders. Sometimes the notice is given by letter; sometimes when the number of shareholders is too large, it is done by publication in the newspapers. Every company is its own master in that.

Hon. Mr. SHARPE: I am aware of that, but I think it is absolutely wrong. I think that when a company is going to increase its capitalization a personal notice should be sent to every shareholder.

Hon. Mr. HAYDON: So it is.

Hon. Mr. SHARPE: Take a company started by a few men in Winnipeg, say: they form their company, pass their by-laws and sell their stock from Halifax to Vancouver. Then when they want to increase the capitalization what do they do? They simply print a notice in a local newspaper in Winnipeg, and it is not seen by any person in Vancouver or Halifax, and a few of the shareholders meet and increase the capitalization. I think there should be some arrangement whereby every shareholder should be notified.

Hon. Mr. BLACK: I see what my honourable friend means, and think there is something in it. But section 21 provides:

> The company may make a by-law for increasing the capital stock of the company to any amount which they consider requisite for the due carrying out of the objects of the company.

Then section 22 says:

> At any time, not more than six months after the approval by the shareholders of a by-law for increasing or reducing the capital stock of the company, or for subdividing the shares, the company may apply to the Secretary of State for the issue of supplementary letters patent to confirm the same.

That makes it compulsory upon the company to have a by-law passed before it can increase or decrease its capital stock. The directors cannot pass the by-law; they must have a majority of the shareholders.

Hon. Mr. SHARPE: Of those present.

Hon. Mr. BLACK: It seems to me that if you made it necessary to go beyond those provisions there would be very great danger of your interfering with the operation of the company.

Hon. Mr. BEIQUE: You must bear in mind that subsection 4 of section 56 of the principal Act remains in force.

Hon. Mr. SHARPE: That does not cover my objection at all. Take the case I have cited of four or five men in Winnipeg forming a company. They also frame the by-laws and pass them. That is a general meeting, because they are the only stockholders at the time. Later on the stock is sold throughout Canada, and the capitalization can be increased simply by inserting a notice in the Winnipeg papers.

Hon. Mr. BEIQUE: Under subsection 4 of section 56 of the principal Act there can be no increase of capital stock of any company without the shareholders being called together in a special meeting and the increase being sanctioned by at least two-thirds of the shareholders present.

Hon. Mr. SHARPE: Two-thirds of the capital stock sold?

Hon. Mr. BEIQUE: Two-thirds of the special meeting.

Hon. Mr. GORDON: The honourable gentleman from Manitou (Hon. Mr. Sharpe) means that if a company, say at Winnipeg, decides to raise the capitalization, it can do so without sending word to anyone who is not in Winnipeg.

Hon. Mr. COPP: They have to give notice.

Hon. Mr. GORDON: Of course. That is easily done. But the honourable gentleman from Manitou (Hon. Mr. Sharpe) thinks that before the capital is increased or decreased notices should be sent to all the shareholders on the books.

Hon. Mr. SHARPE: Absolutely.

Hon. Mr. BEIQUE: I have been practising for over sixty-one years, during which time I have had a good deal of experience in company matters, and I can assert that the provisions of our Companies Act are more conservative than those of any other I am acquainted with, and I fail to see the ground for demanding that a notice be sent to every shareholder. In many cases that would be very expensive. Sometimes there are thousands of shareholders, and very often the company has not the addresses of more than a small proportion of them; so it would be impossible to send a notice to each individual.

Hon. Mr. GORDON: While it might be desirable, it could not possibly do any good, because having control—

Hon. Mr. SHARPE: They have sold to outsiders; they do not still hold control.

Hon. Mr. ROBERTSON: I think this is a very important point. Let us assume that a new company is formed in Ottawa, with a capitalization of, say, $500,000, composed of 50,000 shares of $10 each, and that the stock is largely sold to people throughout Canada, and perhaps elsewhere. Are we to understand that if the board of directors, who were perhaps the owners before any of the treasury stock was sold, desire to double their capitalization, they may insert a notice in a local paper calling a meeting for that purpose without notifying any of the present owners of the stock, and that they can thereby reduce the value of the securities held by the shareholders without their knowledge and consent?

Hon. Mr. BEIQUE: I can only repeat what I said a moment ago, that as soon as the company has been incorporated by-laws have to be passed for governing the corporation, and that those by-laws provide whether the notice to be given is to be by letter to the shareholders who are registered in the company's books or by publication in the newspapers. The majority of the shareholders decide what kind of notice shall be given for any meeting of shareholders.

Hon. Mr. GORDON: May I suggest to my honourable friend (Hon. Mr. Beique) that no reputable company would increase or decrease its capital to the slightest extent without first sending a notice to every one of its shareholders; so his argument as to the cost entailed falls to the ground. I do not think any company does it.

Hon. Mr. SHARPE: Oh, yes.

Hon. Mr. GORDON: I say no reputable company does it.

Hon. Mr. SHARPE: The honourable gentleman is wrong about that.

Hon. Mr. GORDON: Then it is a disreputable company.

Hon. Mr. BEIQUE: There is another provision that notice of the time and place of the holding of general meetings of the company shall be given at least fourteen days previous to the time specified for such meeting.

Hon. Mr. SHARPE: I have no doubt that my honourable friend has stated the case correctly, but it is to overcome the difficulty of a meeting being called and the capital stock being increased without the stock holders throughout Canada being notified that I am raising this question. There are many companies being formed in Canada at the present time, and their stock is being sold from one end of the country to the other. I think we should do something to guard the interests of the stock holders.

Hon. Mr. CURRY: My experience is that in every case where it is decided to make any change in the capital stock a circular letter is sent out to every shareholder, notifying him of what is proposed, and inviting every shareholder to come to the meeting to vote. I have never heard of a company increasing its capital stock, or changing it in any way, without notifying every shareholder.

Hon. Mr. MacARTHUR: I would ask the honourable gentleman, did the Manufacturers Finance do that?

Hon. Mr. CURRY: They violated their charter, but that is another thing.

Hon. Mr. LAIRD: To my mind the best evidence that the point raised by the honourable member for Manitou (Hon. Mr. Sharpe) is well taken is the fact that under the provincial law the very point he has referred to is well covered. Within the last three months a company with which I am connected had occasion to raise its capitalization. After the directors had passed upon the matter a meeting of the shareholders was called; they passed upon it, and an extraordinary general meeting was called; and before the Provincial Secretary would issue supplementary letters patent the president of the company had to sign an affidavit accompanying copies of all the by-laws, and minutes of those meetings. That was in accordance with the provincial law, the principle of which is right. I agree with every word that the honourable gentleman has said.

I do not know whether under the Federal law notice to shareholders is required or not in regard to issuing of preference stock, but a company with which I am connected recently changed a portion of its capital stock into preference shares, and I know we had to call meetings of the shareholders and to furnish the Secretary of State with copies of the by-laws passed by the directors and by the shareholders, together with a list of shareholders and the amounts of stock held by them, and their addresses, before he would consider the question of the issuing of letters patent at all. If that is a good principle in the case of a company changing common shares to preference stock, surely it ought to be adopted when a company is increasing its capital stock. I can see where all kinds of sculduggery might enter into the increasing of capital stock if no provision were made

for notification of shareholders. The best evidence we have that that is possible is the fact that it has occurred in cases that have come to our personal attention within the last year. If the law as it now stands makes no provision against that, I can think of no better time than the present, when we are consolidating this Companies Act, for making the required amendment.

Hon. Mr. GORDON: It is already required by the Statutes that each shareholder must be notified of meetings.

Hon. Mr. SHARPE: No, it is not. You can slip a notice into the newspapers if you wish. It all depends on the by-laws.

Hon. Mr. GORDON: You are required to publish a notice in a newspaper in the town where the head office of the company is. There is no reputable company that would not do its best to notify its shareholders, but some disreputable companies may not do so.

Hon. Mr. LAIRD: I would suggest that we defer further consideration of the sections dealing with this matter, in order that we may communicate with Mr. Mulvey, Under-Secretary of State, and get his opinion.

Hon. Mr. BEIQUE: I would draw the attention of the honourable gentleman to the fact that the Session is to end, I am told, early next week—

Hon. Mr. GORDON: Provided we are through.

Hon. Mr. BEIQUE: It is very likely that the Session will end early next week, and I am wondering whether it would not be better to let the Bill go through without further delay and introduce next Session a Bill to give effect to the suggested amendment.

Hon. Mr. GORDON: Every year there is the same trouble because a lot of work is left over until the last day or two of the Session. For my part, I am prepared to stay until my duty has been done, if it takes a week after the Commons are through.

Hon. Mr. LAIRD: The Banking and Commerce Committee meets to-morrow morning.

Hon. Mr. SHARPE: I am anxious to see the Bill go through, but I would ask to have those two clauses, 21 and 22, stand over till to-morrow.

The Hon. the CHAIRMAN: We have not come to 21 yet.

Hon. Mr. SHARPE: I am asking about these two clauses.

Hon. Mr. LAIRD: The Banking and Commerce Committee will meet to-morrow morning at half past ten, and Mr. Mulvey might be notified by the Chairman of that Committee to be present at the meeting. His opinion on this question might be very valuable to us, and if it is necessary to incorporate a new clause to carry out the suggestion that has been made, an amendment can be framed in a few minutes and incorporated in the Bill. There would be no delay in the passage of the Bill, because it could be given the third reading to-morrow.

Hon. Mr. SHARPE: I was speaking with reference to sections 20, 21 and 22.

The Hon. the CHAIRMAN: The section under consideration is section 20, new section 56B, on page 10 of the Bill.

Right Hon. Mr. GRAHAM: I should like to point out that if the statute is changed to provide the way in which notice shall be given, shareholders will be deprived of their right of making by-laws that are not in accordance therewith. It might be very inconvenient for shareholders to make a by-law in agreement with the statute.

New section 56B was agreed to.

On new section 56C, subsection 3:

Hon. Mr. BEIQUE: I move that the following words at the end of subsection 3 be stricken out:

> and subsection 6 of section fifty-six shall not apply to any by-law which creates or attempts to create redeemable or convertible preference shares.

The motion was agreed to.

Section 20, as amended, was agreed to.

On section 21—increase of capital:

Hon. Mr. ROBERTSON: Honourable gentlemen know that I am not a lawyer, but I try to take a commonsense view of things of this kind. This section reads:

> The directors may—

Hon. Mr. GORDON: My copy reads, "The company may."

Hon. Mr. ROBERTSON: In this copy it reads:

> The directors may make a by-law for increasing the capital stock of the company to any amount which they consider requisite for the due carrying out of the objects of the company.

It would appear that that section gives the directors power without consultation with the shareholders, which is the very thing the honourable gentleman from Manitou (Hon. Mr.

Sharpe) has been objecting to. May I suggest to the honourable gentleman who has charge of the Bill (Hon. Mr. Beique) that it would serve the purpose and do no injury to any interest, to change this section to read as follows:

> The directors may make a by-law for increasing the capital stock of the company to any amount which they, with the shareholders' approval, consider requisite for the due carrying out of the objects of the company.

Hon. Mr. HAYDON: That is already in the Act.

Hon. Mr. ROBERTSON: No. The honourable gentleman in charge of this Bill explained a little while ago that the directors, when a company was first organized and before any appreciable quantity of stock had been sold to the public, might make by-laws providing for the publication in some small village paper of the notice of a shareholders' meeting. The shareholders might never see this notice, nor have any knowledge that the meeting was being held. So the directors would have complete control and power under a by-law, which the shareholders did not know existed, to increase the capital stock of the company without the knowledge of the shareholders. I do not think that is good business, let alone good law.

Hon. Mr. BEIQUE: Would the point the honourable gentleman has in mind not be covered by an amendment of this nature?

> No such by-law shall be passed without notice addressed to all registered shareholders.

It would have to be limited to such shareholders as registered their addresses in the company's books.

Mr. ROBERTSON: That is all right, if my honourable friend would make an amendment.

Hon. Mr. GORDON: May I call my honourable friend's attention to the fact that if the directors did as he suggested, their action would be altogether illegal, because their action has to be ratified by the shareholders.

Hon. Mr. BEIQUE: The Companies Act, section 56, subsection 4, provides:

> No such by-law shall have any force or effect whatever until after it has been sanctioned by at least two-thirds of the votes cast at a special general meeting of the shareholders of the company duly called for considering the same.

Of which notice shall have been addressed by letters to all shareholders who have registered their addresses with the company.

Hon. Mr. ROBERTSON: That is quite acceptable.

Hon. Mr. ROBERTSON.

The Hon. the CHAIRMAN: We will suspend further consideration of section 21 for the moment, until we have the amendment.

Section 21 stands.

Sections 22 and 23 were agreed to.

On section 24—registration of mortgages and charges:

Hon. Mr. BEIQUE moved that paragraph (d) of subsection 4 be amended by adding after the word "charge," in the 38th line on page 13 of the Bill, the words:

> or, in the province of Quebec, a notarial copy thereof.

The motion was agreed to, and section 24, as amended, was agreed to.

On section 25, new section 87—filing of accounts of receivers and managers:

Hon. Mr. BEIQUE: This subsection was amended in order to compel the receiver or manager of property of a company to file the statement of the expenses, within the periods of delay therein mentioned. The law as it stands in the Companies Act is very much abused by receivers, and this is to compel them to be more prompt in making their returns.

Section 25 was agreed to.

On section 26, new section 103—qualifications of directors elected:

Hon. Mr. BEIQUE: Subsections 1 and 2 were amended to allow a company to hold shares in another company and be able to be represented on the board by nominees.

The amendment was agreed to, and section 26, as amended, was agreed to.

On section 27—executive committee:

Hon. Mr. BEIQUE: This section provides for the appointment of an executive committee. By the clause as first proposed power was given to a Board of Directors to delegate all their powers to a sub-committee. Personally I took exception to that provision; I thought it a very dangerous one. The practice which obtains in all companies is to appoint an executive committee. The work is better done by a small group, but it is always subject to ratification by the shareholders. A retired judge of the Supreme Court came to see me and represented that in companies whose capital is held in the United States lawyers in the United States will not accept resolutions of executive committees, as they are not familiar with our practice in regard to the executive committee; and he insisted very strongly that provisions should be made in order to facilitate functioning of companies of that kind. I draft the clause as follows:

"108A. The board of directors of a company, whenever it consists of more than six, may, if authorized by by-law, duly passed by the directors, and sanctioned by at least two-thirds of the votes passed at a special general meeting of shareholders, duly called for considering the by-law, elect from its number an executive committee consisting of not less than three, which executive committee may exercise all the powers of the board, subject to any restrictions contained in any such by-law and to any regulations imposed from time to time by the directors.

Right Hon. Mr. GRAHAM: Would that be retroactive?

Hon. Mr. BEIQUE: Yes.

Right Hon. Mr. GRAHAM: It will affect nearly every company in Canada.

Hon. Mr. BEIQUE: In order to put it in effect the by-law must be passed, and be sanctioned by the Secretary of State; so it will not affect any company unless it passes a by-law according to this provision. There cannot be any objection to it. My object in drafting this was to make it as conservative as possible, and to frame it in such a way that it would be of an exceptional character. I am quite satisfied that very few companies will go to the trouble of passing a by-law of that kind and having it sanctioned by the Secretary of State; they will proceed as they have been proceeding heretofore.

Hon. Mr. HAYDON: Many companies in this province, at least, are operating through an executive committee. I am ready to admit, on personal knowledge, that perhaps the companies are operating illegally, that they had no right to have an executive committee, who have done things that the whole board of directors should do. Now, if this legislation were in force, how would it affect a company that has ten directors who have appointed an executive committee of four, which committee has gone on doing many things?

Hon. Mr. BEIQUE: It will go on. I am on a number of executive committees, and we are proceeding that way, and we shall proceed in the same way without availing ourselves of this provision.

Hon. Mr. GORDON: To my mind this is very objectionable, and very dangerous. Suppose the Secretary of State approves in that way of an executive committee. Now, the words used by my honourable friend were that the directors would delegate all their powers to the executive committee. If that means anything it means that a board composed of 16, 18 or 20 directors can entirely divest themselves of all responsibility by delegating all their powers to three or four men. Would not that be a dangerous thing to do? The directors of every company to-day have delegated part of their powers as directors to a committee, but I understand the proposal is to enable directors to delegate all their powers to such a committee, and that would have the approval of the Secretary of State.

The Hon. the CHAIRMAN: Approval by the shareholders.

Hon. Mr. GORDON: But approval by the shareholders does not make it any better. That means that if there is an executive of three or four, the directors have unloaded upon them all the liabilities, and the rest of the directors are relieved of any responsibility.

Hon. Mr. HAYDON: No; it would be just what is committed to the executive by the whole board of directors; just that much.

Hon. Mr. ROBERTSON: If my honourable friend will look at line 34 in section 27 he will see what it means. It says, "which executive committee may exercise such powers of the board as are delegated by such by-law."

Hon. Mr. GORDON: Exactly, and the shareholders approve of this executive committee, but my honourable friend said that he wanted to have all the powers of the directors delegated to this executive committee.

Hon. Mr. BEIQUE: No; I objected to that because I thought it was not proper to suggest that all the powers could be delegated to an executive committee; and the clause as worded is intended to come to the relief of a few companies who cannot proceed very well with the law as it stands to-day on the statute book. I am satisfied most of the companies will not take advantage of this provision.

Hon. Mr. GORDON: Then I do not see why this is required at all, because now every director knows that the board has power at any time to delegate its powers to a sub-committee or an executive committee.

Section 27, as amended, was agreed to.

Section 28 was agreed to.

Hon. Mr. BEIQUE: I move that section 28A be struck out, because it is a repetition of section 119 of the principal Act.

Hon. Mr. GORDON: What books are those that are referred to?

Hon. Mr. HAYDON: The statute requires each company to keep regular books, such as transfer registers. They are mentioned in the original Act.

The amendment was agreed to.

On section 29—branch registers:

Hon. Mr. BEIQUE: I move that this be struck out, because it is already in subsection 3 of new section 118. I move that the three lines on the top of page 18 be replaced by the following words:

Sections 118 and 119 of the principal Act are hereby repealed, and the following is substituted for section 118.

I move that subsection 5, new section 118, be struck out, because it is a repetition of section 119 of the principal Act.

The amendments were agreed to, and section 29, as amended, was agreed to.

Section 30 was agreed to.

On section 31—application of section to investment trust companies:

Hon. Mr. BEIQUE: This was the subject of a good deal of comment by the parties we heard, and I think the sense of the Committee was to this effect, that the time of the Session would not permit us to consider the special Bill dealing with investment trusts, and it was suggested that this section remain in the Bill, with the expectation that no trust investment company would, until the next Session, be incorporated with the word Trust. We had the assurance of the Secretary of State that that would not be done. In subsection 3 I have an amendement to suggest: in the last line but one substitute for the word "subsection" the word "section."

The CHAIRMAN: It is proposed to add the word "are" after the word "or"' in subsection 4, line 6, page 20.

The amendments were agreed to, and section 31, as amended, was agreed to.

On section 32—meeting of shareholders ordered by Secretary of State to consider compromise:

Hon. Mr. BEIQUE: I move to strike out in lines 34 and 35 the words "if such compromise or agreement conforms with the provisions of this Act," and in line 39 and the following lines, the words "and if such compromise or agreement does not conform with the provisions of this Act, the same shall be remitted to the company by the Secretary of State." Those words are absolutely unnecessary.

The amendment was agreed to, and section 32, as amended, was agreed to.

Section 33 was agreed to.

Section 34 was struck out.

Section 35 was agreed to.

Sections 36 and 37 were struck out.

Sections 38 and 39 were agreed to.

Hon. Mr. BEIQUE: The appendix does not form part of the Bill.

The CHAIRMAN: Shall we reconsider section 21?

Hon. Mr. BEIQUE: A clause has been prepared by the Law Clerk to be inserted in section 19, subsection 4.

Section 21 was agreed to.

On section 19 (reconsidered)—By-law to be sanctioned:

Hon. Mr. BEIQUE: It is proposed to insert after the words "considering the same" on page 10, the following:

Notice of which meeting shall be given by registered letter mailed to each shareholder at his last known address as registered in the books of the company, and to shareholders generally as provided by the by-laws of the company.

Hon. Mr. GORDON: I would ask my honourable friend to strike out the word "registered" before the word "letter".

Right Hon. Mr. GRAHAM: You do not want the letter registered?

Hon. Mr. GORDON: No.

Hon. Mr. COPP: Why not?

Hon. Mr. GORDON: The honourable gentleman from De Salaberry (Hon. Mr. Beique) said that owing to the cost it would be impossible to send out letters to every shareholder. Surely it is not necessary to register every letter sent out?

Hon. Mr. BEIQUE: I have no objection to striking out that word.

Hon. Mr. COPP: Then the letter would be of no use at all. What record would you have that the letter had ever been sent? It is ridiculous to talk about sending it without registering it.

Hon. Mr. ROBERTSON: It is very seldom that letters go astray. If a company attempted to do what the honourable gentleman from

Westmoreland (Hon. Mr. Copp) suggests, and assumed to send out letters to a thousand shareholders, and did not do so, the fact that nobody got them would make it obvious that they had not been mailed. This afternoon the honourable gentleman from Nipissing (Hon. Mr. Gordon) was discussing the difficulty that would result from a tax on the sale of shares of small value. If you make it compulsory to register a letter to every shareholder who owns fifty shares of a stock worth five cents a share, you will be imposing an additional burden. I think it would be sufficient to require the notification of each shareholder by letter.

Hon. Mr. COPP: I cannot see the benefit of sending out a letter that is not registered. The registration would show that the company was living up to its by-laws.

Hon. Mr. BEIQUE: Even if they were not registered, it would be incumbent upon the officials of the company to establish by affidavit the fact that the law had been complied with.

Hon. Mr. COPP: It would cost more to make the affidavit than to pay the postage on the letter.

Hon. Mr. GORDON: I move that the word "registered" before the word "letter" be struck out.

Hon. Mr. CURRY: I second that motion.

The amendment was agreed to, and section 19, as amended, was agreed to.

The preamble and the title were agreed to.

The Bill was reported, as amended.

Hon. Mr. BEIQUE: Honourable gentlemen, I would move, with the leave of the House, that the report be adopted on the understanding that the Bill is to be reprinted before it is sent to the House of Commons. Special attention has been given to this Bill. We have had numerous suggestions from Mr. Stairs, Mr. Common, and the Under-Secretary of State, and the Law Clerk and I have spent a great deal of time on it. I do not think any correction will be necessary, but it will be the duty of the Law Clerk to examine the Bill when it is being reprinted, and if any correction should be necessary it can be made in the House of Commons as well as here. I would suggest that the Bill be read the third time, so that it may be sent to the House of Commons as soon as possible.

The motion for concurrence in the report was agreed to.

THIRD READING

Hon. Mr. BEIQUE: I move, by leave of the House, that the Bill be now read a third time.

Hon. Mr. COPP: I should like to ask what will happen if any corrections are necessary after the Bill is read the third time?

Hon. Mr. BEIQUE: They will be made in the other House.

The Hon. the SPEAKER: Should any corrections be necessary after the third reading, they can only be made in the House of Commons.

Hon. Mr. COPP: If there is any question, why should the Bill be sent to the House of Commons now?

Hon. Mr. GORDON: They have more time than we have.

Hon. Mr. BEIQUE: The Bill cannot be printed again before being read here a third time. If there should be errors, they can be corrected in the House of Commons, in the same way that we correct Bills that come here from that House.

Hon. Mr. COPP: I do not see why we should not make the corrections before the Bill goes to the House of Commons.

Hon. Mr. BEIQUE: Because, I am afraid, the session will end before the Bill could be sent to the House of Commons.

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

RETURNED SOLDIERS' INSURANCE BILL

SECOND READING

Right Hon. Mr. GRAHAM moved the second reading of Bill 310, an Act to amend the Returned Soldiers' Insurance Act.

He said: Honourable gentlemen, it is not necessary to say much in explanation of this Bill, as I think every honourable member of the House understands it. In 1920 the Returned Soldiers' Insurance Act was passed, providing that returned soldiers could secure insurance under very easy conditions. That Act remained in force until 1922, and in that year, after certain classes were made uninsurable, it was extended until 1923. There were no applications from 1923 till 1928. Last year an amendment was passed in the other House providing that applications might be received for another five years, but the Bill was amended in this House and the Act was extended for one year. That time has now expired and the present Bill, which comes from

the other House, provides for another extension which would permit returned soldiers to make application for insurance until August 31, 1930. I understand that strong representations were made by representatives of returned men in favour of the Bill.

Hon. Mr. ROBERTSON: Could the right honourable gentleman inform the House how many applications for insurance were received during the past year, since the last extension was granted?

Right Hon. Mr. GRAHAM: I have that information here. There were 5,222 applications received from June, 1928, to April, 1929, for insurance totalling $12,886,000. The number of applications refused in that time was 604, while there were 88 applications outstanding as at April, 1929. From June, 1928, until April, 1929, 4,530 policies were issued, for $11,018,000; and from June, 1920, until April, 1929, there were 38,107 policies issued, for insurance totalling $86,746,500. Death claims, settled by payment or annuity, to April, 1929, were 1,985, totalling $5,504,313.64. Disability claims were paid on 29 policies to the amount of $62,655.51. There were 27,968 policies in force, representing insurance of $62,157,931.01, as at April, 1929.

Hon. Mr. ROBERTSON: Does my right honourable friend contemplate that no further extension is likely to be asked for?

Right Hon. Mr. GRAHAM: I cannot say. We all want to go to any reasonable length for the returned men. I will go thus far in answer to my honourable friend: this is all the extension that is asked for at this time.

Hon. Mr. ROBERTSON: A year ago this matter was very carefully investigated and inquired into by a committee, and I think this House was pretty generally of the opinion that the extension of one year was satisfactory at that time to all concerned. It was at first asked that the time should be extended for five years, but after consultations with representatives of the returned men, the Appeal Board and the Board of Pension Commissioners, it was agreed that one year's extension was sufficient. That is the reason why I inquired whether we might expect a request for a further extension later.

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

MOTION FOR THIRD READING

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

Hon. Mr. ROBERTSON: May I suggest to my right honourable friend that we have a very slim attendance, and, inasmuch as this matter was very fully considered a year ago, I think we should postpone the third reading until to-morrow. It may be that some honourable senators are absent who did not anticipate that this Bill would be dealt with to-night. I heard one honourable gentleman, who is not now present, remark that we would adjourn after we had finished with the Companies Act.

Hon. Mr. GORDON: Why not go through with the Bill now? I do not think any honourable gentleman would object to an extension of five years, if it were asked, instead of one. If we refused the extension of five years before, I think we ought to repent now.

Hon. Mr. BLACK: The request for an extension of this Act has become almost an annual affair. The matter was thoroughly discussed last year, when a compromise extension of one year, instead of five, was agreed upon. The committee that considered the question then was, if I remember, unanimously of the opinion that no further extension should be granted beyond one year. In view of that fact, it does not seem to me that the third reading should be given by the House when so few honourable members are present. I am not opposing the Bill, but I would oppose third reading now because there are at present in the House only two or three honourable gentlemen who were on the committee last year. I have no doubt the Bill will be passed, but a much better impression would be created if it were not given third reading to-night.

The motion stands.

ALBERTA, SASKATCHEWAN AND MANITOBA WATER POWER BILL

SECOND READING

Right Hon. Mr. GRAHAM moved the second reading of Bill 311, an Act respecting Water Power in the provinces of Alberta, Saskatchewan and Manitoba.

He said: Honourable gentlemen, I might explain that one of the reasons I am trying to get through all the Bills I possibly can to-night is that we already have laid out a pretty large program for to-morrow. I was hoping that we might not find it necessary to sit to-morrow evening, but if much business is left over from the present Order Paper I am afraid we shall.

This Bill is designed to follow the policy adopted in granting to the Province of British Columbia the administration of the water

powers in what is known as the Railway Belt. Negotiations have been going on for the transfer of the natural resources in Manitoba, Saskatchewan and Alberta from the Federal to the Provincial Governments, and in the meantime it is thought advisable to have the administration of the water powers in those provinces done by the provincial authorities.

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

THIRD READING

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

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

PENNY BANK BILL

CONCURRENCE IN COMMONS AMENDMENTS

Right Hon. Mr. GRAHAM moved concurrence in the amendments made by the House of Commons to Bill A8, an Act to amend the Penny Bank Act.

He said: Honourable gentlemen, when this Bill was going through this House some honourable members took exception to the bank being given power to invest in mortgages. A similar objection was raised in the other House, and the Bill was amended to meet that objection.

The motion was agreed to.

SUPREME COURT BILL

FIRST READING

Bill 312, an Act to amend the Supreme Court Act.—Right Hon. Mr. Graham.

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

THE SENATE

Thursday, May 30, 1929.

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

Prayers and routine proceedings.

CANADIAN NATIONAL RAILWAYS AND QUEBEC, MONTREAL AND SOUTHERN RAILWAY

Before the Orders of the Day:

Hon. Mr. LAIRD: I would call attention to the fact that on two separate occasions prior to his leaving for overseas the honourable leader of the Government (Hon. Mr. Dandurand) promised to bring down certain correspondence that had passed between the Canadian National Railways and the Delaware and Hudson Company in regard to the Quebec, Montreal and Southern Railway. The end of the Session is drawing very near, and I would ask the acting leader when we may expect the correspondence to be laid on the table.

Right Hon. Mr. GRAHAM: I will make inquiries and if possible procure the information for my honourable friend.

RETURNED SOLDIERS' INSURANCE BILL

THIRD READING

Bill 310, an Act to amend the Returned Soldiers' Insurance Act.—Right Hon. Mr. Graham.

REPARATION PAYMENT BILL

SECOND READING

Right Hon. Mr. GRAHAM moved the second reading of Bill 285, an Act to provide for the payment of Claims for Compensation for loss sustained by the civil population of Canada during the late War.

He said: Honourable gentlemen, it is unnecessary for me to take up the time of the House in explaining at length what this Bill purports to do. Under the reparation claims, largely under the Dawes plan, I think the Canadian Government has received some $21,000,000. During the time that my honourable friend from Westmoreland (Hon. Mr. Copp) was Secretary of State many claims were filed, and a Commissioner was appointed, the late Hon. William Pugsley, to investigate those claims. Unfortunately he passed on before his work was completed, and the same honourable Minister appointed Mr. Friel in his stead. The reports of both those gentlemen have been presented to the Government.

Early in the Session, in dealing with the question of reparations and of what claims should be paid, the Government introduced a Bill to pay claims to the amount, I think, of $2,500,000. This included all the claims, or at least something on all the claims, but no amount exceeding $25,000 was to be given to any claimant under this Bill that is before us. I think I can safely say that later discussion has induced the Government to decide that if this Bill is passed it will bring in a supplementary estimate to pay in their entirety all those claims that have been adjudicated upon and passed by the two Commissioners.

There is in this Bill a clause, which seems perfectly reasonable, to the effect that where the Commissioners disagreed on the claims

presented, these are not being rejected, but are to be referred to the Exchequer Court for adjudication.

This Bill has been studied pretty thoroughly by two honourable gentlemen on this side of the House, and, I suppose, by some on the other side as well. The House might like to have a little history of the reparation movement and what has been done in connection with it. I know that my honourable friend from Westmoreland (Hon. Mr. Copp), who was Secretary of State, can outline more clearly than I can the circumstances surrounding this legislation, and my honourable friend from De Salaberry (Hon. Mr. Beique) has also been studying the matter.

I have given briefly an outline of the Bill and what the Government proposes to do. I think it is but fair to reiterate what I have said, that if this Bill passes the Senate in its present form a supplementary estimate will be brought down to provide for the full payment of the claims. If I remember correctly, the amount to be placed in the estimates will be something over $4,000,000. This, with the $2,500,000 mentioned in the Bill, will provide for all the claims, with interest.

Hon. W. B. WILLOUGHBY: I have but a few observations to make on this Bill, and I should be glad if the former Secretary of State, who is now a member of this House (Hon. Mr. Copp), would deal with it in some detail.

The Government has been extremely slow in having justice done in this matter, but at last it has become warmhearted and is going to pay 100 cents on the dollar on all the claims that have been recommended by the Commission.

I remember when the Commission was first established. It fell to my lot to represent a claimant, and we appeared before the late Mr. Pugsley, who, on account of continued or recurrent illness, left most of the work to be done by his clerk. I am not going to criticize a man who is dead. The late Mr. Pugsley was an admirable lawyer, as honourable gentlemen know, but consideration of the claim on which I appeared dragged on indefinitely. The late Commissioner took a trip to the West, going as far as California, to hear the claims of some of our returned soldiers who had gone to the United States after the war, and in his absence the work devolved upon his clerk. After a long period during which nothing was done on this particular claim to which I am referring, Mr. Friel was appointed Commissioner. In my opinion he was very competent, and from my experience I can assure honourable gentlemen that he was scrupulously careful not to entertain any claim that was not well founded. There was much uncertainty in Government offices as to how the claims should be filed. I think the claim I am speaking of had to be filed three times, the applicant being thus put to considerable trouble and expense. That claim was for a loss that had occurred in Persia, and for a long time the Department thought it should be dealt with under the Lausanne instead of the Versailles Treaty. The papers were sent to London, thence to Paris, and finally word came from the Old Country that the Lausanne Treaty had nothing to do with the matter, which had to be dealt with under the Versailles Treaty after all. That is just one instance of the inconvenience to which one applicant was put, and I know that others had much more trouble. One good feature was that the Commission travelled to various points and thus made it less costly for applicants living at a distance from Ottawa to have their cases heard.

We all realize that it is an act of grace on the part of the Government to pay these claims. A Canadian citizen, whether he served as a soldier or not, could have no claim against a foreign government, and it became necessary that the Government of this country should intervene. The main criticism that I have heard has been that the Commissioner was a little too rigid and not sufficiently generous in dealing with the claims, but owing to the part that I took in one case I feel it would not be proper for me to express any opinion as to whether or not there is any justification for this criticism. One can safely speak only of the particular circumstances with which one is familiar, and, as I know only what evidence was given in one case, a general statement would be unbecoming on my part. However, I do not think the Government suffered through the findings of Mr. Friel.

People all over Canada have been put to serious inconvenience because of the delay in making these payments. In the Maritime Provinces, perhaps more than anywhere else, was this inconvenience felt. Many small fishermen down there had claims running from $200 to $400, and they have been badly handicapped by being deprived of this money over such a long period. No doubt there are people with larger claims who would have been glad to receive payment earlier. There may have been applicants who suffered the loss of ships or cargoes, and whose business operations were hampered for an unnecessarily long time because their money was tied

up in this reparations fund. But, on the whole, I fancy the people with the smaller claims were the most seriously affected by the long wait for their money.

The first proposal by the Government was to pay in full only the smaller claims up to $15,000, 25 per cent on amounts from $15,000 to $25,000, and 10 per cent on amounts in excess of $25,000. I am glad the administration realized that this basis of settlement was inadequate, and has now decided that all recommended claims should be paid in full. If this money had been received from taxation on our own citizens, instead of coming from Germany, the Government might have been justified in adopting a cheese-paring attitude. The federal treasury has had the use of the money for several years, and I was astonished that in the first proposal there was no recognition of the moral obligation to pay claims in full, with interest. I am glad that pressure from another quarter and from a very large number of claimants throughout the country has had at least the effect of convincing the administration of the political propriety, from a party point of view, of paying these claims in full. I am warranted in that observation, I think, on account of the tentative offers that were first made, and the resistance that the Government showed to any request for payments, until this Session.

I dare say that many of the original claimants have since departed to the great beyond. I am told that in the Maritime Provinces claims were filed by a number of old fishermen, and no doubt in several of those cases the money will go to their estates. I am glad that the Government has at last decided to do the full measure of justice in this matter.

Hon. Mr. DANIEL: I did not quite catch all that the right honourable leader of the Government (Right Hon. Mr. Graham) said. I understood there was really a second Bill introduced by the Government in the other House, or rather, they so amended the first Bill that it would permit the payment of all claims in full, with interest. Is that so, or is this the first Bill that was introduced?

Right Hon. Mr. GRAHAM: I think there was a slight amendment to the Bill to make it possible to pay all the claims, and estimates will be brought down in the other House to provide for the balance necessary to make payments in full.

Hon. Mr. DANIEL: Supplementary estimates?

Right Hon. Mr. GRAHAM: Yes.

Hon. A. B. COPP: Honourable gentlemen, it is not my intention to enter into any argument with regard to the legality of these claims made by citizens who suffered losses. I take it from the remarks of the honourable leader on the other side of the House (Hon. Mr. Willoughby) that there is no objection to the present Bill, and the only complaint is that the claims were not paid sooner. As I had something to do with the original arrangement for the consideration of claims for reparations, I feel it is only just that I should make some observation in regard to the appointment, upon my recommendation, of the late Dr. Pugsley as Commissioner. In 1921 a former Government appointed the first Commissioner, Sir Douglas Hazen, Chief Justice of the Province of New Brunswick, but before he could enter upon the work there was a general election. After the election, or early in the year 1922, he came to Ottawa and, on looking into the situation, realized the work was of such magnitude as to require more time than he could spare from judicial duties in his own province. He then declined to continue as Commissioner, and some little time went by before a suitable successor was found in the person of the late Dr. Pugsley.

I agree with my honourable friend the leader of the Opposition (Hon. Mr. Willoughby) that there has been too much delay in making these payments, but I should like to remind him and other honourable gentlemen that the late Dr. Pugsley had a lot of preliminary work to do. The situation was a new one and it was necessary for him to organize a staff and make other preparations for carrying on the work. He dealt with a great many cases—I forget the number at the moment—

Hon. Mr. WILLOUGHBY: Two hundred and sixteen, I think.

Hon. Mr. COPP: I think there were more than that number. He took evidence in more cases, but he did not write judgments or conclusions, as he had planned to make his findings in a large number of cases at one time. While he was carrying on he took very ill and had to spend several months in hospital, and for some time afterwards he was not able to proceed with his work as expeditiously as otherwise he would have been. However, he continued until finally he was taken ill again and, to our deep regret, passed away. He had not prepared any report in regard to the cases which he had heard, but he had made some memoranda. Another delay occurred before his successor, Mr. Friel, was appointed. That was in 1925, and as I was emphatically of the opinion that the claims should be paid as promptly as possible, I introduced a resolution in the other House that year, before the investigation was completed and when

only a little of the reparations money had been received, providing that the money should be kept in a separate account and payments made pro rata on the claims as they came in; but that resolution was not favourably received and it was withdrawn. The Government then waited until the Friel Report was ready. Of course, as honourable gentlemen know, there were elections in 1925 and 1926, and there was not much done in governmental circles during a considerable portion of those years; so there was further delay in the making of these payments. Everybody recognizes that no applicant has a legal claim to any of this money, but the Government has realized its moral obligation to pay the full amount of all claims passed upon by the Reparations Commission. As my right honourable friend (Right Hon. Mr. Graham) has just stated, the total of these claims is something like $4,000,000, and when interest is added the total will be over $6,000,000.

As I have stated, I agree with the honourable gentleman (Hon. Mr. Willoughby) that there has been considerable delay, but the Government is paying interest on the money. No doubt the claimants would have been glad to have their money earlier, but they will now receive the interest plus the principal. The settling of this matter was a sort of pet baby of mine when I was a member of the Government, and I am very glad that the whole question is being disposed of now. I am pleased to learn from the remarks of the honourable gentleman (Hon. Mr. Willoughby) that there will be no opposition to the measure; so we may rest assured that on all the claims recommended by the Commissioner the money will be paid not long after the prorogation of this Session.

Hon. Mr. F. L. BEIQUE: At the request of the honourable leader of the Government in this House I made some inquiries with respect to this matter, and I found that the resolution on which this Bill was based was agreed to by the House of Commons on the 17th of May. A long discussion took place on that occasion and the opinion was expressed on both sides of the House that the claims should be paid in full. The Bill as presented provided for the payment of only $2,500,000. Claims up to $15,000 were to be paid in full; claims involving from $15,000 to $25,000 were to be paid 25 per cent; and on those in excess of $25,000, the amount payable was 10 per cent. The Government then, with the approval of the Opposition, decided that the claims should be paid in full. There were 280 claims passed upon by the late Mr. Pugsley and about 1,600 by Mr. Friel. The total of the claims themselves is about $4,000,000, and the interest amounts to a little over 50 per cent of that sum; so the total will come up to over $6,000,000. The Bill as we have it here provides for only $2,500,000, but, as I have said, both sides of the other House expressed the desire that the full amount of the claims should be paid, and the Government then announced its intention that if the Bill were passed by the Senate supplementary estimates should be brought down to cover the difference between the $2,500,000 and the amount necessary to pay the claims in full with interest.

With regard to the criticism by the honourable leader on the other side (Hon. Mr. Willoughby), I think we should bear in mind that the Dominion of Canada suffered to a large extent by reason of the war, and that the payment of these claims is an act of grace on the part of the Government. As has been said, the applicants have no legal claim, and if these amounts are paid as it is now intended they shall be, no one should have any reason to grumble because they were not paid sooner.

Hon. Mr. WILLOUGHBY: Are you compounding the interest?

Hon. Mr. BEIQUE: I do not suppose they will compound the interest.

Hon. Mr. DONNELLY: While I do not wish to offer any objection to the payment of these claims, which I think should be paid in full, it is not clear to me why we should proceed along the lines that we are now following. We have before us a Bill which provides for only $2,500,000, and we are told by the leader of the Government that it is proposed to pay out some $6,500,000. If the Government changed their mind, would it not have been better for them to bring in a Bill covering the whole amount rather than to make two efforts in place of one?

Right Hon. Mr. GRAHAM: It is just a matter of opinion. The purpose in bringing in the Bill for the $2,500,000 was, if I may express my own view of it, rather to test the opinion of Parliament on the whole matter; and Parliament was so strongly in favour of paying the whole amount, both sides being apparently in favour of full payment, that the Government suggested that the Bill be supplemented by an item in the Estimates to cover the entire claims. Of course, if we were to drop the Bill at the present time our action would remove the clauses of the Bill, one of which, for example, provides for referring to the Exchequer Court claims on which two opinions

have been expressed. So the simplest way is to pass the Bill and let the Government place an item in the Estimates, which we shall have the honour of passing.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Gordon in the Chair.

Sections 1 to 6, inclusive, were agreed to.

On section 7—Reference to Exchequer Court:

Hon. Mr. DANIEL: Mr. Chairman, I am puzzled to know how the Government, under this legislation, can take to themselves power to pay more than the amount mentioned in the Bill. It is stated that an extra amount will be placed in the Supplementary Estimates to pay all the reparations; yet the Bill before us provides for the payment of only a certain proportion of the larger claims, with full payment of the smaller ones. I cannot see how the Government can take to themselves power to pay more than the Bill authorizes.

Right Hon. Mr. GRAHAM: When the Supply Bill passes the House it becomes an Act authorizing the Government to do certain things and make certain payments, and that Act has as much force and effect as any Act passed by Parliament. I have pointed out the reason for the situation now existing. I do not think it is telling tales out of school to say that when the Bill was first drawn there were a few words in it which limited the amount to $2,500,000. Those words, I think, will not be found in the Bill now. This amount will be paid, and there is nothing to preclude the payment of the further amount.

Hon. Mr. BEIQUE: I understand that the situation arose in this way. The Government had decided to limit the amount to be paid to $2,500,000, and had obtained the necessary authorization of the Governor General, and the resolution was drawn accordingly. But it was found during the discussion in the House of Commons on the 17th of May that the members of that House as a whole desired that payment should be made in full; so the Government had either to go back to the Governor General for authorization to increase the amount, and thereafter present another resolution, or to go on with the Bill as presented and place an amount in the Estimates. If the honourable gentleman will refer to the Debates of the House of Commons, page 2937, he will find this statement of the Prime Minister:

> We have told the House that if this Bill passes the House and passes the Senate, we will bring in a Supplementary Estimate making good the additional amount required together with interest.

Hon. Mr. DONNELLY: As I understand it, the decision of the Government to raise the amount from $2,500,000 to $6,500,000 was taken while the Bill was being discussed in Committee of the Whole in another place, and the reason for not increasing the amount in the Bill was that a resolution had already been brought in and an increase would make it necessary to bring in another resolution. It appears to me that if we are to leave in the Bill section 5, which limits the amount, it will be in conflict with the proposal to provide for the balance in the Estimates. In other words, in a day or two we should be going contrary to the Bill that we are passing to-day. I think that could be amended.

Right Hon. Mr. GRAHAM: The conditions are there. This Bill is complete in itself. We are discussing only the Bill, but it is well for the House to know that the balance of the amount is to come before us.

Hon. Mr. DONNELLY: I am questioning not the legality of it, but the irregularity of the procedure. It does seem strange that we should be asked to pass this Bill to-day, and that in a day or two we should be asked to pass an Estimate which is in conflict with the terms of this Bill.

Section 7 was agreed to.

Section 8 was agreed to.

The preamble and the title were agreed to.

The Bill was reported.

THIRD READING

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

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

SUPREME COURT BILL

SECOND READING

Right Hon. Mr. GRAHAM moved the second reading of Bill 312, an Act to amend the Supreme Court Act.

He said: Legal gentlemen in this House will understand thoroughly what this Bill means. The existing Act provides that if a member of the Supreme Court Bench has heard a case he is not precluded by absence

from having his finding form part of the judgment of the Court. This Bill is to make it clear that if a Supreme Court judge has sat as one of the judges on any case, even if he should leave the Bench or retire from office before judgment is given, his finding may be incorporated with those of the judges on the Bench. If judges were always unanimous in their findings, such a provision would have no effect, but it is thought proper by the Justice Department that in the event of a difference of opinion, and in the interest of justice, a judge who has heard a case and has since retired from the Bench should be able to hand in his findings as though he had not retired.

Hon. Mr. HUGHES: Honourable gentlemen, I wish to make some observations that are not exactly on this Bill, but have regard to the administration of justice in Canada, if I may be allowed to do so. There appears to be an anomalous situation with regard to the courts in Canada. If I understand the matter aright, County Court judges are obliged to retire at the age of 75, while Supreme Court judges may continue in office regardless of age. Is that not correct? Is there a retiring age for the Supreme Court judges?

Right Hon. Mr. GRAHAM: I think so.

Hon. Mr. HUGHES: I know some judges over 75 who are still sitting on the Bench.

Right Hon. Mr. GRAHAM: Are they Supreme Court judges?

Hon. Mr. HUGHES: Yes, Supreme Court judges of the provinces.

Right Hon. Mr. GRAHAM: But they have nothing to do with this Bill. This refers to the judges of the Supreme Court of the Dominion of Canada. We are not dealing with the provinces.

Hon. Mr. HUGHES: If there should be any difference in connection with the retiring of judges, it should be the other way around, because the Supreme Court judges have more important duties to perform, and I know that, generally speaking, the individual himself is the last to know and realize that his faculties are declining.

Right Hon. Mr. GRAHAM: We all know and admit that.

Hon. Mr. HUGHES: I think the retiring age in all the courts should be uniform. Perhaps I may have something to say in regard to that matter at the next Session of Parliament.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, I suppose this Bill arises out of a particular case.

Right Hon. Mr. GRAHAM: I imagine so.

Hon. Mr. WILLOUGHBY: A judge who has heard a particular case attains 75 years without having delivered his judgment. Under the existing provision he could not deliver it, being no longer a judge of the court. This Bill gives him six months' grace and provides that his judgment may be handed in as if he were absent. I assume there can be no objection to that on the part of anybody.

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

THIRD READING

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

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

DIVORCE BILL

FIRST, SECOND AND THIRD READINGS

Bill Y8, an Act for the relief of William John Blight.

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

THE SENATE

Friday, May 31, 1929.

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

Prayers and routine proceedings.

GREAT LAKES AND ATLANTIC POWER AND CANAL COMPANY

REPORT OF COMMITTEE

Hon. Mr. TANNER presented the eleventh report of the Standing Committee on Standing Orders, to whom was referred the petition of the Great Lakes and Atlantic Power and Canal Company, Limited.

He said: Honourable gentlemen, with the consent of the House, I would ask that this report be adopted to-day.

Right Hon. Mr. GRAHAM: Honourable gentlemen, I want to be reasonable in everything, but the character of this petition would indicate that the House could not think of dealing with the Bill this Session.

Hon. Mr. TANNER: I do not think it is expected.

Right Hon. Mr. GRAHAM: If I am rightly informed, the petition has been rejected by the House of Commons at this Session, and it is now sought to introduce the proposed legislation in this House. The project is a very large one in connection with the St. Lawrence development. I make no objection to it, and did not object to the petition being received, but I think it is only fair to warn the House, as I have warned the promoters of this measure, that it cannot be considered this Session. It is beyond the bounds of possibility for us to consider a Bill for a project of this kind at so late a date. I said to the promoters a few moments ago that as far as I am concerned—and I think I may speak for the Government—I think I may almost speak for this House—it would be only wasting time to attempt to deal with the Bill during the present Session.

CANADIAN NATIONAL RAILWAYS AND QUEBEC, MONTREAL AND SOUTHERN RAILWAY

Before the Orders of the Day:

Right Hon. Mr. GRAHAM: I wish to lay on the Table a copy of appraisals on the Quebec, Montreal and Southern Railway, as asked for by my honourable friend from Regina (Hon. Mr. Laird) yesterday. He suggested that he would like to have some correspondence, but I am not sure just what correspondence he means. I have been trying to get it, but have not been successful.

Hon. Mr. LAIRD: The correspondence asked for, as will be shown by the record, is certain correspondence between Sir Henry Thornton and Mr. Loree, of the Delaware and Hudson Company. Sir Henry Thornton wrote to Mr. Loree, and Mr. Loree replied.

Right Hon. Mr. GRAHAM: That is the President of the Delaware and Hudson?

Hon. Mr. LAIRD: And also some further correspondence, which I understand Sir Henry Thornton had, but which he did not read to the Committee. I refer the right honourable acting leader to my request as stated in Hansard.

Right Hon. Mr. GRAHAM: The Department stated to me that the honourable gentleman had not designated clearly enough the correspondence which he required. They did not seem to know between whom the letters had passed. However, I shall try again to get the papers.

SPECIAL WAR REVENUE BILL

THIRD READING

Right Hon. Mr. GRAHAM moved the third reading of Bill 278, an Act to amend the Special War Revenue Act.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, this is a money Bill, and while I recognize the rights we have in connection with money Bills, according to the findings of a Committee of this House, I am not going to enter into any long discussion on this one, but I should like to make one or two observations with regard to it.

In having this Bill considered by the Committee on Banking and Commerce we had the advantage of being able to get more information as to its effects than we could have obtained in Committee of the Whole. I asked Mr. Russell, who attended at the Committee, to state on behalf of the Government what were the objects and expected effects of the Bill. He answered, if I remember rightly, that the revenue now derived from the classes of taxes covered by the Bill is $615,000, and under the proposed new scale of taxation it would be over $1,000,000; but I have been assured by many persons outside this Chamber that on a proper computation, on the same volume of business as is being done now, the spread between the taxation that is now received and that which would be received under the Bill would be very much more than $400,000; and, of course, if the volume of business were increased, the spread would be proportionately more. I am not vouching for the correctness of that information, as I have not checked the figures at all, but even on Mr. Russell's own admission, the extra revenue will be $400,000 at least.

Perhaps some of us in our righteousness think it is our duty to prevent the small people from speculating, but I am democratic enough to recognize that the man who goes to the Derby in the Old Country with a shilling in his pocket has as much right to bet as the man with ten pounds.

I recognize that the stock of nearly all the mines that ultimately became successful was originally sold at a very low price, while, unfortunately, many of the mines that were able to get high prices for their stock at the outset never benefited anyone but the promoters. The fact that the stock of an undeveloped mine is offered at a very low price on an exchange is no proof, according to my observation, that it is of no value. In fact, I have found that the contrary is very frequently the case. After the mining company has entered on a period of development and the property has been to some extent

tested and its possibilities have been made known investors are in a position to estimate what the stock should be worth, but when one is putting some money into a piece of ground that has been staked out on the assumption that there may be minerals underneath, I suppose it may be described as a gamble. I find that in all mining countries, including South Africa and Australia, it is recognized as a desirable thing that when mining stocks are first placed on the market they should be offered at very low prices.

Hon. G. GORDON: Honourable gentlemen, I have advocated unsuccessfully the elimination of section 4 from this Bill, and have been unable even to get the section amended. However, I should like to make a little more comment on it. The gentleman who represented the Department of Finance before the Committee on Banking and Commerce said the objects of the Bill were, first, to prevent speculation and gambling in small stocks, and, secondly, to save annoyance to brokers. He quoted a prominent broker, member of the Montreal Exchange, as saying they had been pestered to death in handling low priced stocks, and while he did not think it fair to divulge the name of that broker before the Committee, he offered to give it privately to any member. I do not know whether any member inquired for it, but I did not.

I asked the official if he or the Department thought that both these objects of the Bill would be achieved, and he frankly said that he did not know. I further inquired if there was to his knowledge anything within the four corners of the Statutes, or anywhere else, which would safeguard a person who had invested in small stocks, but who was not a gambler in any sense of the word, and he admitted there was not. I hope that if this Bill passes it will succeed in doing what the Department expects it to do, but I think any person who realizes that two and two can make nothing more than four, will agree small investors will be subjected to gross injustice from the day the measure becomes law.

Let me show how fallacious is the complaint that the handling of small stocks overworks the brokers. If one purchases a single share valued at $400, it is represented by one stock certificate on which there will be, under this Bill, a tax of four cents; and if he bought 40,000 shares of one-cent stock, the total value of which would be $400, there still would be only one certificate issued, although the tax on it would be $40. Now, I think no reasonable and impartial man will contend that in making a certificate for 40,000 shares there is more work than in making a certificate for one share. If this is really a stamp tax, as the Minister has claimed, then it is only a tax on documents, and should be the same on one document as on the other.

Some Hon. SENATORS: A little louder.

Hon. Mr. GORDON: I am getting older, and I am so deadly in earnest that I cannot raise my voice, but I hope honourable gentlemen will read in Hansard what I am saying. I have been looking up Webster to see what the word "stamp" means, and I find that it has several different meanings, one of which is to crush or to pulverize—

Right Hon. Mr. GRAHAM: That is one mining process, is it not?

Hon. Mr. GORDON: Yes. I would suggest that the whole of section 4 be eliminated, or, otherwise, that the Act be entitled, "Tacks"—not t-a-x, but t-a-c-k-s—"to crush and pulverize the small investor."

Hon. Mr. MacARTHUR: Did I understand the honourable gentleman to say that there will be a tax of $40 on a $400 transaction?

Hon. Mr. GORDON: Yes.

Hon. Mr. MacARTHUR: How does the honourable gentleman compute that?

Hon. Mr. GORDON: Here is the way it is made up. The tax would be one-tenth of one cent for every share, and on 40,000 shares there would be a tax of $40.

Hon. Mr. MacARTHUR: But that would be only in the case of penny stocks.

Hon. Mr. GORDON: The higher the value of the stock the less the tax is. Taking the illustration I used, in one case you would have to lick only one 4-cent stamp, but in the other case there would be so many stamps you would have to get a machine to lick them.

Hon. W. A. GRIESBACH: It is a licker tax as well. Honourable gentlemen, if this Bill is as successful as the Government suggests it ought to be in putting an end to speculation in Canada, I shall be very sorry.

Right Hon. Mr. GRAHAM: That was not suggested.

Hon. Mr. GORDON: It was to suppress gambling.

Hon. Mr. GRIESBACH: It has been stated in support of the measure that it will tend to reduce speculation. I hope it does not, for the reason that we are living in a new country which is constantly undergoing processes of development. We have large natural resources that are undeveloped, particularly

in mines and oil. In the Province of Alberta we are seeking capital for the drilling of oil fields. If every well were known to be a good producer there would be no difficulty at all in getting all the money required, but everybody knows that of the wells that are drilled at enormous cost a large proportion turn out to be dry and non-productive. Every successful oil business was at one time a wildcat scheme, and the development of oil fields in this country is dependent upon those who are willing to speculate.

I am protesting against this tax because it will seriously hamper the carrying on of the oil industry in Alberta. The speculator's money is needed if the most is to be made out of the oil resources in that province, for prospecting is carried on there by the same methods as in new areas all over the world. A few individuals get an idea that a certain field promises to be a good producer, and they form a company and issue, say, a million shares selling at 10 cents each. If after the spending of the $100,000 no oil is found, that is the end of the company; but if they strike oil they can get all the money required.

It may be asked why no formal protest is made against this Bill, but honourable gentlemen know why those who are opposed to it do not take that action. This is a Government measure and has to do with the financing of the country. The Government is responsible for the administration of affairs and for the raising of the necessary money. A certain amount of revenue is predicated upon this tax and we should hesitate some time before we interfere with the responsibility of the Government in this matter. The Government must assume that responsibility for the imposition of the tax, and it will be held accountable by the people of Alberta for the effects of the Bill on the oil industry of that province.

Hon. G. D. ROBERTSON: Honourable gentlemen, the measure before us for third reading is one of such widespread importance and interest, and affects so many people in the humbler walks of life, that I feel compelled to say something concerning it. It might well be argued, I think, that in matters of taxation the poor man should have an advantage over the rich man. I think all honourable gentlemen will agree that, at least, taxation should bear with reasonable equality upon all classes of the people, and that the rich man, or the large investor, ought to pay a tax proportionate to that of the poor man, who, of necessity, must be a small investor. I desire to place on record a demonstration of how clause 4 works out.

Under the Bill as proposed by the Government the person investing $10 in certain mining shares will pay more than six times the tax imposed on the person investing $1,000 in certain other mining securities. I submit to you, honourable gentlemen, that that is bad legislation—that it is absolutely unfair to those in the humbler walks of life, who are unable to invest large sums, and that it is a crime against the people.

The person who invests half a million dollars in Consolidated Smelters at current prices would pay a tax of $54, but if a poor man, who felt that he had sufficient money to speculate a little, invested a thousand dollars in another mining concern, he would be taxed $80.

Hon. Mr. GORDON: Shame!

Hon. Mr. ROBERTSON: I have prepared a little statement showing what the tax would be on an investment of $1,000 in each of the classes from (b) to (g) referred to in section 4 of the Bill that we are now asked to pass. I have taken the current prices from the standard mining record. One thousand dollars would this week buy three shares of Consolidated Smelters, and on that the investor would pay a tax of 12 cents; a man investing $1,000 under class (c) would this week be able to buy 22 shares of International Nickel, on which the tax would be 66 cents; $1,000 invested under class (d) would this week purchase 132 shares of Teck Hughes, on which the tax would be $2.64; $1,000 invested under class (e) would purchase this week 340 shares of Nipissing, on which the tax would be $3.40; and an investment of $1,000 under class (f) this week would purchase 1,450 shares of Siscoe, on which the tax would be $3.62. Now, in all those classes the variation is not so great, and might be fairly palatable, although I think the discrimination is against the purchaser of the lower priced stocks—and who can say that a man is not justified in purchasing Teck Hughes instead of Consolidated Smelters? But when you come to class (g) stocks, to which some honourable gentlemen have referred as penny stocks, there is a terrible disparity. If a man were this week to invest $1,000 at current prices in Kirkland Hunton he could buy 80,000 shares—and in time Kirkland Hunton may be just as good a mine as Teck Hughes. I remember purchasing 5,000 shares of Teck Hughes at 15 cents, which, foolishly, I failed to keep long enough. But if a poor man takes the risk of buying those 80,000 shares, under this Bill, he will pay a tax of $80 as against the tax of twelve cents to be paid

upon an equal investment in Consolidated Smelters.

I point out further that upon a $100 investment in 8,000 shares of Kirkland Hunton the tax would be $8, and that upon a $10 investment in 800 shares of that stock the tax would be 80 cents, or more than six times the tax upon an investment of $1,000 in Consolidated Smelters. Surely the people will not approve of any legislation which discriminates against a vast majority of our citizens, and it must be apparent to the Government that that tax cannot be regarded, and never will be regarded, as fair or just.

As the honourable member for Nipissing (Hon. Mr. Gordon) has said, the gentleman who represented the Finance Department before the Committee gave some further light on the subject. He informed the Committee, as I understood him, that one of the purposes of the Government in imposing this tax was to curb speculation. My honourable leader (Hon. Mr. Willoughby) made a very apt comparison. He said that a man who goes to the Derby with a shilling in his pocket has as much right to bet on a horse as the man who has £10. I ask if the public will ever have any other conception of their individual right to invest their nickel or their $10 or their $1,000 in any way they see fit? You cannot make men good by legislation; you cannot make them good by oppression—and this legislation is absolutely oppressive.

Furthermore, have not nearly all the successful mines in Canada grown from small beginnings? Are not many affluent men of to-day the men who a few years ago made small investments, at a few cents a share, in many of those mines? Are we going to say to the struggling working men of this country, "You shall not have the same freedom of opportunity to improve your situation by investments as has been enjoyed in these matters since Confederation"?

We are passing upon a serious situation to-day. Surely we ought to give it careful thought. It was suggested that this Bill should be referred to a Committee in order that it might be examined, and this has been done; but it was clear that the Government was inflexible. The representatives of the Finance Department came before that Committee and made it apparent that the Minister was not inclined to withdraw from his position. The resolution which originally came before the House of Commons proposed, on such stocks as I have referred to—and they are numerous—a tax of one cent per share, so that $1,000 that a poor man might have invested in the past in such a stock would be subject to a tax of $800, which is nothing but confiscation; but the $1,000 that another man might invest in Consolidated Smelters would be subject to a tax of only twelve cents.

I submit, honourable gentlemen, that the action of the Government in this case simply proves that they are running true to form. Industry has been stifled and strangled. Every year since this Government came into power more than 100,000 good Canadians, because of the economic necessity of finding employment, have been forced into exile in a country where the industries are protected. We import into this country annually half a billion dollars' worth of goods that could be manufactured here, the production of which would give a livelihood to the half million of workmen and dependents who are not in this country now. Our own producers of milk, butter and cheese, and of fruit and vegetables, have been discriminated against so that they have had to come seeking relief from the difficulties under which they are labouring by reason of changed conditions. And now, as a last blow to the people who have been tenacious enough to hold on and continue to live in Canada, the Government says: "You shall not be permitted to engage in a little speculation, because on a $10 investment we will tax you six times as much as we tax a rich man on an investment of $1,000."

Hon. Mr. GORDON: I have no right to speak again, but may I be permitted to refer to a remark made by an honourable gentleman in this House?

It was intimated that there might be some doubt as to the power of this House to amend money Bills. I do not agree with that at all. In 1918 a Committee of this House was appointed, composed, if I remember correctly, of the senior member for Ottawa (Hon. Mr. Belcourt), our leader (Hon. Mr. Dandurand), the honourable member from De Salaberry (Hon. Mr. Beique), the late Hon. Mr. Ross, and I think some other leading legal lights on this side of the House. They prepared a statement on this question indicating their belief that this House was standing upon a solid foundation in claiming the right to amend or reject in toto any money Bill coming from the other House. That opinion was submitted to two of the most prominent lawyers in the Province of Quebec, Mr. Lafleur and Mr. Geoffrion, and one of the most prominent lawyers in Ontario, Mr. Ewart. The opinion of Mr. Lafleur and Mr. Geoffrion coincided exactly with the opinion of our Committee. Mr. Ewart dissented from that view. Therefore, from that time on, at all events, the majority if not all the mem-

bers of this Chamber were satisfied that they possessed such a right, and in view of that there is no excuse for the Senate of Canada slinking back and saying that they cannot protect a small minority in this country against a great majority. When I became a member of this House I understood that I was here to try to carry on my duties as laid down under the British North America Act; and if the time ever comes when I have to depart from that principle, because of party allegiance or otherwise, I shall remain no longer. I should be sorry to see the Parliament of Canada at this late date pass an Act which would oppress a small minority.

Hon. R. F. GREEN: Honourable gentlemen, before the debate closes may I say just a word? I agree entirely with what my honourable friend from Welland (Hon. Mr. Robertson) has said, and with the figures which he has placed before the House. In addition, may I say that in the province from which I come there are many mines that in the early days were nothing more than prospects, like those being floated throughout Canada to-day, the stock of which is being sold at very low prices. The situation so far as those particular properties are concerned is something like this. Two or three gentlemen may have a mining property that they think has merit; they spend what money they can afford to spend upon it, and, finding that they have not sufficient, they organize a company and ask the public to subscribe to low-priced stock in that company for the purpose of development—nothing else. The stock must be placed on the market at a low price.

It is absurd to talk about this Bill doing away with speculation. Any brain that thinks it will do away with speculation has something wrong with it. The Bill will not do away with speculation; speculation will continue as long as human nature—and it is a good thing that it will.

Furthermore, the man of small means has a right to invest a small amount in speculative stocks if he feels inclined to do so. This Bill bears more heavily on the lower priced stocks than on the higher priced ones, and even among the higher the equation is not accurate. If this legislation imposed an ad valorem tax on the investment, or something of that kind, there might be some excuse for it; but the Government is practically prohibiting the development of many prospects into mines. The prospector cannot go out and get men of means to put money into prospects; he must first get his friends around him to put in a few dollars apiece and bring the enterprise up to a stage at which men of means will put in capital.

But above all that, the Government are not going to make any money out of this tax, for already the brokers are establishing themselves in the border cities across the line. The sales of our low-priced stocks, when this Bill comes into effect, will be made in those cities and no revenue will come to the Government. That result cannot be prevented, because any person can buy one share or a thousand or ten thousand shares of stock and have it delivered to him without its being endorsed to any particular individual, as is done all over the world with mining stock, and the name can be filled in later on, when it is desired to register that stock. How are you going to follow those shares? You cannot follow them if sales are made on the other side of the line, and therefore you cannot get any money rom them.

If this Senate does its duty to-day it will at least eliminate the last paragraph of the section.

Right Hon. Mr. GRAHAM: Honourable gentlemen, some speeches of honourable members have gone quite a distance away from this Bill. My honourable friend from Welland (Hon. Mr. Robertson) travelled far away from the Bill—

Hon. Mr. ROBERTSON: On the same road, though.

Right Hon. Mr. GRAHAM: —to give a talk on the Government's general policy of managing the country. I am not going to be led into a discussion of that. If anyone will just read the financial papers and bank statements of this country and see how we are progressing and how we are thought of in the different countries of the world, the conclusion to which he will come will be quite satisfactory to me.

Now, as to this Bill, it is only a new form of imposing taxes that were in a measure imposed before. It has been thought that this proposal would not be inequitable and that the Government would receive new net revenue from it. Not only one broker, but the leading brokers think that the present system involves so much book-keeping that it is almost impossible to calculate the different variations of the no-par-value, par-value, penny stock and larger stock, and that it would be a great advantage to all traders, as well as to themselves, to simplify the taxes so that they would be more easily understood.

Honourable gentlemen have waxed eloquent, and rightly so, on behalf of the poorer men, though they did not say anything about

the poorer girls. It would have been a godsend to thousands of girls almost within hearing of my voice to prohibit them from speculating or gambling in small stocks during the last few months or the last year.

Hon. Mr. GRIESBACH: How are you going to prohibit that?

Right Hon. Mr. GRAHAM: I do not say you can prohibit it, but one honourable member says this Bill may prohibit it. I do not myself think it will, but if it had been impossible for them to buy any of those stocks, many of which were sold on margin, notwithstanding the rule of the brokers, it would have meant a good deal of money to people not very far away from us. In the United States the Federal Reserve Bank from time to time puts on the clamp, and down go stocks of all kinds, because it is more difficult to secure money for the purchase of stocks. Nobody suggests that the authorities are wrong in doing that. They think it is best for the business of the United States, and for stability in that country, and in the interest of the people themselves, who sometimes go a little wild—as perhaps we all do—in their ideas of speculation.

Hon. Mr. GORDON: May I ask the honourable gentleman a question?

Right Hon. Mr. GRAHAM: Oh, anything.

Hon. Mr. GORDON: Is the Government, by means of this tax, attacking all speculators equally, or hitting merely one class, and possibly the poorer one, while letting the others go?

Right Hon. Mr. GRAHAM: This tax does not do that.

Hon. Mr. GORDON: Oh, yes, it does.

Right Hon. Mr. GRAHAM: It does not let anybody go. Now, there is an opinion abroad in the land, and we may as well admit it, that we are all more or less crazy about speculation at the present time. We are warned by all financial houses in the United States, in the Dominion of Canada, and the world over, to slow up in our ideas of making money so very easily. I do not at all mean to express the view that people with small means should not be allowed to speculate, but I do say that the outstanding cases mentioned by honourable gentlemen here are so extreme that very few people have ever encountered them. I know it is absolutely undeniable that many penny stocks of the past have become very valuable stocks of the present. There is no doubt about that, but how many people went to the wall before that result was accomplished? I suppose if I were to go from one seat to another here and enquire by asking for a show of hands, every man would have to hold up his hand and admit that he had lost on small speculations. A few of the investors have come through successfully, but the great majority of people who invest money in stocks because they are cheap lose all their money. The few who have come through are those to whom my honourable friend refers.

Now, this Bill is not very drastic. The first part of it reduces the taxation of the country by an amount estimated at something over $24,000,000. The clause which we are now discussing—

Hon. Mr. GORDON: Section 4.

Right Hon. Mr. GRAHAM: This clause will increase the revenue of the country by about $400,000. The Bill is not so drastic as some honourable gentlemen would have us believe. I am inclined to the opinion that when the tax comes to be worked out it may be disappointing to the Minister of Finance, but it will not be so injurious to the people as honourable gentlemen suspect.

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

CRIMINAL CODE (FINES AND FORFEITURES) AMENDMENT

BILL DROPPED

On the Order:

The House again in Committee of the Whole on Bill P7, an Act to amend the Criminal Code (Fines and Forfeitures).—Hon. Mr. Beaubien.

Right Hon. Mr. GRAHAM: Honourable gentlemen, as the promoter of this Bill is not here—I believe he has gone on a vacation—

Hon. Mr. ROBERTSON: Give the Bill a vacation.

Right Hon. Mr. GRAHAM: I would suggest that the promoter will probably want to be heard on this Bill, and that it should be dropped, unless there is some strong objection.

The Bill was dropped.

INSURANCE BILL

THIRD READING

Bill 42, an Act to amend the Insurance Act.—Right Hon. Mr. Graham.

PRECIOUS METALS MARKING BILL

SECOND READING

Right Hon. Mr. GRAHAM moved the second reading of Bill 24, an Act to amend the Precious Metals Marking Act, 1928.

He said: Honourable gentlemen, in the absence of the honourable member who introduced this Bill (Hon. Mr. Bureau) I move the second reading. This Bill passed in the House of Commons. There was some objection taken to it, referring to trade marks. The object of the Bill is to permit importers of jewelry and articles of that kind to stamp their trade mark on the article and mark it "imported." The Minister of Trade and Commerce has written me a note concerning it, and he favours the Bill if an amendment is made to strike out the words, "such trade mark," and substitute the name of the importer, with the word "imported".

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Donnelly in the Chair.

On section 1—trade mark of manufacturer, or importer, or dealer, to be applied:

Right Hon. Mr. GRAHAM: I would move that new section 12B be amended by striking out the words "such trade mark" and putting in their place the words "the name."

Hon. Mr. WILLOUGHBY: Has any reason been assigned for that change? I do not think I know enough about the matter either to object or to approve. I suppose the main purpose in having the name or the trade mark placed on the article is to identify it, and to conform to the English practice in that respect.

Hon. Mr. MURPHY: The Trade Mark and Design Act.

Hon. Mr. WILLOUGHBY: Yes; we have one here, and there is one in the Old Country. Then the person vending the commodity has his name on, anyway.

Right Hon. Mr. GRAHAM: That is one reason. Another reason is that these things are not bought from the larger manufacturers, but are gathered up from different parts of Europe, as I am told, and bear only the trade mark of the firm here. Now, the people of Canada who are buying these goods imagine that they are all manufactured in Canada.

The intention is to put on the name instead of the trade mark, and the word "imported" as well, so that buyers may know not only from whom they are buying, but also that they are buying imported goods, instead of those of Canadian manufacture.

Hon. Mr. WILLOUGHBY: That is, they have two safeguards.

Right Hon. Mr. GRAHAM: Yes, that is the idea.

The amendment was agreed to, and section 1 as amended was agreed to.

The preamble and the title were agreed to.

The Bill was reported, as amended.

THIRD READING

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

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

PENITENTIARIES SERVICE—WARDEN COOPER

INQUIRY AND DISCUSSION

The Senate resumed from May 29 the adjourned debate on the inquiry by the Honourable Mr. Taylor in accordance with the following notice:

That he will call attention to maladministration in the Penitentiaries Branch of the Department of Justice, and will inquire whether or not the Government will direct investigation of this matter by royal commission.

Hon. C. E. TANNER: Honourable gentlemen, this matter, as it is disclosed in the records before Parliament, presents itself to my mind in this way. We have the case of a decent citizen of the country who was in the public service, who according to the records discharged his duties and responsibilties faithfully and well, but for some reason or another incurred the ill-will of his superior officer in the same branch of the service; and, as the record clearly shows, it was a a reason wholly unrelated to his duties and responsibilities. Colonel Cooper was hounded —I use that word advisedly—out of the service by his superior officer, and even treated vindictively when he was endeavouring to get employment from a private company. My honourable friend from New Westminster (Hon. Mr. Taylor) is asking merely that Colonel Cooper, who has been wrongfully treated by his superior, should be given the opportunity of a fair and judicial hearing. I am convinced that the Department of Justice did not have all the facts, and therefore could not understand the situation as it existed, and I feel that to have justice done to Colonel Cooper it is necessary only to present the matter in a fair way before the Department.

I am not going to take up much time in discussing this affair, but I want to refer to

two or three points that, from the records, appear to me to be salient. As I have said, here was Colonel Cooper, a decent citizen of this country, who was doing his duty as any man of good character would. During the war he took an active part; it is enough to say that at that time he did a real man's work and earned some distinction. On returning to Canada he did not stand around waiting for someone to provide him with a high position in either the public service or private life; he was willing to work and grasped the opportunity to become a penitentiary guard. He faithfully discharged the duties of that minor post and in course of time was promoted on merit to the rank of Warden of the British Columbia Penitentiary. There he remained for some three or four years, and, as the records that have been presented here and in another place distinctly show, he was a capable and conscientious official against whom no single demerit mark was registered. The honourable gentleman from New Westminster summed up the whole situation in that regard when he read the report made by Superintendent Hughes in 1928, in which Colonel Cooper was given a reputation for efficiency that it would be difficult to excel.

Colonel Cooper was regarded by the Department and by the Superintendent of Penitentiaries as an ideal warden. Why did he fall from grace? What happened to wipe out the memory of all the efficiency with which he was credited? The correspondence which has been tabled shows that there was a women's tea party, if you please, at, I think, the Warden's home in New Westminster. Among those present were Colonel Cooper's wife and the wives of other officials of the penitentiary. There was passing of tea and cake and other viands, and some lady offered chocolate cake to Mrs. Cooper. It so happened that she did not have a liking for that variety, and, as was her right, she did not take any, but went over to a table and helped herself to a piece of a kind she did like. Now, that was a mortal offence in the eyes of some of the ladies there, particularly of some whose husbands were associated with the management of the penitentiary, and a report of this terrible chocolate cake affray was made to the office of the Superintendent of Penitentiaries at Ottawa. Then the Superintendent, this man in one of the most important administrative posts in the country, had enough time on his hands to sit down and write a violent letter to Colonel Cooper, upbraiding him for the conduct of his wife in not taking chocolate cake at the tea party and informing him, in emphatic terms, that if he did not bring his wife to her senses on this question and thus prevent further mêlées over the cake table, he would be discharged from his position as Warden of the penitentiary. Think of that, honourable gentlemen! Singularly enough, as a reading of the letter shows, he was to bring his wife to her senses on this subject without letting her know that he was doing so. All memory of Colonel Cooper's efficiency, of his high ability for carrying on the work of that institution, passed away with the—

Hon. Mr. TAYLOR: Chocolate cake.

Hon. Mr. TANNER: —with the chocolate cake. In the course of a few weeks an investigation was called. I am not going to say that this investigation was not properly authorized by the Department of Justice, but I think the Department did not really understand what was at the back of the trouble. Now, in this country, honourable gentlemen, we have a habit—in fact, it has grown into an established rule—of giving people a fair trial. The worst criminal who is brought into court is allowed to confront his accusers. He hears the evidence that is given and is permitted to have lawyers to defend him. If he cannot afford a lawyer, the court will see to it that one is provided for him, so that he may have fair play. Further, there is the fundamental principle that he is presumed innocent unless and until proven guilty. But poor Colonel Cooper was adjudged guilty long before he was put on trial. This austere Superintendent of Penitentiaries sent a gentleman all the way out to British Columbia to hold an investigation, and instructed him—and the instructions were carried out—that Colonel Cooper was not to be admitted into the place where the investigation was being held. The accused man was shut out and could not hear his accusers nor see them face to face. As my honourable friend the leader on this side of the House (Hon. Mr. Willoughby) pointed out, the stenographic reports of the evidence were to be destroyed or kept out of the way. There was no possibility of a fair trial under those conditions, but, on the contrary, all the preliminaries necessary for an inquisition were carried out by the gentleman who was despatched to British Columbia to "get" Colonel Cooper. And they "got" him. He was dismissed.

As I said before, I am not going to take up the time of the House in reading any of the documents that I have here. When Colonel Cooper went to the Canada Life Assurance Company for employment—he is employed by that corporation now—he was required to give references, and among other

referees he mentioned the Penitentiaries Branch, or the Superintendent of Penitentiaries. That official, as his letters disclose, beat about the bush, pretended he did not know who Colonel Cooper was, played on an error in the letter of inquiry where Colonel Cooper was described as the Warden of a jail in Vancouver, sent expensive telegrams and wrote many letters in which he kept up the pretence; and when there came at last a document in which Colonel Cooper was distinctly referred to, the Superintendent was not fair enough to reply whether he thought Colonel Cooper was a good man to sell insurance; he still kept putting the matter off, saying, "We must have better evidence as to who this man really is."

I am not going to labour this matter further. I feel confident that the Department of Justice will give Colonel Cooper fair play, if the request is made to them.

I might explain why I intervened in this debate. In 1927 I happened to be in the city of New Westminster for two or three weeks, and while at a luncheon of the Kiwanis Club there I met Colonel Cooper. I accepted from him an invitation to come up to the penitentiary and have a look over the place, and he showed me over the institution from cellar to garret. I do not pretend to be an authority on penitentiaries, but we all have powers of observation and can come to conclusions. In my judgment, that institution was in the hands of a man who had it thoroughly under control. In passing through ward after ward I could see that the men imprisoned there had not only a respect for, but a kindly disposition towards, Colonel Cooper. He struck me as one who had an attractive personality and the habit of attending to his work promptly, as well as effectively. At that time there were among the inmates some violent prisoners with long criminal records in the United States. I heard and saw him conversing with many of these men, and in his presence they were not sullen, but were of pleasant countenance. The impression I got after inspecting the institution was that Colonel Cooper was an efficient warden and a good administrator, and this impression was confirmed by opinions I heard expressed outside. He has not said anything to me since that time, but I felt when this matter came up that in justice to the man I should say a few words on his behalf, in support of the request made by the honourable gentleman from New Westminster (Hon. Mr. Taylor) for a fair British inquiry in this matter.

Right Hon. Mr. GRAHAM: Honourable gentlemen, I am not quite sure that any good can be accomplished by continuing this discussion, nor am I sure that any has been accomplished so far. My honourable friend from New Westminster (Hon. Mr. Taylor) certainly is a friend of Colonel Cooper, and I should imagine from what he has said that he disagrees on some points with the Superintendent of Penitentiaries. I am not here with a plea for anybody in this matter. I know the Superintendent of Penitentiaries. Honourable members on the other side of the House should not dislike him, and I can say that I have always found him a very straight type of person. I have been condemned at times for being quite friendly with the whole Hughes family. They say things, but they also do things; that has been my observation for many years, ever since I played lacrosse with some of them.

My honourable friend from New Westminster stated that there was one document he had not received, and he knew it must be replete with atrocities or it would have been given to him. Like all fishermen, he says that the one fish he lost was bigger than any he caught; but I do not agree with him that he lost anything of importance by not having that document placed in his hands.

Hon. Mr. TAYLOR: Has the right honourable gentleman read the document?

Right Hon. Mr. GRAHAM: I do not know what document my honourable friend is talking about now. He talked about one that he had not in his possession and which he was sure would be bad—

Hon. Mr. TAYLOR: Would you permit me to tell what is in it?

Right Hon. Mr. GRAHAM: I think my honourable friend has told a good deal of what was not in it, and now he wants to tell what is in it. He should allow me to go on. He spoke for an hour and a half and I did not try to stop him.

Hon. Mr. TAYLOR: I think I am challenged by the right honourable gentleman when he says I have told him what is not in it. I say that is absolutely incorrect; that I have not told him what is not in it; and I would ask the privilege, when he sits down, of telling what is in it.

Right Hon. Mr. GRAHAM: My honourable friend can go right on now. I will give him the floor.

Hon. Mr. TAYLOR: The document that I received yesterday shows the action of Superintendent Hughes with respect to the inquiry for the identification of Colonel Cooper. Superintendent Hughes made to the Minister a most odious statement—that

Colonel Cooper had made to this insurance company a mendacious report, which, he said, was typical of all Colonel Cooper's reports. In the documents laid on the Table yesterday the Canada Life Insurance Company take upon themselves the whole burden of the error in the question to the Justice Department. They inform Superintendent Hughes that they are solely responsible for the reference to the Vancouver jail instead of the New Westminster penitentiary, and renew their request for a reply to their first letter. The Superintendent got that information about the time when he was making to his Minister the charge that Colonel Cooper had made a mendacious statement. So he had the truth in his possession about the very time he was making this charge to the Minister, and he allowed his own damning report to remain in that Minister's possession for one year after he had got the correction—which he never supplied to the Minister—and a year after Cooper was exonerated by the insurance company, the Minister innocently laid that false report of his Superintendent before Parliament.

I may have old-fashioned ideas about Parliament, but when I entered this Parliament I did not think the time would come when a right honourable gentleman, a Minister of the Crown, would say that there was no matter for consideration in an act of dishonour, deceit and treachery to one's own Minister, such as is indicated by that correspondence.

Right Hon. Mr. GRAHAM: I am glad that I allowed my honourable friend to make his statement, because it refers to a Minister of the Crown, which Minister, I presume, stands as high in this country as any man.

Hon. Mr. TAYLOR: I have made no reflection on a Minister of the Crown.

Right Hon. Mr. GRAHAM: I think if my honourable friend will read his remarks—

Hon. Mr. TAYLOR: I said the Superintendent made a false report which the Minister innocently delivered to Parliament.

Right Hon. Mr. GRAHAM: I did not catch the word "innocently." Perhaps I am wrong. I hope the honourable gentleman has said all that he has to say. I think it is well that nothing should be suppressed. For a man who is pretty violent in attack the honourable gentleman is very sensitive to any reply. But to that I do not object.

Now, I do not intend to go into these tea parties. I do not think this is a frivolous matter; it is serious, and we should treat it seriously. Some men are good subordinates but poor leaders. A large manufacturing concern, when it is called upon to select a manager, very often would like to select one of its own workmen, and many a time that has been tried, and occasionally it has succeeded. But there are thousands of splendid men, against whose character or ability nothing can be said so long as they remain in a subordinate position, but who lack the temperament to handle men who may be put under them. After hearing my honourable friend, that is the category in which I would place Colonel Cooper.

Hon. Mr. TAYLOR: On what evidence?

Right Hon. Mr. GRAHAM: On the evidence provided by my honourable friend.

Hon. Mr. TAYLOR: There is not a word to justify it.

Right Hon. Mr. GRAHAM: If my honourable friend will listen to me a few moments and be calm—

Hon. Mr. TAYLOR: What I am asking for is an inquiry.

Right Hon. Mr. GRAHAM: What I am saying is what I propose to finish. My honourable friend will not deny this: that that organization, as described by himself, was a hotbed of tattling, insubordination, and quarrelling. My honourable friend clearly proved that.

Hon. Mr. TAYLOR: No, not at all.

Right Hon. Mr. GRAHAM: I am submitting an opinion, Mr. Speaker, as the honourable gentleman did, and I intend to proceed. The tea party so eloquently described by the honourable gentleman from Pictou (Hon. Mr. Tanner) was merely the outcropping of what was taking place all the time. The officials were quarrelling—

Hon. Mr. TAYLOR: There is no evidence of that.

Right Hon. Mr. GRAHAM: The officials were tattling on each other—

Hon. Mr. TAYLOR: To the Superintendent.

Right Hon. Mr. GRAHAM: Now, Mr. Speaker, I suggest that my honourable friend should possess his soul as patiently as he can, because I intend to go right along.

Hon. Mr. TAYLOR: Surely.

Right Hon. Mr. GRAHAM: The documents read by my honourable friend prove that there was insubordination, that there was what might be called treachery, that there was quarrelling throughout the staff. One guard would complain to somebody about another guard sitting beside a prisoner. Perhaps it was not his business at all. But I want to take this incident which has been referred to so jocularly as a climax to the insubordination, the rivalry, almost the treachery, where men on the staff were quarrelling. It reached their families, and it was so bitter that it even broke out at a social gathering. Who will tell me that what existed among their families did not exist to a greater degree among the officials themselves? To my mind that is the real gist of the complaint against Colonel Cooper; at least it would be if I were Superintendent—that he was not able to maintain among the members of the staff what my honourable friend referred to in some correspondence as esprit de corps.

My honourable friend read a letter or a report of the Superintendent to prove Colonel Cooper an efficient officer. If my memory serves me, in that very report he referred to the lack of esprit de corps among the officials of the staff. This state did exist. The correspondence and the documents read by my honourable friend prove that it did exist. We should not have all this fuss if it had not existed.

Now, whom does one hold responsible, no matter how fine he is, for lack of discipline, lack of what might be called team work in any organization? The man at the head, who has the responsibility of that particular position. In a manufacturing establishment whom would you call to task for having one part of your organization pulling one way and another part the other way? You would go to the manager. He might say some person else did it, but the head of the concern would say: "You are the man who is responsible for giving me a good output in this industry, and for maintaining harmony among the staff, and if you cannot do that you are unfit for the position." And he might be one of the finest men in the world. I do say, after having read the correspondence fairly well, and after hearing my honourable friend, with his editing of the correspondence, which he did very strongly, that the complaint against Colonel Cooper of being inefficient in maintaining esprit de corps among the staff has been shown to be correct. Esprit de corps is necessary in any organization, but how much more necessary is it in an establishment such as a penitentiary.

Now, it seems curious, but information leaked out from that institution, apparently, almost to the man on the street. It was discussed. Things that should have been kept private and closely confined to the members of the staff could almost be picked up on the street. Men had no trouble in getting all this information about the penitentiary before the investigation, and after it.

Hon. Mr. TAYLOR: There is no evidence of that.

Right Hon. Mr. GRAHAM: My honourable friend makes strong statements. He had better read over his own speech carefully, even as he edited it.

Hon. Mr. TAYLOR: I repeat that there is no evidence.

Right Hon. Mr. GRAHAM: I say then that my honourable friend is not a good judge of what is evidence.

A good deal has been said of the fact that no record was allowed to be kept of this evidence. It does seem strange, but from what I have heard in this House and outside I am inclined to believe that any evidence, if it had been preserved, would have been known on the streets of Vancouver within two or three hours after the investigation; and that is a thing, above all others, to be abhorred where prisoners are being taken care of.

I am not going to discuss this matter any further, except to lay stress upon the fact that to judge from the remarks of my honourable friend and the reports that he has read of the condition in which the staff found itself—part pulling one way and part another, each disloyal to each—Colonel Cooper was not a man to be kept at the head of such an organization. I have discussed this matter with the Justice Department, and really cannot hold out any very great hope to my honourable friend that his request can be complied with. The Minister of Justice, knowing all the facts, is of the opinion that no good can be accomplished by a further investigation of this matter.

Hon. Mr. ROBERTSON: Does my right honourable friend suggest that he would dismiss the general manager of an industrial concern without a hearing, on the complaint of a subordinate employee?

Right Hon. Mr. GRAHAM: That does not appear to have been done. That is an academic question.

DIVORCE BILLS

FIRST, SECOND AND THIRD READINGS

Hon. Mr. WILLOUGHBY, for Hon. Mr. McMeans, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first, second and third times and passed:

Bill Z8, an Act for the relief of Edward Ernest True.

Bill A9, an Act for the relief of Glennville Wesley Potter.

Bill B9, an Act for the relief of Elizabeth Mitchell.

Bill C9, an Act for the relief of Edith May Enfield.

Bill D9, an Act for the relief of Lillian Elizabeth Barton.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

The Senate adjourned until Tuesday, June 4, at 3 p.m.

THE SENATE

Tuesday, June 4, 1929.

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

Prayers and routine proceedings.

DIVORCE JURISDICTION BILL

FIRST READING

Bill 75, an Act respecting the Domicile of Married Women in proceedings for Divorce.—Hon. Mr. McMeans.

CANADIAN NATIONAL MONTREAL TERMINALS BILL

FIRST READING

Bill 254, an Act respecting the construction by the Canadian National Railway Company of certain terminal facilities with grade separation and other works at and in the vicinity of the City of Montreal.—Right Hon. Mr. Graham.

SECOND READING

Right Hon. Mr. GRAHAM moved the second reading of the Bill.

He said: Honourable gentlemen, we have been for some little time expecting to receive this Bill here. It is one of great import, and is so wide-spread in its ramifications that I do not think we shall be able to discuss it properly in the House until we have dealt with it in Committee and obtained all the information possible from the railway officials who will be there. If honourable gentlemen are willing to postpone discussion until the third reading, I will move the second reading of the Bill, to be followed by a motion to refer it to the Committee on Railways, Telegraphs and Harbours.

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

PRIVATE BILL

FIRST AND SECOND READINGS

Bill 309, an Act respecting The Dominion of Canada Guarantee and Accident Insurance Company, and to change its name to "The Dominion of Canada General Insurance Company."—Hon. Mr. McGuire.

DOMINION ELECTIONS BILL

FIRST READING

Bill 313, an Act to amend the Dominion Elections Act.—Right Hon. Mr. Graham.

SECOND READING

Right Hon. Mr. GRAHAM moved the second reading of the Bill.

He said: Honourable gentlemen, there has been no amendment to the election laws since I came into the Senate, and I am not conversant with the procedure that is followed here in introducing a Bill of this kind. I understand that in another House this Bill was submitted to a special committee, and that the report they brought in was passed unanimously. If it is agreeable to honourable members, I will ask that the Bill be given the three readings to-day.

Hon. Mr. WILLOUGHBY: I suggest that the third reading be postponed, as I should like to look at the Bill. I do not anticipate that I shall have any objections to it, because it concerns the other House almost altogether.

Hon. Mr. McMEANS: Does the right honourable gentleman know anything about it at all? Can he give us any information?

Right Hon. Mr. GRAHAM: There are only two reasons for which we can be removed from our seat, and I have not studied the Bill carefully, for I thought it did not affect us; but I recognize that honourable gentlemen who wish to read over the Bill and give it consideration should have an opportunity to do so before it becomes law.

Hon. Mr. McMEANS: Under this Bill will it be possible to vote twice?

Right Hon. Mr. GRAHAM: Perhaps, if one is living in Manitoba.

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

QUEBEC CITADEL AND FORTIFICATION WALLS

INQUIRY AND DISCUSSION

Hon. P. J. PARADIS rose in accordance with the following notice:

That he will call the attention of the Senate to the dilapidated state of one of the Government properties at Quebec, namely the Citadel and the Fortification Walls that surround it; and will enquire of the Government what measures they propose to take to save from ruin and destruction this great national historic site and monument.

He said: Honourable gentlemen, every member of this Chamber will no doubt recollect that their Excellencies the Governor General and Viscountess Willingdon, shortly after their arrival in Canada, suggested the revival of an old custom by which the representatives of His Majesty had a "pied-a-terre" in the Citadel of Quebec. The Government endorsed this happy and patriotic suggestion, and recently completed restoration of a portion of the viceregal living quarters. Suitable facilities have been provided, so that Their Excellencies from now on will be able to sojourn for appreciable lengths of time in our ancient Capital. The citizens of the city of Quebec are, as a result, deeply appreciative both of the sentiment expressed and of the Government's co-operation; and they are acquiring new pride in the charm and picturesqueness of the Citadel, which crowns the eastern end of the Plains of Abraham and commands an inspiring view of the broad estuary of the St. Lawrence. New interest and appreciation are felt by citizens of other parts of Canada as often as they approach Quebec from across the seas and see our flag floating above these majestic battlements. Travellers from many lands, who are flocking to us in annually increasing numbers, are thrilled too by the same sight. The Citadel justly may be regarded as the Mecca of our greatest tourist trade.

Scattered over this Dominion were forts and other works that marked various military occupations and the progress of settlement. The ruins of many of those old places, some of which are now surrounded by thriving cities, are being restored and preserved in response to most commendable local sentiment. Where now stand the walls and turrets of Canada's only fortified city was played the drama of war that decided the future of our whole country. So we all may congratulate ourselves that our ancient fortress still stands, not a ruin but nearly complete in every wall, portal and embrasure. But close upon the completion of the restoration of the Governor General's quarters came the discovery that the walls of the fortress are falling into decay. As those walls support and form an integral part of the superstructure, including the restored portions, the whole will soon be beyond repair unless the Government has repairs made at an early date.

The earliest portion of the fortress was erected in 1645. The major portion of the outer walls was built, roughly speaking, one hundred years ago. I will not attempt to relate to you in detail the history of the early fortifications of Quebec. Suffice it to say, the first were erected in 1608, when Champlain surrounded his "habitation" close to the river bank with a rough protection known as a stockade. Montmagny, a little later, built a stone fort on the site of the present Chateau Frontenac, in order to protect the band of settlers from attack by the Indians. When he arrived in Quebec, Count Frontenac, Lieutenant-General of the French King's armies, saw that Montmagny's fortification was not strong enough to protect more than its immediate surroundings, and he stressed to his superiors the importance of immediately erecting fortifications powerful enough to command the river. But the Royal Departments in Paris were so slow to act that the inhabitants of Quebec started the work themselves. The King, however, was quick to realize the strategic importance of the site of this original fort. He saw clearly that the St. Lawrence river provided the only feasible means of access to New France, and he ordered the preparation of plans for an extensive and well-nigh impregnable fortress. These plans were faithfully carried out by Frontenac, de Lévis, de Champigny, le Vasseur de Néré, the Marquis of Beauharnois, Nicholas Bellin, Franquet, the Marquis de Vaudreuil and Pontleroy.

The British authorities, after the conquest, gave special care to strengthening this keystone fortress. Several works of a more or less temporary nature were built, and finally there was started a system of fortifications, to include both Citadel and walls, which was to become the strongest and most important in all America. This enterprise was carried out by such eminent men as Lord Townshend, Governor Haldimand, Major Holland, Engineer Hunter, and particularly Captain Twiss, then commanding officer of the military engineers in Canada, whose plans were afterwards executed by Lieutenant-Colonel Durnford and Colonel Mann. Under these men the fortress took its present form. It was begun in 1823 and completed in 1833, at a

total cost of $35,000,000, every dollar of which in that happy period possessed about ten times the purchasing power of a dollar of to-day.

This fortress, obsolete and useless for military purposes, but a priceless heirloom for future generations, has come to us, a royal gift, from the British authorities. To-day this colossal work, the construction of which did not cost Canada a single cent, this incomparable gem of our history, is threatened with destruction. Its dilapidated condition arouses our pity, and we are justified in asking the Government to take adequate measures before it is too late. In justice I must add that on divers occasions the Dominion Government has shown an interest. Its solicitude, however, has not yet produced sufficient results.

It is true that an appropriation of $50,000 is being provided for by the Department of National Defence in the supplementary estimates tabled in the House of Commons last night; and for this generous contribution I wish to thank the Government. This money will serve to take care of urgent repairs and help in restoring a wall, at St. John's Gate, which has become a public danger. But it is far from being sufficient for the purpose of complete restoration of the decaying fortifications. I am pleased, however, inasmuch as this appropriation sanctions the principle.

The municipality of Quebec is wholly unable to undertake the restoration of this, our national heirloom. The property is still under control of the Department of National Defence; but so great have been the changes in the arts of war that repairs to both the Citadel and the walls of the city cannot to-day be justified as a provision for the defence of the nation. One of our commissions of conservation might with more propriety be charged with this responsibility. The National Battlefields Commission has already, in fact, been suggested. But, according to the statute of 1908, creating it, the main object of that special Commission was to acquire by expropriation or otherwise the lands upon which the great battles of our history were fought, and to convert them into national parks to commemorate those historic events. Another Commission, the Historic Sites and Monuments Board of Canada, fortunately, has been in existence since 1919. It is composed of distinguished men, conversant with our history and well qualified to appreciate the inspirational value of these ancient walls. If empowered to do so, it could no doubt be relied upon to make a competent examination of the fortress, report upon its present condition, and advise the best ways and means for its preservation.

Hon. Mr. PARADIS.

Nearly a century has elapsed since the completion of the Citadel. Could Canada better celebrate that century than by providing, through legislation, for the preservation of these precious relics of the two civilizations out of which our nation has sprung? Mute testimonial of the toil of our ancestors, both English and French, these storied walls command the respect and veneration of every honourable gentleman in this Chamber. They recall the beginning and the early vicissitudes of that feeble band of our ancestors, in the very cradle of our nation, and the blood that was shed in fulfilment of the designs of Providence in the New World. They recall the daring expedition of Jacques Cartier, who passed the winter of 1534-35 near-by, in the Indian village of Stadaccna, and the crusades and martyrdom of our missionaries, who planted the Cross, from which have descended to us the blessings of a Christian civilization. They recall, too, the great Champlain, sailor, soldier and ruler, who gave stability and permanence to all that had gone before. These walls, if preserved in all their towering impressiveness above the great river, will remind future generations of the sacredness of the pact entered into between the vanquishers and the vanquished, the very foundation of our Confederation.

All these recollections are adorned with names that should be kept shining brightly in our history. Among those not already mentioned are Roberval, Laval, Talon, Callières, Phipps, Montcalm and Wolfe, Bougainville and Bourlamaque, Amherst, Lévis and Murray, Carleton, Arnold and Montgomery, Haldimand, Dorchester, Allsopp and many others.

I have aimed only to outline the wealth of historic background exemplified and commemorated by these old battlements. If documentary proof were asked of the priceless value of that wealth, I would refer you to numerous records in our national archives, and to countless facts set forth by our historians.

May I mention one history in particular? It is entitled, "Quebec under Two Flags," edited in 1903 by two eminent compatriots, A. G. Doughty and N. E. Dionne, and a chapter of it is devoted to these fortifications. It refers to a demand on the part of certain industrial interests of that time to demolish a portion of these walls. Time has now commenced to do what public sentiment of that time refused to permit. May I quote a few words from these gentlemen, which ring as true now as then?

It is impossible either to look back on this long and stirring history, or to look forward to the heritage of Quebec in future generations, without entering a strong protest against any scheme for throwing down the walls, or any portion of them.

It is true that they are not so very old, and that they lack the historic charm of containing at least some remains of the old French works. But, on the other hand, they are most interesting in themselves, and doubly so because they still mark the lines followed by those which existed in the days of Wolfe and Montcalm. Moreover, they have the priceless advantage of making Quebec absolutely unique among all the cities of America. It may be that if Quebec were to lose all claim to being the one walled city of the western world, she might still remain a queen among her sister cities. For her superb, unchallengeable throne was founded in strength and set here in beauty by Nature ages long ago. But it was Man who came and crowned her. And where the works of Nature and of Man have so perfectly combined in one befitting glory, it would surely be an abject desecration to discrown her now. For let it be clearly understood that the true disgrace of any such schemes lies in their very wantonness. Of course necessity knows no law; and of course everything must accommodate itself to its surroundings in the struggle for existence, or die out. We all know that. And of course if war should ever require the destruction of the present walls, then they must be destroyed. And, equally of course, if peaceful traffic should ever really require it, then they must disappear just the same. But, as a matter of certain fact, neither war nor peace requires any such sacrifice at all. Modern defences would be far away from the city; and the walls around it could not do any harm, and might conceivably do good. And, as for peaceful every day traffic, it already has all the natural outlets that it requires, and can pass freely to and fro at will, without let or hindrance, inwards or out. Indeed, it may be truly said that the walls are now no more of a material barrier to traffic to-day than their memory would be, should they be wantonly thrown down to-morrow. But the greatest plea in their favour is that they are the living symbols of a glorious past, in which the honours of war were equally divided between French and English, and for the living monument of which, therefore, French and English alike should stand united. The waterfront is the same from which Frontenac hurled steadfast defiance at the discomfited fleet and army of England; and the landward face follows the same line of defence which stood there when the two greatest masters of the art of war ever seen in Canada fought for the dominion of a continent—the profound and aspiring Wolfe, and the equally great, though unfortunate, Montcalm.

And so these present walls really stand as a link between the twin honours of two gallant races, as well as what should be a perpetual link between present, past and future.

And their own mute appeal is more eloquent of all living honour than all the vain words that might record them after they had disappeared forever.

I hope that these words, so much more eloquent in their appeal than any I could utter, will induce all members of this House, regardless of party, to join in bringing this non-partisan matter to the immediate attention of the Government.

Upon none of the honourable gentlemen opposite do I rely more strongly than upon my friend from Grandville (Hon. Mr. Chapais), the learned author of several inspiring works on Canadian history, and the distinguished lecturer at the University of Laval.

Should we of this Chamber, who are all charged with some responsibility for instilling in coming generations a pride in our glorious history, not do our utmost to see that this greatest of all our monuments is made to resist the attacks of time?

Hon. J. S. McLENNAN: Honourable gentlemen, it gives me great pleasure to congratulate our honourable colleague who has just taken his seat, on the important matter he has brought to the attention of this House and the Government, and its great historic influence. No other place that exists to-day as a living city has connected with it so many distinguished and truthfully historic memories as Quebec. Scarcely anywhere in Europe, and certainly nowhere else in America, has nature combined with the work of man to make a city more picturesque, or more appealing to those who visit it.

In the preservation of our historical monuments the Canadian people, whatever be their racial origin, must unite in a desire to safeguard for future generations what has been left to us by the past.

In connection with the honourable gentleman's appeal to the Government, I would call the attention of even the more erudite of our members, and of historians, to the fact that in Cape Breton there stands a citadel, with some vestiges of a town which in its time was as important as Quebec; I mean Louisburg. It was a town that the Government of France had fortified more strongly than they had fortified Quebec, and when the two nations engaged in their final struggle for the possession of North America it was as strongly garrisoned. I will not say much about generalship, but as regards bravery, there was as much displayed on both sides there as on the Plains of Abraham. It was at Louisburg that Wolfe for the first time showed those qualities of leadership, of care for his men, and of burning enthusiasm which later he displayed at Quebec. His death at Quebec made that city prominent in the public mind, but his services there were no more important than those which he gave at Louisburg, in the opinion of the people who have made military history their study.

Louisburg was the first place in North America to have a fire-proof lighthouse. One was built there about 1735. I have ascertained that there was no hospital larger, better or more important in the whole of North America than there was at Louisburg about 1730. The trade of the town was so great that it excited the envy, animosity and fear of the more populous colonies of Great Britain, and pamphlet after pamphlet was written to the people in the Old Country who were engaged in the colonial trade, pointing out how the French were driving them out of the market for the fish of the North Atlantic, which in the middle of the eighteenth century was the only really important commodity in the trade with North America; and the controversy on that subject led to two wars.

Louisburg has another claim to attention from those who study the development of peoples. It was at Louisburg that the raw levies of New England, engaged in what seemed to be a madman's scheme, first met and fought against trained troops, the French regulars. They captured the town. That success gave the New Englanders and the other colonies that confidence in themselves which had such stupendous results when they took to arms in what proved ultimately to be the Revolution.

It is a matter of minor incident that Louisburg was the only American port that was ever touched at by East Indiamen going around South America. On the economic side there was at Louisburg the enormous success in the fisheries of which I spoke. It was the entrepôt where vessels from Quebec and the West Indies, and smuggling vessels from the New England colonies, carried on a trade. So solid was that trade, and so well balanced, that Louisburg, I think, was the only place on the continent of North America that never had to resort to paper money.

I had not intended to speak this afternoon, and I certainly do not intend to continue these desultory remarks, but I should like to ask the right honourable leader of the House if he would request the Government to take into consideration as promptly as possible the desirability of seeing to it that on the land that they have acquired on the site of Louisburg for historical purposes no further dilapidation takes place. Little by little are disappearing those vestiges which, if not equal to those at Quebec, are certainly very valuable, in our opinion, from the standpoint of historic merit. It is a great site of what in its time was a stupendous place in a military as well as in a commercial way, and in the development of what is now Canada, and all that took place there was of equal credit to one side and the other.

Hon. H. S. BELAND: Honourable gentlemen, I may be permitted to add a few words of congratulation to my honourable friend from Shawinigan (Hon. Mr. Paradis) for having presented in so able a manner the case, as I would call it, of the old Citadel and the old walls of Quebec. His speech—which I think is his maiden speech in this House—has attracted, deservedly, the closest attention on the part of honourable members. Had the Government not already decided to appropriate a certain amount of money as provided for in the supplementary estimates that were laid on the table yesterday, I am certain that the brilliant speech of my honourable friend would have carried conviction to the Government that something must be done.

Some say that ours is a century of high civilization; others, less enthusiastic, and less ready to yield to the idea of modernizing the most venerable and ancient things, express the view that our age is rather an age of vandalism. It is likely that the truth lies between these two extremes and that in this instance, as in many others, the old motto finds its application—in medio stat virtus.

Quebec enjoys the unique distinction of being the oldest city on this continent. Within and without its walls, and in the walls themselves, can be found the vestiges of a century that is long gone. Quebec is the gateway of the inner part of the continent. It was so recognized by the hardy adventurers, Jacques Cartier and Champlain. It is to-day readily admitted to be so by those visitors from Europe who, having crossed the Atlantic and sailed up the St. Lawrence, behold suddenly, as they turn the Island of Orleans, the majestic beauty of the promontory of Quebec and its Citadel.

Whether or not we share these views, or are in sympathy with the customs, usages, systems or policies of three centuries ago, matters little. One thing is certain: the preservation, the conservation of these old Quebec walls, of this Citadel, can only imbue the soul of every Canadian with a deep sentiment of admiration for our ancestors. Artistic beauty and indomitable energy are written in letters of stone which the remorseless action of time will be indeed very slow to deface. It is now proposed to arouse again the attention of the powers that be in order that these historical beauties may be preserved, not only for us, but for those who will come after us. The exigencies of modern life, of tourism, of commercialism,

have, much to my regret, caused the disappearance of many of the old features of Quebec. Enough, however, remains to be admired, and we in this Chamber, who, I should say, partake of the past at least as much as we do of the future, will be ready to recognize and proclaim that more admirable in the city of Quebec than the new artificial features of her complexion is the gray hair that has remained.

Be that as it may, the action of my honourable friend from Shawinigan (Hon. Mr. Paradis) is to be highly commended. He has already succeeded in securing something for the preservation and conservation of those beauties. He hopes that every honourable member in this House will join with him in pressing the Government towards some action which will perpetuate those walls and those monuments, that their silent language, so eloquent, may penetrate the souls of the Canadian people, irrespective of the province from which they hail or the tongue they speak, and that language may be forever spoken to the young giant, Canada.

Hon. THOS. CHAPAIS (translation): Honourable gentlemen, I had not intended to speak this afternoon on the subject of this inquiry. But the sympathetic allusion made to my humble self by our honourable colleague has rendered it almost necessary for me to say a few words. And I have thought that perhaps this would be a fitting occasion on which a few words in French might be heard in this Chamber. Besides, several of our English-speaking colleagues, I am aware, understand French.

I am glad to re-echo the sentiments expressed by the honourable Senator for the division of Shawinigan (Hon. Mr. Paradis). The fortifications of Quebec are certainly a national monument, and it is the duty of the Government of this country to do all that is required in order to conserve and, at need, to restore them. Quebec has been the cradle of the Canadian nation. There it was that Champlain planted the seed of a Christian civilization. There it was that in later years those great battles were fought which shaped our destinies and from which our existing institutions have sprung. The walls that surround our old city awaken the most glorious memories. They are pages of history—history of which both sides may well be proud.

Other places in Canada have also their memories. Our honourable colleague from Sydney (Hon. Mr. McLennan) told us something, a little while ago, of the ruins of Louisburg, that famous outpost of France on the Atlantic coast of North America. Those ruins he has reconstructed in the fine book he has devoted to them, and on which I congratulate him. They form part of that treasure of historic monuments which it is our duty to defend against the ravages of time.

From those ravages of time, as we see by the supplementary estimates, it is the Government's desire to preserve the fortifications of Quebec. All right-minded people will encourage it to persevere in this direction. The proposed vote for this year is $50,000. May I express the hope that it will be repeated, if not doubled, next year, and so on from budget to budget, until the work of restoration is accomplished.

These monuments, these ramparts two centuries old, recall to our minds the efforts, the struggles, the sacrifices, the heroism of those who have gone before us. To one side belongs the honour of founding and creating; to the other the honour of continuing and bringing to completion. After their armed conflict they became engaged in a co-operative effort in the pacific arena of progress. United, they form the Canadian nation, for which we foresee so glorious a future.

Once more I congratulate our honourable colleague on his initiative, which, I am certain, will help to insure the success of the work of restoration that he has in view.

Hon. W. A. GRIESBACH: Honourable gentlemen, I am sure we all have listened with much pleasure to the eloquent and interesting address of the honourable member from Shawinigan (Hon. Mr. Paradis), and we all feel that the subject introduced by him is a most timely one. I agree with him and with other honourable gentlemen who have spoken that it would be a shocking thing if this ancient fortification at Quebec were to fall into disrepair. Enough has been said about the historical side of the matter to bring out into bold relief the fact that the Citadel stands as a milestone in our national history, and that much inspiration is to be obtained from a consideration of the story of those old walls which date from the remote past.

The Citadel at Quebec might be discussed briefly under three heads. First of all consider it as a fortress. It has been said, and I suppose it will be generally agreed, that it is no longer worthy of that term within its modern meaning. No doubt it ought to be abandoned and the flag hauled down, because if a war were to break out while a garrison were there the place would serve no other purpose than to draw fire upon the more or less indignant inhabitants of Quebec. So it ought to be evacuated as a fortress without

much delay, for that reason, as well as for the fact that it is not a very comfortable barracks for soldiers.

Considered as a residence for the Governor General, it is as good as it may be. I think it was generally agreed when this subject was under discussion last year or the year before in another place, that it was desirable from a romantic and sentimental, as well as a political point of view, that their Excellencies should live for a portion of each year in the Ancient Capital.

It is, however, as a national monument, or rather as a historic site, that we look upon it now. It is undoubtedly a historic landmark, and, as I said at the beginning, it would be a shocking thing if the people of Canada stood by with their hands in their pockets and saw this magnificent old fort fall into disrepair.

But there is a practical side to the question, and I should like to draw attention to that. This is not the first time I have heard the matter discussed. Some months ago while in Quebec I met some people who were interested in the subject, and I gave them an idea which I shall now give to the House. As an interesting historic site the Citadel plays, and will continue to play, a large part in the tourist trade. Visitors from the United States are particularly interested in things that are old. They preserve very few relics of bygone days in their own country, their tendency being rather to look to the future. So these old historic fortifications are the centre of much attraction to travellers from the other side of the line, and the resulting tourist business is of distinct advantage both to the Province and the City of Quebec. I gravely doubt whether the present Government, or any Government, would be prepared, from a political point of view, to spend large sums of money upon the preservation of historic sites. They will build a monument here and there, put up a brass plate here and there, acquire some cheap land here and there, but it is not politically a sound principle to undertake the preservation at great expense of a large—and, from a utilitarian point of view, useless—mass of masonry, merely as a historic landmark. Regardless of how sympathetically any Government may look upon the question, it is my opinion that no administration would be prepared to advance the large sums of money necessary for such a purpose.

But, having regard to the benefit that would accrue to the City and the Province of Quebec through the interest of tourists in these ancient military works, it occurs to me that if these beneficiaries would be prepared to assume a portion of the necessary cost, then the Government might agree to contribute—

to a greater extent than the City and the Province, of course; and I believe there would be a better chance then of receiving the approval of Parliament than if it were proposed to put the whole burden on the federal treasury. I say that because I come from a remote part of Canada where we have no ancient monuments, where many of the people are not interested at all in things that belong to the past and are apt to raise their voices against the assumption by the Government of an undertaking of this sort unaided by the chief beneficiaries. If, as an evidence of their interest, the City and the Province of Quebec would signify their intention to contribute towards the total cost of necessary repairs and maintenance, I think that from a political point of view the Government would feel on much safer ground in asking for an appropriation, and it is likely that a much larger sum would be voted by Parliament than if such assistance were not forthcoming. That is the proposal which I made to those I met in the City of Quebec, and in renewing the suggestion here I wish to be understood as firmly convinced of the importance of maintaining this ancient monument in the best possible state of repair.

The honourable gentleman from Lauzon (Hon. Mr. Béland) has very eloquently pointed out the strong modern tendency toward materialism and vandalism in this country, and the consequently urgent necessity for the steadying influence and spiritual benefit that are to be derived from consideration of venerable landmarks. I am entirely in agreement with that sentiment. I wholeheartedly support those who advocate the maintenance in a reasonable state of repair of the Quebec Citadel and fortifications, and I suggest to those who are earnest in sponsoring governmental action in the matter that they should be politic and use guile, if necessary, with a view to having offers of financial assistance made by the City and the Province of Quebec.

Right Hon. G. P. GRAHAM: Honourable gentlemen, when I saw this resolution on the Order Paper I little dreamed that we were to be treated to such eloquent speeches as we have had this afternoon. I should like to congratulate one of the new members of the Senate (Hon. Mr. Paradis) on the eloquence and earnestness of his address. My honourable friend from Grandville (Hon. Mr. Chapais) has a particular right to speak on this matter, because he is a son of one of the Fathers of Confederation. I well remember that one of the most eloquent and forceful addresses during the celebration of the Jubilee

of Confederation was made by him. No one has done more for Canada in a very practical way than the honourable gentleman to my left (Hon. Mr. Béland), and the honourable gentleman from Edmonton (Hon. Mr. Griesbach). They displayed high courage and true patriotism during a crucial period of our history, and their addresses on a subject of this kind are entitled to our most careful attention and consideration.

No Canadian can tread the streets of the old City of Quebec without being thrilled. He realizes that he is in a place where a very important part of our history was made. Affection and veneration for these old historic sites are embedded in the hearts and minds of us all. I sometimes think that until recent years, at least, we have been neglectful of many of the old reminders of our past. As a boy and as a young man going to school I learned all about all the mountains, rivers, capes and capitals of Europe, the United States and other countries, but very little about Canada. Even yet few histories of this great Dominion have been published that are suitable for study by our young people. But despite the slight attention that has been paid to it, Canada has a thrilling history, and my honourable friend from Shawinigan (Hon. Mr. Paradis) has brought some of it to our minds to-day.

The Citadel at Quebec is not a memorial of the conquering of one race by another. We ought to look upon it as an everlasting reminder that on the Plains of Abraham was laid the foundation of the Dominion of Canada, whose people are composed of two principal races and several others. I have been impressed by the view that in teaching history to our young people we should be careful to keep before them not so much the details of old battles as the fact that French and English speaking people have been united here for all time as Canadians and British subjects.

Now, what are we to do with these old fortifications which stand as mute testimony of Canada's foundation and development? It seems to me we are all agreed they should be kept in a good state of repair, in order that our young people may continually have before them these authentic factors in the history of their own country. My own view is that these fortifications should be kept as far as possible in a condition representative of what they mean, rather than have modern fandangles added to them. The honourable gentleman (Hon. Mr. Griesbach) has made a suggestion worthy of consideration, and I shall refer to it in a moment or two.

My honourable friend from Sydney (Hon. Mr. McLennan) has spoken of Louisburg. I may be old-fashioned, but I believe that we ought to do something to maintain all these old historic sites. We can read books and look at maps, but there is nothing so convincing of the early story of our country and the origin of our people, of what we have been and are trying to be, as these old landmarks of days that are gone, where our forefathers stood four-square and fought and died for what they considered to be the right. Some of them were victorious and some were not, but as a result of their combined sacrifices we have in this country to-day a virile nation. We should endeavour to forget the differences of the past and remember only that we now are a united people striving to push forward to still greater achievements.

I am not a member of the Government, but it informs me that from 1901 to 1916 about $500,000 has been expended on repairs to the Citadel and fortifications at Quebec. After the war the small amounts that were granted for this work were insufficient to maintain the walls in a good state of preservation. There is in contemplation just now a movement among the Federal Government, the Province of Quebec and the City of Quebec to ascertain if it is possible to arrive at some basis upon which this old historic and beautiful spot may be maintained in practically its original state. In Canada we have various bodies, such as the War Graves Commission, the Historical Society, and the Battlefields Commission, whose duties are to attend to the preservation of certain things specially committed to their care. So far as I can ascertain, all these bodies are well conducted. It is being considered now whether it would not be wise to have a commission composed of representatives of the Province of Quebec, the City of Quebec, the Federal Government, and perhaps of the Town Planning Commission of the City of Quebec, whose special duty would be the preservation of the Quebec Citadel. It has been suggested that the Federal Government might well contribute 40 per cent of the expense involved in such preservation, the City of Quebec 30 per cent, and the Province of Quebec the remaining 30 per cent, but this is only a suggestion and I do not know what has been done towards its realization. However, in a most sympathetic manner I shall call the attention of the Government to the addresses made here to-day on this national question, and I feel confident that something will be done to bring about the accomplishment of the desires that have been expressed for the preservation of these old fortifications.

CANADIAN NATIONAL MONTREAL TERMINALS BILL

Before the Orders of the Day:

Hon. G. D. ROBERTSON: May I remind honourable members that in accordance with the suggestion of my right honourable friend the acting leader of the Government (Right Hon. Mr. Graham) the first and second readings were given to-day without discussion to the Montreal Terminals Bill, in order that it might be referred promptly to the Railways Committee. That Committee meets to-morrow morning at 10.30 in the House of Commons Railway Committee room, and I should like to suggest that not only all members of that Committee, but all honourable gentlemen who can possibly do so, should attend in order that they may see the exhibits that are there and hear the explanations of National Railways officials on this great project, so that when we deal with it in the House we may, as far as possible, have accurate and personal information on the subject.

INVESTMENT COMPANIES BILL

REPORT OF COMMITTEE

Hon. Mr. WILLOUGHBY moved concurrence in the Report of the Standing Committee on Banking and Commerce to whom was referred Bill V3, an Act respecting Investment Companies.—Hon. Mr. Black.

He said: Honourable gentlemen, the honourable Senator from Westmoreland (Hon. Mr. Black) informed me that he was going home to-day, and if the right honourable the acting leader of the House (Rt. Hon. Mr. Graham) has no statement to make, I can tell what was done with regard to this Bill, which, in the absence of the honourable leader of the Government (Hon. Mr. Dandurand), was the particular charge of the honourable member from De Salaberry (Hon. Mr. Béique).

Most of the unimportant amendments that might have come under this Bill are embodied in the Companies Bill, and this Bill, I understand, will not be proceeded with this Session. I believe, however, that it is the intention to introduce this or a similar measure next year. The report before us contains merely the recommendation that the Bill be not proceeded with this year. I move the adoption of the report.

The motion was agreed to.

GREAT LAKES AND ATLANTIC CANAL AND POWER COMPANY

REPORT OF COMMITTEE

The Senate proceeded to consider the eleventh report of the Standing Committee on Standing Orders, with respect to the petition of the Great Lakes and Atlantic Canal and Power Company, Limited, praying for the passing of an Act authorizing it to construct a deep waterway, and for other purposes.—Hon. Mr. Tanner.

Right Hon. Mr. GRAHAM: The honourable gentleman in whose name this report stands has also gone home, I think.

Hon. Mr. WILLOUGHBY: Yes, he has gone.

Right Hon. Mr. GRAHAM: I have expressed the view that no matter what may be the merits of this proposal, it would be useless to proceed at this Session, in the hope of examining into it even cursorily. Therefore, if the Senate has no objection, I would suggest that we do not proceed further with it this Session.

Hon. Mr. ROBERTSON: In reply to the suggestion of my right honourable friend, I may say that the House, so far as I know, has no knowledge of the proposals referred to. I can see no harm whatever in the Bill being given first reading. If, through lack of opportunity to deal with it, it proceeds no further, well and good. But inasmuch as the Committee has reported that the petition is in order, it would seem discourteous to the promoters to decline to give the Bill the first reading without even letting it become a matter of knowledge and consideration before the House; therefore I would ask my right honourable friend to allow the first reading of the Bill.

The Hon. the SPEAKER: I would point out that the question before us is the adoption of the report.

Hon. Mr. ROBERTSON: I appreciate that, Mr. Speaker, but the Bill cannot be introduced until the report is adopted.

Right Hon. Mr. GRAHAM: I do not want to be discourteous, and I do not mind our giving the Bill the first reading on the understanding that the second reading will be postponed for quite a long period.

Hon. Mr. ROBERTSON: I quite agree with that, and if we find that the Bill is of such a nature that it is going to take up time, it may properly stand over. My thought, however, was that after the Committee had made a report to the effect, as I understand it, that the Bill is in proper form to be considered, the Senate would be acting very differently from what it usually does if we refused to permit introduction of the Bill and did not give it its first reading.

Right Hon. Mr. GRAHAM: Let somebody move on behalf of the honourable gentleman from Pictou (Hon. Mr. Tanner).

Hon. Mr. ROBERTSON: I move concurrence in the Committee's report.

The motion was agreed to.

DIVORCE BILLS

FIRST, SECOND AND THIRD READINGS

Hon. Mr. COPP, for Hon. Mr. McMeans, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first, second and third times, and passed:

Bill E9, an Act for the relief of Kenneth Blackwood Gibb.

Bill F9, an Act for the relief of Edith Spencley.

Bill G9, an Act for the relief of Annie Farrow.

Bill H9, an Act for the relief of Evelyn Mae Warren.

Bill I9, an Act for the relief of Lewis Coit Dargavel.

Bill J9, an Act for the relief of Vera Maud Gendron.

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

THE SENATE

Wednesday, June 5, 1929.

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Bill K9, an Act respecting the Great Lakes and Atlantic Canal and Power Company Limited.—Hon. Mr. Lessard.

78600—23½

DIVORCE JURISDICTION BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. L. McMEANS moved the second reading of Bill 75, an Act respecting the Domicile of Married Women in proceedings for Divorce.

He said: Honourable gentlemen, the Bill which is now before the House has been brought here as an orphan, and has been left on my doorstep because I am Chairman of the Divorce Committee. My idea in becoming the foster-father of this Bill is to give the Senate every opportunity of discussing it.

The Bill provides for a radical departure from the well established principle of British law that the domicile of a married woman is that of her husband; that is, that a woman seeking a divorce must apply to a court having jurisdiction where her husband is domiciled. In a case where a woman living in the Province of Alberta endeavoured to get a divorce from her husband, who was domiciled in another province, it was held by the Privy Council, the highest judicial authority in the British Empire, that the Alberta courts had no jurisdiction. This Bill is framed for the purpose of meeting such cases of hardship as that of a wife whose husband has deserted her and by moving to another jurisdiction has changed his domicile. It would be very difficult for her to obtain relief, because in order to apply to a court having jurisdiction, she would have to follow her husband to the place where he is domiciled at the time of her application for divorce. This Bill is intended to give a separate domicile to a married woman who has been deserted by her husband and has lived separate and apart from him for two years, so that she may obtain relief, if entitled to it, in the province in which she was deserted, or in which she has taken up a new domicile.

The question of domicile has always been an extremely difficult one to determine, because it does not mean simply a change of residence. Positive proof must be given that any change of residence is a permanent change. I think it is laid down in Halsbury's Laws of England thus:

> The presumption of law is almost always against a change of domicile, which must in every case be proved with perfect clearness by the person alleging it.

This statement of the law has been adopted in our own courts, and is also the law that prevails to-day in England.

The only possible objection that I can see to the Bill—and it is probably not worthy of much attention by this House—is that it

does not define how a woman is to determine her domicile. Although she has been deserted by her husband, has lived separate and apart from him for two years, and moves to another province, she may have some difficulty in proving that that particular province is her domicile. However, the courts would settle that point if it should ever be raised, as I think is very unlikely.

There is another feature of the measure which I think I should bring to the attention of the House. A divorce granted by a court in the province where the woman has a domicile separate from that of her husband would not be binding in any other country except where a similar law prevails. That is, if a woman domiciled in the Province of Manitoba obtains a divorce there, and her husband is not living there, that divorce will not be recognized by the courts in England or in any other country which has not a law similar to ours.

Hon. Mr. GRIESBACH: Where is the law on that?

Hon. Mr. McMEANS: The honourable gentleman will find it by looking it up. I can say without fear of contradiction that that is the law. If my honourable and learned friend has any doubt about it he will have an opportunity of verifying it by reference to the authorities. It is very plain. There are several States in the United States in which a married woman may acquire a separate domicile, but if she obtained a divorce there by reason of the fact that she has a separate domicile, the divorce would not be binding in a country where a similar law does not prevail.

In view of all these facts, I think that a woman whose husband has deserted her and gone away, and who has been living apart from him for years, is entitled to maintain an action against him and secure a divorce in the province in which she is domiciled. I therefore have no difficulty in my mind in supporting the Bill. I have brought these facts to the attention of the Senate so that it may deal with the question in such a way as it thinks proper.

Hon. Mr. GRIESBACH: The Bill is all right as far as it goes, but I want to ask the foster-father whether the law as to domicile, as he has stated it, is the law which governs divorces granted by the Senate. That is my first question.

Hon. Mr. McMEANS: I have no difficulty in answering that. Of course an Act of the Parliament of Canada would be binding anywhere, in my judgment, but a decree of a court is a different thing from an Act of Parliament.

Hon. Mr. GRIESBACH: I wanted to be clear on that point. Then, as to the Bill, it seems to me that if we are going to pass a measure of this sort we ought to complete the job and decide what constitutes the acquisition of a domicile. The word "domicile" is used, and the honourable foster-father of the Bill expresses some doubt as to how domicile is to be acquired. I should object to passing a Bill which upon the face of it is open to doubt, unless we could clarify it now. Surely it would be possible to amend the Bill so as to set out that a woman has her domicile in the province in which she resides and has been residing for a certain period. If we pass the Bill as it is, we leave it to the courts of a province in which there is jurisdiction to grant divorces to determine just what is to be considered as domicile under this Act. I think the foster-father of the Bill might consider that aspect of the case, and make an amendment.

Hon. Mr. McMEANS: In answer to my honourable friend, I do not see how the Bill could be amended to provide for a case of that kind, which is entirely a matter of evidence. It is a question of fact whether she has changed her domicile or not, and it is for the court, or for anyone who tries the case, to say whether she has established her domicile. If she has bought a home or owns other property within a new jurisdiction and has been living there and is carrying on business there, I should consider that a change of domicile; but if she went there temporarily, never intending to remain there, then it would be an open question whether she had acquired a new domicile or not, and it would be purely a matter for the court to decide from the facts given in evidence.

Right Hon. Mr. GRAHAM: Honourable gentlemen, may I suggest that honourable gentlemen who wish to discuss this Bill on the second reading should do so now, as the honourable senator from Toronto (Hon. Sir Allen Aylesworth) intends to move the adjournment of the debate. He wishes to read what has been said in favour of the Bill, in order to discuss it.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, I am not going to add anything to what has been said by the mover of the Bill, as to the propriety of passing it. I am in favour of a Bill to provide for the wife acquiring the right of domicile. I might, however, remind honourable members of action

that the Senate has already taken on a Bill which I presume is forgotten, perhaps even by the older members who have not had to do with divorce.

In 1920 the late Senator Ross, of Middleton, brought in a Divorce Court Bill applicable to the provinces of Ontario and Prince Edward Island, and it passed this House. The language of the Bill was very much the same as that of the Bill which this House passed last year. In addition to that, Senator Ross brought in a Bill for the dissolution and annulment of marriage, which embodied some provisions of the common law and some provisions, differently phrased, of the English statutory law, the Matrimonial Causes Act. The measure introduced by Senator Ross, Bill J of 1920, enumerated the grounds upon which divorce might be granted, and contained this clause:

5. For the purposes of any proceedings to dissolve a marriage or to annul a marriage, if the petitioner or applicant is a married woman her domicile shall be determined by the same laws and rules as apply to the determination of the domicile of a man, and the law or rule that the wife's domicile is that of her husband shall not apply.

This House, as I say, has already committed itself to that principle. Bill J was a general divorce Bill. It abolished the right of a co-respondent under the English law to join issue, and provided for the passing of a decree nisi in the first instance and its becoming absolute at the end of six months. It also prohibited the publication of the evidence in divorce suits. Some honourable gentlemen will remember, with regard to a sensational case from Montreal which was even more sensationally reported in a paper there, that it became necessary to devise a remedy in order to preserve the dignity of this House. That remedy is now to be found in a clause of the Criminal Code which prohibits the publication of reports of our Committee without, I think, the consent of the Speaker first having been secured.

Bill J passed this House without any very serious objection, and, along with Bill I, was sent to the House of Commons, where it was placed in the hands of a distinguished member. It received its first and perhaps its second reading—as to the latter I am not sure—but owing to the absence of its sponsor, who was attending to other engagements, it was dropped from the Order Paper, the then Minister of Justice not being a very strong supporter of divorce legislation. When an effort was made to restore the Bill the Minister of Justice did not facilitate the move, and it disappeared from the Order Paper entirely. Since that time the gentleman who had charge of the Bill in the other House has more than once assured me of his belief that had the Bill come before the House in 1920, it would have passed. As to that I make no statement at all, although I think that at that time we were very near to having a more extended law in respect to divorce than was proposed in the Bill that I later had the honour of introducing in this House.

Now that I am in a gossiping mood, I may say that I have read in the newspapers that the Anglican Synod of Toronto, which was supposed to be very much opposed to divorce, passed by a vote of 82 to 10 or 12 a resolution in favour of the establishment of a divorce court in Ontario.

Hon. Sir ALLEN AYLESWORTH: Honourable gentlemen, I was not in the House yesterday, but I see from the Minutes that this Bill came from the House of Commons and was, by leave of the Senate, placed on the Order Paper for second reading to-day. Because it comes before us under circumstances that seem a little unusual, and because, if it becomes law, it effects a very radical change in the principles which underlie our law, I for my part do not feel prepared to go on with the discussion of the measure to-day. I wish therefore, if there is no serious objection, to move the adjournment of the debate.

The debate was adjourned.

DIVORCE BILLS

FIRST, SECOND, AND THIRD READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first, second and third times, and passed:

Bill L9, an Act for the relief of Lillian Ainsworth.

Bill M9, an Act for the relief of Sarah Berkovitz.

Bill N9, an Act for the relief of George Frederick Wilson.

Bill O9, an Act for the relief of Roy Franklin Beattie.

Bill P9, an Act for the relief of John George Laney.

Bill Q9, an Act for the relief of Albert Nott.

Bill R9, an Act for the relief of John Thomas Legge.

Bill S9, an Act for the relief of Isabella Henderson.

Bill T9, an Act for the relief of Emil Henry Hornburg.

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

THE SENATE

Thursday, June 6, 1929.

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

Prayers and routine proceedings.

PRIVATE BILL

THIRD READING

Bill 309, an Act respecting The Dominion of Canada Guarantee and Accident Insurance Company, and to change its name to "The Dominion of Canada General Insurance Company."—Hon. Mr. McGuire.

INTERPARLIAMENTARY UNION

REPORT OF CONFERENCE

On the notice:

By the Honourable Mr. Belcourt:—
That he will call the attention of the Senate to the 25th Conference of the Interparliamentary Union held in the City of Berlin, Germany, on the 23rd day and subsequent days of August, 1928, and to the proceedings thereof and the resolutions adopted.

Right Hon. Mr. GRAHAM: Honourable gentlemen, we all regret that the honourable gentleman from Ottawa (Hon. Mr. Belcourt) is still indisposed, and hope that very shortly he will be restored to complete health. In view of his absence he has asked me by letter this morning to secure the indulgence of the Senate in order to place on record a report which he has prepared concerning the meeting of the Interparliamentary Union in Berlin in August last. He points out that as head of the Canadian branch he is charged with the duty of presenting the report and resolutions to Parliament at its first subsequent session. I would therefore ask permission to place this report on record as though the honourable gentleman had delivered it.

The motion was agreed to.

Following is the report submitted by Hon. Mr. Belcourt:

Honourable gentlemen, as President and delegate of the Canadian group of the Interparliamentary Union, it was a duty and pleasure for me to attend and take part in the 25th Conference of the Union, which was held in the City of Berlin, Germany, on the 23rd and following days of the month of August, 1928; and it is now my duty, under the rules governing each national group, to acquaint the Parliament of Canada with the proceedings had and the resolutions adopted at this Conference.

It is a matter for congratulation, I think, that the membership in this institution, both as to national groups and individuals, is increasing yearly in number and importance, attracting greater attention and producing larger co-operation throughout the world. This is also true of our national group, wherein the majority of the members are recruited in this honourable House. At the various conferences the Senate generally provides the larger number of the representatives from Canada. This, to my mind, is as it should be, since Senate members have more leisure and opportunity for international co-operation.

It is also noticeable that the members of the Upper Houses in Europe and America take a greater interest in the work of the Union. I hope I may be permitted to take advantage of this occasion to again urge the members of this honourable House to join the Canadian group of the Interparliamentary Union. All parliamentarians and ex-parliamentarians are eligible, and upon becoming members are entitled to receive the publications of the Union, including the full and complete annual report of the proceedings of its Conference, and are thus afforded very valuable information not easily obtained elsewhere.

Whilst the Union is not an official body and has no authority or power to enforce its decisions, beyond the pressure on public opinion which its constant and protracted study of matters interesting the whole civilized world permits it to exercise, it serves international needs in a very substantial manner. Its decisions are communicated from time to time to the Society of Nations and other associations formed for the establishment of universal and permanent peace, mutual understanding and co-operation, as well as the promotion of the common interests of mankind throughout the universe.

At the Conference held in Berlin last summer, the following national groups were represented by one or more delegates:

Germany, United States of America, Australia, Austria, Belgium, Bolivia, Bulgaria, Canada, Chili, Costa Rica, Denmark, Dantzig, Dominican Republic, Egypt, Esthonia, Finland, France, Great Britain, Greece, Hungary, British India, Dutch Indies, Ireland, Italy, Japan, Latvia, Norway, Netherlands, Peru, Poland, Rumania, San Salvador, Kingdom of Serbs, Croats and Slovenes, Sweden, Switzerland, Czecho-Slovakia, Uruguay and South Africa; in all thirty-eight nations.

These were represented by delegates ranging in number from one from Australia to 73 from Germany, with 48 from Poland, 44 from Hungary, 41 from Rumania, 21 from

Netherlands, 12 from Great Britain, 25 from France, 9 from United States of America, Italy 11, Japan 17, etc.; in all 475.

The Canadian representatives were the honourable leader of the Government in this House (Hon. Mr. Dandurand), and myself—who have been also, for many years, members of the Council of the Union—our colleague Hon. Mr. Beaubien, Dr. Murray MacLaren, Member of the House of Commons, and Hon. Mr. Justice Wilson of Montreal.

The President of the Canadian group was chosen as one of the Vice-Presidents of the Conference.

The Conference was the first occasion since the Armistice when delegates from the different nations of the world met on German soil, on the invitation of the Government of Republican Germany, with the intention and for the purpose of contributing in the fullest measure possible to the establishment and maintenance of universally peaceful relations. All the delegates seemed to be impressed with the necessity of taking full advantage of this opportunity, and the members of the German group, as well as the leaders of the German Government, spared no effort to assure the success of the meeting.

The agenda, after providing for the election of the President, Vice-Presidents and officers of the Conference, and a full discussion of the report of the Secretary-General, contained the following main subjects:

Parliamentary Evolution.—Rapporteur: Dr. Wirth, Member of the Reichstag and ex-Chancellor of the German Empire.

Migration Problems.—Rapporteur: Mr. Slavko Secerov, Member of the Skoupchtina of the Serb-Croat-Slovene Kingdom.

The Rights and Duties of States.—Rapporteur: M. Henri La Fontaine, Vice-President of the Belgian Senate.

Revision of Articles 3, 4, 5, 15 and 16 of the Statutes of the Interparliamentary Union. —Rapporteur: Mr. Stanislas Posner, Vice-Marshal of the Senate of Poland.

And other matters of secondary importance.

The subject of Parliamentary Evolution, which had been placed on the order paper at my urgent request made at the Conference of 1927, was intended to be the principal and really was the most important matter submitted for discussion, and it was listened to with great and sustained interest during almost two days.

The debate was based on the report submitted by Doctor Wirth, one of the leaders of the Reichstag and an ex-chancellor of the German Empire. The following is the report:

(Translation)

The Evolution of the Parliamentary System in our Times

Draft Resolution

presented in the name of the permanent Committee for Political and Organization Questions by Herr J. Wirth

Member of the Reichstag, formerly Chancellor of the German Reich.

I

The XXVth Inter-Parliamentary Conference, comprising the representatives of. . . Parliaments, expresses its faith in the parliamentary system. That system is the only one which allows of self-government by the people. By calling upon all citizens to take part in public life it guarantees a control over the action of the government and contributes to the political education of the nations.

II

Seeing that men owe to parliamentary institutions the conquest of their personal liberties and of their civil and political rights,

but seeing that the complexity and the technical nature of the problems which arise in our times, particularly in the economic and social fields, demand from Parliaments and Governments not only a more considerable and more specialized work, but also its more rapid execution;

The XXVth Conference,

while recognizing that the customs and traditions of the different peoples render uniform solutions impossible, requests the National Groups to initiate within their respective Parliaments a study and a discussion of their national political and parliamentary life in the light of the debates held within the Inter-Parliamentary Union and of the experience of other countries. It invites them, if necessary, to submit proposals in that connection to their respective parliaments.

In this connection the Conference calls the special attention of the Groups to the following points:

1. The desirability of insuring a greater degree of governmental and parliamentary stability, either by the nomination of members of the Government for a fixed period (United States of America, Switzerland), or by the adoption of an electoral system of a nature to prevent the multiplication of parties and insure a definite majority representing the opinions of the majority of the electors, while, however, guaranteeing that the minority shall be represented.

2. The necessity of insuring the independence of the parliament and of the government as regards great economic organizations which too often influence parliamentary and governmental decisions.

3. The desirability of providing parliamentary authorities with a more complete practical documentation and, if necessary, with the co-operation of experts for the solution of the questions submitted to them (international exchange of parliamentary and administrative information; creation of consultative bodies in connection with the Parliament; hearing of experts by parliamentary committees; creation of research departments for the use of parliaments);

4. The necessity of winning the co-operation of a conscious and enlightened public opinion for the work of Parliament, for instance (as

examples): by creating a medium of information guaranteeing an impartial documentation and public discussion; by the official recognition of the parliamentary opposition through the remuneration of its leader (Canadian system); by the institution of the legislative referendum and of the popular initiative (Swiss and German systems); by the institution of "public hearings" before parliamentary committees (Massachusetts system);

5. The desirability of lightening the task of Parliament by conferring certain powers either on local organizations or on autonomous national authorities (as for instance the British "Trade Boards") acting alongside of the Parliament;

6. The improvement of parliamentary technique and procedure in order to avoid delay in the taking of decisions and to insure the better drafting of laws (institution of permanent parliamentary committees corresponding roughly to the Government departments; institution of a general permanent legislative committee (Yugoslav system); limitation of the right of amendment at Parliamentary readings.

III

The Conference believes that the Inter-Parliamentary Bureau is particularly fitted to serve as the connecting link between the Groups and, if necessary, between the Parliaments, for the exchange of information which the above study will necessitate.

It expresses the wish that a second debate on the foregoing problems be instituted at a later Conference, based on the discussions within the Groups.

Those who took part in this debate were, in the following order: Herr Doctor Wirth; Mr. Andrew J. Montague, delegate from the American Group; followed by myself; Carl Lindhagen, Sweden; M. de Lukacs, Hungary; M. Munch, Denmark; M. Pierre Renaudel, France; Herr Heller, Czecho-Slovakia; Herr Hallin, President of Sweden group; Herr Doctor Lakatos; M. Aimé Berthod, France; Stanislas Thugutt, Poland; Markram Ebeid, Egypt; P. J. Little, Ireland; the Secretary General; M. Paul Bastid, France; Herr Franz Odehnal, Austria; Arrigo Solmi, Italy; Frédéric de Rabours, Switzerland; Madame Irene Kosmowska, Poland.

M. Pierre Renaudel submitted the following amendment:

(Translation) That the first paragraph of the proposed resolution be amended to read as follows:

. . . "By calling upon all citizens to take part in public life by exercising their franchise and putting into practice the principles of democratic freedom, it guarantees a control over the action of the Government and contributes to the political education of the nations."

I proposed, as an addition to the report submitted by Doctor Wirth, the following:

(Translation) The necessity of instructing the youth attending primary schools in the elements of government, constitutions, parliaments, popular assemblies, electoral franchise, the duties of citizens towards their country, in order to teach these pupils the means of completing, by experience, observation and study, their training for the discharge of their civic duties. With this object in view, the preparation for the use of primary school teachers of a political outline or syllabus on the elements of representative government, with directions on the most suitable method and means of imparting this special instruction. It would be necessary also to require teachers to prove themselves sufficiently qualified to give these lessons in government.

This syllabus would be translated into the language of each country belonging to the Union, and transmitted to the president of each national group, who would, in turn, submit it for approval to his Government in order that it might be printed and distributed to the teachers in all primary schools.

The assembly decided to send the whole matter back to the Committee for further consideration.

The next subject of discussion was "Migratory Problems," in which the following took part: Latvia, Her Noijs Maizels; Germany, Herr Robert Schmidt; France, M. Gracien Candace; Herr Doctor Slavko Secérov, Serbia; Herr Carl Lindhagen, Sweden.

On "Declaration of the Rights and Duties of States," the discussion was led by M. La Fontaine, Belgium, rapporteur of the Committee which dealt with this subject, and the following gentlemen took part in the debate: Herr Doctor Schuckling, Germany; Mr. de Berzeviczy, Hungary; Herr Vassileff, Bulgaria; Mr. Vespasien V. Pella, Rumania; Herr Koczor, Czecho-Slovakia; Mr. Eamon de Valera, Ireland; Herr Doctor D. R. Wotawa, Austria; Herr Doctor Van Embden, Netherlands; Carl Lindhagen, Sweden; Herr Lucki, Poland; Pierre Renaudel, France; Holger Anderson, Denmark; Mr. Roy G. Fitzgerald, U.S.A.; Heemskerk, Netherlands; Doctor Gralinski, Poland; M. Brunet, France; Herr Wilhelm Heile, Germany; Frau Christine Teusch, Germany; M. Nogaro, France; Herr Doctor Karl Tinzl, Italy; M. LaFontaine, Belgium.

It would, I believe, be interesting to analyze the question of the Rights and Duties of States, so ably dealt with by the Vice-President of the Belgian Senate, but time will not permit me to do so at this stage.

I shall certainly not inflict upon you the reading of the speech, among many others, which I delivered on Parliamentary Evolution. It will be found reproduced in full in the report of the 25th Conference of the Interparliamentary Union at Berlin last summer (1928), now in the hands of all the members of the Canadian Group. May I, however, be permitted to make a brief reference to it, and at the same time earnestly invite my honourable colleagues in this House to express now, or at a later date, their views

with regard to that most important and urgent matter, for I am confident that such observations would be received with gratitude by all the members of the Union. I know that many are close students of the Canadian constitution and institutions and of the political life of our country.

May I make here a short digression to tell you that I have returned from this and previous international gatherings which I have been privileged to attend during years past, greatly impressed by and pleased with the frequent evidences of the remarkable and ever-increasing interest which the different nations of Europe are manifesting in Canada's affairs and future.

The Parliamentary Regime occupied a prominent place on the agenda and was discussed at considerable length because of the recognition of the fact that parliamentary government has not effectively filled the needs and aspirations of democracy. Many now admit that about the middle of the last century representative government gave its best results, and that since it has made but little progress in many parts, while in some others it has really retrograded.

Different causes have contributed more or less to this result, which is manifested to-day in the fact that but fifty per cent of the electors in democratic countries take the trouble to cast a vote in parliamentary elections. In some countries where the electorate enjoy the greatest measure of parliamentary franchise, the disappointing example has been given, on many occasions, of either an evident lack of interest in the administration of public affairs, or an increasing disposition to shirk public service.

The main reason or cause of this situation, which I placed before the last Conference, is that the majority of the electors in most democratic countries have not been taught even the rudiments of parliamentary government. In other words, the electorate has been given the privilege of voting without acquiring a sufficient appreciation of the importance of the vote, and of the duty to exercise it, and in consequence is incapable of making a judicious choice of representatives. Democratic governments have failed to establish or to maintain a just and adequate conception of democracy, its purpose and its needs, or of the rights of the people and their duties to the State. The emphasis has been too often placed on the rights of the individual rather than those of the people collectively. A real and active public spirit is still wanting for the proper functioning of the democratic regime. The majority of the electors in all countries of the world is composed of farmers and artisans. Most of these have to be content with a primary education. They leave school at the age of 14, and at 21 are entitled to choose their representatives. They have not in the meantime acquired an adequate appreciation of the meaning of the vote, the obligations which it involves, or the necessity for making a reasonable and reasoned choice. Can we, in the sincerity of our conscience, be satisfied that the representation of to-day in Parliament, in legislatures and in municipal councils is all that it should or might be to meet the needs and increasing demands of successful democratic government? And if we cannot, is it not generally because a properly prepared electorate does not exist? Briefly stated, that is the position which I felt constrained to take.

What are the remedies for this situation? There are several. I was content to suggest only one—to educate the electorate. How can this be done? I proposed that the Union should prepare a syllabus on parliamentary representation, to be handed to the different national groups in order that they might submit it for approval to their respective governments, and that when approved, translated and printed in the various languages, it should be distributed to the teachers in all their primary schools.

It is also my duty to draw the attention of this honourable House to the resolutions adopted by the Conference. I shall content myself with reporting the three principal ones:

(Translation)

1. The Evolution of the Parliamentary System in Our Times

The XXVth Inter-Parliamentary Conference,

considering that the principle of representation of the people by freely elected parliamentarians is at the very foundation of the work of the Union,

faithful to the tradition which has guided previous Conferences,

careful to avoid the expression of any opinion which might be regarded as a pronouncement on the political issues of the day, and particularly on the domestic policy of any State:

affirms its disapproval of every illegal act committed with the object of abolishing the parliamentary régime, and declares that that régime can only be modified by the procedure provided by the Constitution of the country itself.

2. Migration Problems

The XXVth Inter-Parliamentary Conference,

considering the world-wide importance of migration problems,

considering that it is the right of each State, in conformity with the principle of national sovereignty, to regulate immigration into its own territory,

but considering nevertheless that the measures enacted might, by their reaction on the standard of life and prosperity of other countries, disturb good relations between the nations and, consequently, international peace,

Expresses the wish that States shall endeavour to conclude amongst themselves bilateral treaties making it possible to conciliate their points of view and to safeguard the economic and social interests of emigrants.

Such treaties should in particular bear on the following points:

(1) The organization of national and international information services.

(2) Rules relating to the conditions under which emigrants may leave the country and be admitted into foreign territory.

(3) The protection of the emigrant, with special reference to the simplification of the passport system, to health and to moral conditions, particularly in the case of women, children and young people; measures to combat the white slave traffic and prostitution.

(4) Sanitary conditions: housing, preventive measures against contagious diseases, addiction to drugs, etc.

(5) The application to immigrants of the social legislation in force in the country receiving them, and particularly of insurance measures.

(6) Practical measures relating to the application of laws on nationality.

(7) Military obligations.

The XXVth Conference moreover invites the national Groups to propose to their respective Parliaments any measures which would make for the realization of the recommendations expressed in the above resolution.

3. Declaration of the Rights and Duties of States

1. Relations between States are governed by the same general principles of law and morality as relations between individuals.

2. All States are solidary and form a de facto and de jure community.

3. The members of the community of States are equal before the law. Each of them possesses within that community only those rights conferred on it by the law of nations.

4. Treaties have the force of law between States. It is their strict duty to respect them.

A treaty may only be annulled or modified with the consent of the States concerned or in accordance with international law.

5. Every dispute between States which cannot be settled amicably must be settled by jurisdictional means, whether conciliatory, arbitral or contentious. All States must carry out in good faith the judgment given.

6. No State has the right to be judge in its own case. All armed aggression is a crime. The culprits shall be prosecuted in conformity with the law of nations.

7. A State victim of an armed aggression has the right of legitimate defence and the community of States is obliged to lend it its support. A State is also entitled to that support in the case of disregard or violation of an acknowledged right.

8. The independence of each State is inviolable. There is no right of conquest.

9. The peoples have the inalienable and imprescriptible right of free self-determination.

Territorial modifications may only take place in conformity with international law.

10. States must not exploit for their own profit populations of different civilization which are placed under their guardianship. It is their duty to co-operate in the improvement of their material, moral and intellectual conditions in order to allow of their admission as early as possible into the community of States.

The territories inhabited by those populations must, from the commercial and industrial point of view, be open to the nationals of every country.

11. It is the duty of States to collaborate in every branch of human activity and especially in those whose aim is to further the general welfare of mankind.

The community of States must guarantee for each of them the economic conditions which are absolutely necessary for its existence and for its development.

12. In every State there should be granted to all citizens, without distinction of religion, race or nationality, the exercise of rights which will insure the free development of their own culture.

13. States must, on their respective territories, guarantee to all human beings, without distinction of race, nationality, age or sex, and whatever may be their religious, philosophical and social convictions, the full exercise of the rights granted to their own nationals (political rights totally or partially excepted).

14. The members of the community of States must guarantee to all workers, whether manual or intellectual, respect of their dignity, their right to work, to rest and leisure, and a fair remuneration for their labours.

I come now to the minutes of the meeting of the Interparliamentary Union, Canadian Group, held on Tuesday, April 23, 1929.

A meeting of the Interparliamentary Union (Canadian Group) was held on Tuesday, April 23, 1929, in Room 268 of the House of Commons.

The Hon. N. A. Belcourt, Senator, was in the Chair.

The minutes of the previous meeting were read and approved.

The annual statement of receipts and expenditures showed a credit balance of $119.85 on January 1, 1929, and $316.53 on April 23, 1929.

A circular was read from the Sub-Committee for the development of the Union showing that the annual contribution of the Canadian Group is 3,000 Swiss francs, or about $600. A letter was read from the Hon. R. Dandurand pointing out that the Canadian group had paid less than this amount for the past few years, and asking that the entire contribution, namely, $600 for the present year, be forwarded to the General Secretary in Geneva.

It was moved by the Hon. Rodolphe Lemieux, Speaker of the House of Commons, and seconded by Mr. Chas. B. Howard, M.P., that—

Whereas the scale of contributions levied from the Groups of the Union was re-adjusted in 1927, when the sum of 2,000 Swiss francs paid annually by Canada was increased from 2,000 to 3,000 francs, and a circular from the Secretary General dated April 20, 1929, points out that the present resources of the Union are insufficient even to permit its work being carried on, and that the Union's revenue should be increased from 155,000 to 300,000 gold francs per annum;

Be it resolved:

That the Canadian Group agrees to increase its annual contribution from $400 to $600 and to pay the arrears, amounting to $400, or $200 for each of the years 1927 and 1928. And that the Government of Canada be approached with the view to increase its annual grant, and that the Chairman and Hon. Mr. Lemieux be appointed a Special Committee to approach the Government with the view to increase its annual

grant by $200 and to add the sum of $400 to cover the arrears for the years 1927 and 1928.

A questionnaire relative to the Protection of Working Mothers and of Children, received from the Secretary General, was referred to the same Committee with instructions to draft the answers required.

The Group's annual elections were held for the year 1929. On motion of Mr. Chas. B. Howard, seconded by the Hon. Mr. Macdonell, Senator, the outgoing Board was re-elected, and is as follows:

Honorary Presidents

The Rt. Hon. W. L. Mackenzie King, Prime Minister.

The Hon. R. B. Bennett, Leader of the Opposition.

Mr. Robert Gardiner, Leader of the Progressives.

President

The Hon. N. A. Belcourt, P.C., K.C., Senator.

Vice-President

The Hon. Sir Geo. H. Perley, P.C., K.C.M.G., M.P.

Executive Committee

Hon. Hewitt Bostock, P.C., Senator, Speaker of the Senate.
Hon. Rodolphe Lemieux, P.C., M.P., Speaker of the House of Commons.
The Rt. Hon. Sir George Foster, P.C., G.C.M.G., Senator.
The Hon. Senator Dandurand, P.C.
The Hon. Senator C. W. Robinson.
The Hon. Senator Chas. P. Beaubien, K.C.
The Hon. Senator Smeaton White.
The Hon. Senator W. B. Willoughby.
The Hon. Senator J. S. McLennan.
The Hon. Senator G. D. Robertson, P.C.
The Hon. Senator L. McMeans, K.C.
The Hon. Senator J. J. Hughes.
Hon. Charles Dunning, P.C., M.P.
The Hon. Charles Stewart, P.C., M.P.
Hon. Robert Forke, P.C., M.P.
Hon. E. B. Ryckman, P.C., M.P.
Mr. E. R. E. Chevrier, M.P.
Mr. W. G. McQuarrie, M.P.
Mr. G. H. Pettit, M.P.
Mr. J. A. Fraser, M.P.
Col. Murray MacLaren, M.P.
Col. Thos. Cantley, M.P.
Mr. H. C. Hocken, M.P.
Mr. Alfred Speakman, M.P.

It was unanimously decided that there would be no Conference during the current year 1928-29, and the date and place for the Conference to be had in 1929-30 were not indicated.

The meeting then adjourned.

May I, with great respect, and equal earnestness, suggest that the members of this honourable House would derive a very substantial profit from adhering to the Union. They will individually be furnished with interesting and very profitable information regarding international affairs in general. The annual report of the Interparliamentary Union contains a copy of the deliberations of the conferences and of the meetings of the various commissions which deal with the subjects reported on at each conference.

It is manifest to me that Canada will feel the necessity of taking an always increasing share in dealing with international world affairs, and that both Houses of Parliament will need all the information and experience which the Inter-parliamentary Union will always be able to offer.

It is true that the Union has no way of enforcing its opinions and that its deliberations have no other sanction than that which arises from the impressions it creates on public opinion. But the whole of Canada, and especially its parliamentarians, will derive very great advantage from following closely the work of the Union, and, whenever possible, attending its very interesting and engrossing conferences.

EXPEDITIONS TO LABRADOR AND BAFFIN LAND

Before the Orders of the Day:

Hon. W. A. GRIESBACH: Honourable gentlemen, I desire to draw the attention of the Government to a despatch appearing in this morning's Ottawa Journal. It is dated Buffalo, New York, June 5, and is as follows:

Labrador, it seems, is not where it should be. Existing charts place it 40 miles inland because observations made some years ago were all wrong.

An expedition to put Labrador in its place will be sent out late this month in charge of Commander Donald B. MacMillan, of Arctic fame.

Labrador is part of Newfoundland, and as one would think the Newfoundland Government would have to do with that, I am not going to draw attention to that so much as to what follows.

Commander Eugene F. McDonald, retired naval officer, made this announcement to-day when he arrived here in his sea-going yacht, Mizpah. While Commander MacMillan is changing Labrador, Commander McDonald intends to chart some of the inland lakes of Baffin Land and "perhaps give them some good Yankee names."

Baffin Land is a part of Canada, and while this may be just so much hot air, it is not impossible that this gentleman may embark upon some discoveries in the interior of Baffin Land, and may, in point of fact, give a number of good Yankee names to some of the yet undiscovered portions of that territory. I suggest that the Government at least keep their eye on the movement.

Right Hon. Mr. GRAHAM: Honourable gentlemen, I will call the attention of the Government to the remarks of my honourable friend.

DIVORCE STATISTICS, 1929

Before the Orders of the Day:

Hon. L. McMEANS: Honourable gentlemen, with the permission of the House, I would present some statistics with regard to divorce. Some honourable members may be interested in knowing what has been done in the Divorce Committee during the present session. A statement has been prepared, which is as follows:

For the present session 295 notices of intention to apply to Parliament for Bills of Divorce were given in The Canada Gazette. Of the foregoing 270 petitions were actually presented in the Senate and dealt with by the Committee on Divorce, as follows:

Unopposed cases heard and recommended	231
Opposed cases heard and recommended	10
Unopposed cases heard and rejected	1
Opposed cases heard and rejected	1
Cases withdrawn, not dealt with owing to delays not having expired, etc	27
Total	270

Of the petitions recommended, 109 were by husbands and 132 by wives, the grounds being as follows:

Adultery	240
Other grounds	1

Of the applications recommended 210 were from residents of the Province of Ontario, and 31 from the Province of Quebec. An analysis of the occupations followed by the applicants is as follows: accountants, agents, bank clerk, book-keepers, brakeman, brokers, builder, capitalist, carpenter, chartered life underwriter, chauffeur, civic employee, civil servant, clerks, clothing operators, contractor, cook, draughtsman, driver, electrical superintendent, electricians, engineers, engraver, factory employee, farmers, fireman, foremen, foundry superintendent, furniture worker, garage manager, horse trainer, hotel proprietor, inspector, investment banker, journalist, labourers, locomotive fireman, machine operator, machinists, machinist's helper, managers, manufacturers, market gardener, married women, mechanics, merchants, modiste, motorman, motor mechanic, moulder, musician, nurse, painter, physicians, police officers, postal employee, presser, printer, prospector, railway clerk, roadmaster, salesmen, sales manager, saleswoman, school teachers, shoemakers, steel worker, stenographers, storekeeper, tailoress, (unstated, 10), waitresses, woodworker.

It is a matter of self-congratulation to me that there are no members of the legal profession in the list.

Right Hon. Mr. GRAHAM: They know the law too well.

Hon. Mr. McMEANS (reading):

In 113 cases the Committee on Divorce recommended that part of the parliamentary fees be remitted.

In the taking of evidence during the present Session the Committee sat on 30 days, on 22 of which days a Sub-Committee also took evidence in 83 cases.

In addition to the sittings of the Committee for hearing evidence, very numerous and frequent meetings of Sub-Committee were held for the consideration of various matters arising out of divorce petitions, other than the taking of evidence.

Assuming that all the Bills of Divorce recommended by the Committee (less three Bills not concurred in by the House of Commons) and now in various stages before Parliament receive the Royal Assent, the comparison of the number of divorces and annulments of marriage granted by the Parliament of Canada in the last ten years is as follows:

1920	100
1921	111
1922	102
1923	117
1924	130
1925	134
1926	124
1927	196
1928	239
1929	238

That is up to the present day.

Right Hon. Mr. GRAHAM: In view of the work performed by the Divorce Committee, I cannot see why they should recommend that any part of the fee be remitted.

Hon. Mr. McMEANS: I was going to add that the situation in the Divorce Committee is rather serious. Unless the other House concurs in a Bill granting the Province of Ontario jurisdiction to try divorce cases, some means will have to be devised by this Chamber either to put the Divorce Committee on a different footing or to change the method of handling divorce petitions so that they may be dealt with more easily and in such a manner that the present objections will be overcome. Last session our late lamented leader, Hon. Mr. Ross, of Middleton, stated that we on this side of the House would have nothing further to do with divorce petitions. As a Bill to establish a court in Ontario was introduced in the Senate this year and sent to the House of Commons, and as we did not know what would happen, we went on in the usual way. That Bill has been defeated, and something will have to be done to change the method of dealing with this subject.

Right Hon. Mr. GRAHAM: As I remember the statement of the honourable leader of the other side of the House, it was that honourable members on his side would take no part in the proceedings of the Divorce Committee unless the House of Commons permitted the Bill to come to a vote, and that if it came to a vote and was defeated he would insist that the House of Commons share the burden of trying divorce cases.

DOMINION ELECTIONS BILL

CONSIDERED IN COMMITTEE

On the Order:

Third reading of Bill 313, an Act to amend the Dominion Elections Act.—Right Hon. Mr. Graham.

Right Hon. Mr. GRAHAM: I think the honourable gentleman behind me (Hon. Mr. Paradis) wishes to move an amendment in reference to a clerical error in the French translation of the Bill.

Hon. Mr. PARADIS: Honourable gentlemen, I thought it might be interesting to compare carefully the two versions of this Bill as we received it from the House of Commons. The comparison brought to my knowledge the fact that there were a number of errors, of commission and of omission. I have put them down on paper and am prepared to submit them to Committee as I have them. There is even an error in the English version also. So I move that the House go into Committee to consider the amendments which I shall propose.

The motion was agreed to, and the Senate went into Committee on the Bill.

Hon. Mr. Copp in the Chair.

On section 32, Schedule B, Rule 15:

Hon. Mr. PARADIS: I move that after the word "same" in line 30, Rule 15, page 19, there be added the words "and deliver up."

Right Hon. Mr. GRAHAM: There is apparently one error in the English version; all the rest of the errors are in the translation.

Hon. Mr. WILLOUGHBY: And that wrong translation also passed the other House, I presume.

Right Hon. Mr. GRAHAM: Yes. The honourable gentleman (Hon. Mr. Paradis) says the translation is wrong in twenty places.

Hon. Mr. PARADIS: The section at present reads as follows:

Rule (15) The returning officer may at any time replace any registrar appointed by him by appointing another registrar to act in the place and stead of the person already appointed, and any registrar so replaced shall upon request by the subsequent appointee or to any other person authorized by the returning officer to receive the same, any index book or other papers and information which he has obtained for the purpose of the performance of his duties; on default he shall be guilty of an offence punishable on summary conviction as in this Act provided.

Apparently after the word "same" the words "deliver up" have been omitted.

Hon. Mr. BUREAU: Or "turn over"; that is, deliver up or turn over any books he may have in his possession.

Right Hon. Mr. GRAHAM: The word "deliver" alone will do.

Hon. Mr. LEWIS: There seems to be a slight clerical error in line 29:

—shall upon request by the subsequent appointee or to any person authorized—

It should be either "by" or "to" in both phrases.

The Hon. the CHAIRMAN: Let the amendment be put in writing.

Hon. Mr. BUREAU: How would the word "give" do there?

Right Hon. Mr. GRAHAM: I think "deliver" is better.

Hon. Mr. WILLOUGHBY: Yes, "deliver."

Hon. Mr. DANIEL: In reading over Rule 15 it appears to me that some word has been left out. It leaves out the command as to what the replaced registrar is to do. Evidently the intention is that he shall hand over documents and that sort of thing to the succeeding appointee; but the clause leaves out the word.

Right Hon. Mr. GRAHAM: That is what we are amending.

Hon. Mr. BELAND: I have been looking over both versions, and it seems to me that if we replace the word "any," at the end of line 30, with the words "deliver the," it will complete the section. It would read, "deliver the index book or other papers."

Hon. Mr. PARADIS: Any papers that he may have in his possession—any index book, or any other papers.

Hon. Mr. BELAND: It is mentioned in English—"any index book or other papers and information which he has obtained for the purpose," etc.

The Hon. the CHAIRMAN: After the words "the same," in line 30, Rule 15, page 19, add the word "deliver."

Hon. Mr. BUREAU: The Rule says:

The returning officer may at any time replace any registrar appointed by him by appointing another registrar—

That is the right of the returning officer.

—to act in the place and stead of the person already appointed, and any registrar so replaced shall upon request by the subsequent appointee or to any other person authorized by the returning officer to receive the same,—

There is where the word "deliver" is missed.

—to any other person authorized by the returning officer to receive the same, any index book or other papers. . . . .

It seems to me that the word "or" ought to be stricken out and replaced by the word "give." The first four lines say that the returning officer shall have the power to replace the registrar by appointing another registrar to act in the place and stead of the person already appointed. And what shall the registrar replaced or dismissed do? The registrar who is replaced shall, to the person authorized to receive the same, deliver or give any index book, paper or information which he may have in his possession. Therefore the word "or" ought to be stricken out and replaced by the word "give," and then the section will be in order.

The Hon. the CHAIRMAN: That is not an amendment; it is only a suggestion.

Hon. Mr. BUREAU: I move that instead of inserting the word "deliver" after the word "same" in the 30th line, the word "or" in the middle of the 29th line on page 19 be stricken out and the word "give" substituted therefor.

Hon. Mr. REID: Does not the word "deliver" mean the same thing? If the word "deliver" be inserted, the replaced registrar must give up the papers.

Hon. Mr. BUREAU: I am not an English scholar, but the honourable gentleman from Amherst was calling my attention to the fact that it is pretty hard to deliver information. If we insert the word "deliver" it will read

. . . .shall. . . .deliver any index book or other papers and information. . . . .

You can give information, but it is pretty hard to deliver it, and that is the reason I am suggesting the word "give."

Hon. Mr. REID: If the word "deliver" were used there, the replaced registrar would be required to give up the documents and information that he has.

Hon. Mr. BUREAU: How is he going to deliver information? It is a question of grammar.

Hon. Mr. CALDER: I doubt very much that the amendment suggested by my honourable friend would meet the situation. Let us read the section carefully:

The returning officer may at any time replace any registrar appointed by him by appointing another registrar to act in the place and stead of the person already appointed, and any registrar so replaced shall upon request by the subsequent appointee or to any other person. . .

Now, I suggest it should read "or by any other person," and then the rest of the clause would be satisfactory without further amendment.

Hon. Mr. BUREAU.

Hon. Mr. MURPHY: Yes, that would adjust it. Strike out the word "to" and substitute "by."

Hon. Mr. CALDER: It means that the returning officer may appoint a registrar to replace one previously appointed by him; then the previous registrar must deliver to the subsequent appointee the documents, and so on. But, on the other hand, the returning officer before he appoints a new registrar may authorize some person to receive the documents from the previous registrar. So I think the intention of the section will be carried out by substituting the word "by" for the word "to" in line 29, page 19.

Hon. Mr. BELAND: Honourable gentlemen, you must insert some word, the word "deliver" or "give," in place of the word "any," in line 30.

Hon. Mr. BUREAU: This section would read that there might be some other person besides the appointee of the returning officer who could claim the papers.

Hon. Mr. CALDER: Some person might be appointed to receive the papers. Suppose, for example, that I am a registrar and I desire to leave the country—I have a call, say, to go to England—and the returning officer is not ready to appoint a successor to me. In such circumstances he would appoint some person to receive the papers from me.

Hon. Mr. BUREAU: I do not think that is the intention of the section at all.

Hon. Mr. PARADIS: The suggestion of the honourable gentleman from Saltcoats (Hon. Mr. Calder) is in accordance with the French version; that is, that the word "to" be replaced by the word "by," the clause reading, "or by any other person authorized by the returning officer." The replaced registrar must deliver the documents that he has in his possession to any person authorized by the returning officer to receive the same.

Right Hon. Mr. GRAHAM: The amended rule would read:

The returning officer may at any time replace any registrar appointed by him by appointing another registrar to act in the place and stead of the person already appointed, and any registrar so replaced shall upon request by the subsequent appointee or by any other person authorized by the returning officer to receive the same, deliver or give any index book or other papers and information which he has obtained for the purpose of the performance of his duties; on default he shall be guilty of an offence punishable on summary conviction as in this Act provided.

If the two amendments I have indicated were made, the clause would be satisfactory, would it not?

Hon. Mr. BUREAU: The clause does not say that the returning officer may appoint anyone temporarily. He may replace any registrar by appointing a successor, and the appointee alone has the right to get the papers.

Hon. Mr. PARADIS: No, not necessarily an appointee. A messenger could be authorized by the returning officer to receive the papers.

Hon. Mr. BUREAU: What would be the use, then, of appointing a successor? That is not the intention of the law. Would the returning officer give the messenger a note authorizing him to get all the documents from the ex-registrar?

Hon. Mr. MURPHY: Yes.

Hon. Mr. PARADIS: To be turned over to the new registrar.

Hon. Mr. BUREAU: The returning officer can act within the scope of his duties, but immediately he appoints a registrar he relinquishes the duties which belong to a registrar; and I claim he cannot go over the head of his appointee to do anything which is exclusively within the registrar's jurisdiction.

Hon. Mr. DONNELLY: After listening to the somewhat extended legal interpretation of the section, I take the liberty of moving that the right honourable the acting leader of the Government appoint a committee of three laymen to redraft this Bill.

Right Hon. Mr. GRAHAM: I should be eligible to act on that committee, I submit. As I see it, when a registrar is replaced by some other person, the returning officer, who is the responsible party, sends to this registrar who has been replaced and asks him to give up all the books and papers he has.

Hon. Mr. CALDER: He sends either the new appointee or someone else.

Right Hon. Mr. GRAHAM: He might send someone else, but whoever is sent would be authorized by the returning officer to receive the papers. It strikes me that is the meaning of the clause. Then the information, books and other documents would be transferred to the new appointee.

Hon. Mr. BUREAU: Transferred to the returning officer.

Right Hon. Mr. GRAHAM: It is his duty to transfer to the new registrar the papers that were formerly held by the registrar who has been replaced.

Hon. Mr. BUREAU: The section does not say so.

Right Hon. Mr. GRAHAM: I take the responsibility, Mr. Chairman, of moving that in the 29th line, Rule 15, page 19, the word "to" be omitted and replaced by the word "by."

The Hon. the CHAIRMAN: And after the word "same," in the 30th line, add the words "deliver or give"?

Right Hon. Mr. GRAHAM: Yes, put them both in and no damage will be done.

The amendment was agreed to.

Hon. Mr. PARADIS: With reference to the French version of the Bill, I have a number of amendments to make. There is no other way to do so than to move them one by one.

Right Hon. Mr. GRAHAM: Has my honourable friend the French version here?

Hon. Mr. PARADIS: Yes.

Right Hon. Mr. GRAHAM: It strikes me that it is the duty of the translators to see that the French and the English versions are in agreement.

Hon. Mr. BUREAU: Honourable gentlemen must not forget that both versions are official before the courts.

Right Hon. Mr. GRAHAM: Yes, one language is as official as the other. I think it is the duty of the translators to see that the Bill is properly translated.

Hon. Mr. WILLOUGHBY: I quite agree with the view of the right honourable the acting leader of the House. It is clearly the duty of the translators to give us a correct translation in French.

Hon. Mr. CASGRAIN: That is quite right. We are not translators.

Hon. Mr. MURPHY: If the translators were given a list of the errors, they could make the necessary corrections and time would be saved.

Hon. Mr. REID: Let the translators make the corrections before we pass the bill.

Hon. Mr. PARADIS: As an instance, I would draw attention to paragraph (c) on page 8, where there is an error in the French—

Hon. Mr. WILLOUGHBY: The French translation has not been circulated.

Hon. Mr. PARADIS: I have it.

Hon. Mr. WILLOUGHBY: But many honourable members have not got it.

Hon. Mr. PARADIS: The English version of section (c) on page 8 reads:

being a pupil he is, and has for at least seven of the preceding twelve months, been registered as a pupil. . . .

But the French version says "for the last seven of the preceding twelve months," instead of "for at least seven of the preceding twelve months." It makes a big difference. The paragraph in French reads:

pendant les sept derniers des douze mois précédents.

It is a clerical error.

Right Hon. Mr. GRAHAM: Honourable gentlemen, I suggest that the attention of the translators be called to this discussion, so that the necessary corrections may immediately be made and the properly translated Bill be distributed among honourable members. My honourable friend (Hon. Mr. Paradis) might take upon himself the duty of pointing out to the translators the errors and the necessary corrections in the French version. If that is agreeable, I think it would be in order to rise and report progress, and postpone the third reading of the Bill.

Hon. Mr. BUREAU: Before that is done, I should like to call the attention of honourable gentlemen to the fact that the error to which the honourable member for Shawinigan (Hon. Mr. Paradis) has drawn our attention is an error in the text rather than in the translation, and that makes all the difference in the world. I submit that someone should be authorized to have these errors corrected by the translators.

Hon. Mr. PARADIS: The English version of the paragraph is correct. It reads, "for at least seven of the preceding twelve months," while the French version says, "for the last seven of the preceding twelve months."

Hon. Mr. WILLOUGHBY: The English verson has an entirely different meaning from the French.

Hon. Mr. GORDON: It seems to me that when errors of this kind are drawn to our attention, if our honourable friends would talk to us in their own language we should understand the matter better. I think we do not hear enough of that language in this Chamber.

Right Hon. Mr. GRAHAM: I move that the Committee rise, report progress and ask leave to sit again.

Hon. Mr. WILLOUGHBY: The Clerk tells me that in the meantime the French translation will be completed. This is not the first time that complaint has been made. Before the time of the present staff of translators, some of our honourable friends took exception to the French translation.

Hon. Mr. PARADIS.

Hon. Mr. PARADIS: This translation was made by the House of Commons staff.

Hon. Mr. BELAND: May I ask my honourable friend (Hon. Mr. Paradis) if this is the only error he has found in the French translation?

Hon. Mr. PARADIS: No; there are some twenty or twenty-five.

Hon. Mr. BELAND: If there are more, should they not be mentioned, so that the translators could find reference to them in the Debates?

Hon. Mr. PARADIS: It would take too long to draw attention to them.

Hon. Mr. GORDON: I should like to know if I have the promise of the right honourable the acting leader of the Government to look into the suggestion I made, so that the next time such a question is brought up we may have it explained to us in French.

Progress was reported.

CANADIAN NATIONAL MONTREAL TERMINALS BILL

THIRD READING

Right Hon. Mr. GRAHAM moved the third reading of Bill 254, an Act respecting the construction by the Canadian National Railway Company of certain terminal facilities with grade separation and other works at and in the vicinity of the City of Montreal.

Hon. Mr. GRIESBACH: Before the motion is put, I have one observation to make. Honourable gentlemen who attended the meeting of the Railways Committee when this Bill was under consideration will remember I put a question to Sir Henry Thornton, President of the Canadian National Railways, and I think that as a matter of record it would be well to restate the question and the answer. I asked Sir Henry Thornton whether or not the moneys to be voted under this Bill would be sufficient to finish all the work outlined in the Schedule, and whether or not he would be coming back to Parliament requesting further sums of money for this project. His answer was emphatic that the moneys to be voted under this Bill would fully complete the work and that he would not be coming back to Parliament for further grants of money. A number of honourable gentlemen who are now in the House were present at that meeting of the Committee, and if I have made an error in stating the question and the answer it would be proper for them to point out to me in what respect I have erred.

Right Hon. Mr. GRAHAM: Honourable gentlemen, I am not going to quarrel with the statement made by my honourable friend. Sir Henry Thornton, of course, answered according to the best information he had at his disposal, which information would appear to be complete. I suppose it would not be humanly possible for any person to give the House an absolute assurance that no more money will be required for these terminals. It may develop in the carrying out of this large project, as it often does in the case of smaller undertakings, that some change is required which would necessitate the spending of a little more money than is estimated; but Sir Henry Thornton's opinion, based on information which is as reliable as it is humanly possible to have it, is that the expenditure will not exceed the estimate.

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

DIVORCE JURISDICTION BILL

DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the second reading of Bill 75, an Act respecting the domicile of married women in proceedings for divorce.

Hon. Sir ALLEN AYLESWORTH: Honourable gentlemen, this Bill is entitled "An Act respecting the domicile of married women in proceedings for divorce," but the first section of the Bill provides that "this Act may be cited as the Divorce Jurisdiction Act, 1929." So the Bill concerns two things, the domicile of married women for the purpose of divorce, and also the jurisdiction of courts to decree divorce; and the two things, while connected with each other, are perfectly distinct.

To clear up one's ideas of what we are dealing with, it seems to me that it would be useful to consider the meaning of the words that are employed. Take first the common word "domicile." I suppose everybody has a fair idea of what that word means, but if one were to attempt to define it in the signification in which it is used in courts of law or in Acts of Parliament there would be a good deal of difficulty about it. In brief, there is no other English word which has exactly the same significance, and the best that anyone can do about it is to try to understand exactly what the legal signification of the word "domicile" is.

Of course it implies residence; but it means far more than that. A man may have half a dozen residences, he may reside in one place for a month and in another place for the remainder of the year, or he may travel about as he pleases; but all the time he has some one domicile. The nearest equivalent to the word, I should think, is our English word "home." It is the place at which a man sleeps and lives most of the time, and where he makes his home.

But domicile is not that alone. It depends to a very great extent, perhaps mainly, upon the intention the man has in making that particular place his home. If it is a mere temporary affair, if he is residing for a few months at some hotel or in a furnished house in some other part of the world than where he ordinarily lives, he has not changed his domicile at all. Intention is perhaps the most important feature in considering the meaning of the word "domicile" from the legal point of view; and in order to create a change of domicile the intention must be to make a change of considerable permanency—to live at a particular place, not necessarily for life, not necessarily for any definite term of years, but for a considerable time.

Then one ought to consider how a domicile is acquired. Every child at birth acquires its domicile of origin; not dependent at all upon the race to which its parents belong, not even dependent upon their place of residence unless that residence has the permanent character that I have alluded to. A child may be born away from home, upon a journey or during some transient absence from the place of home of the child's mother. That child's domicile is the home of its parents, and it so continues until the child is able to change it. That home, of course, may change from one country to another. If it does, the child's domicile changes with the domicile of the parents, until the child is of an age to acquire a new domicile for itself.

A new domicile may be acquired before the child attains its majority, by the marriage of the child, because marriage necessarily implies, under any and every system of civilized law, the establishment of a new domicile—a matrimonial domicile—a home for the spouses.

If there is no marriage, the child upon attaining the age of twenty-one may by its own choice, under our law, acquire a new domicile, and when it does it has no longer the domicile of its parents, but its own domicile of choice; which continues, in turn, through the life of that man or woman until it is changed by choice.

Thus we have three possible kinds of domicile—the domicile of origin, the domicile of choice, and the matrimonial domicile; and the last-mentioned kind is the one with which this Bill deals, and the one that is important for consideration now.

I have said that the matrimonial domicile necessarily arises upon the relationship of matrimony being entered into, and that, it

seems to me, is manifestly of course. We are all told in the marriage services of the churches, in this country at any rate, that the purpose of marriage is the procreation of children. Well, whether or not the spouses both understand and believe that to be so, I take it that it must be universal that any man and woman intending to get married, and going through the ceremony of marriage, do it with the then present intention, at least, that they two will, at any rate for a while, live together. The intention is not that they are to live apart, that one is to have one home and the other another home, but the very idea of matrimonial union involves the living together of those two persons from that time forward, at any rate for a certain length of time.

So I submit to you, honourable gentlemen, that it is a fundamental principle that marriage signifies such a unity between the spouses that for them, as long as their matrimonial union lasts, there cannot be at any one time two domiciles—there can be but one matrimonial domicile. I consider that a fundamental principle of civilized matrimonial law; not merely of English law, but of the law of any civilized people. It is the very essence of the relationship of husband and wife that there should be thenceforward the one, and but one, home for them both.

Then I say that even if for any reason these two spouses are not in fact living together, there is still but the one domicile, the one place which is the matrimonial home of the two. Now, the rule of our law is that that one domicile is the domicile of the husband; and that is the consequence of the union between man and woman which has been brought about by the marriage.

On motion of Hon. Sir Allen Aylesworth, the debate was adjourned.

DIVORCE BILLS

FIRST, SECOND AND THIRD READINGS

Hon. Mr. Copp, for Hon. Mr. McMeans, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first, second and third times, and passed:

Bill U9, an Act for the relief of Ruth Oretta Taaffe.

Bill V9, an Act for the relief of Frank William Benson.

Bill W9, an Act for the relief of Hilda Rebecca Allison.

Bill X9, an Act for the relief of Sydney James Black.

Bill Y9, an Act for the relief of Llewellyn John Chubb.

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

THE SENATE

Friday, June 7, 1929.

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

Prayers and rountine proceedings.

YUKON QUARTZ MINING BILL

FIRST READING

Bill 343, an Act to amend the Yukon Quartz Mining Act.—Right Hon. Mr. Graham.

SECOND READING

Right Hon. Mr. GRAHAM moved the second reading of the Bill.

He said: Honourable gentlemen, if I may be permitted, I will read the explanation of this Bill which has been handed to me by the Department of Mines.

The Act to amend the Yukon Quartz Mining Act seeks to overcome a danger to the recorded owners of mineral claims in the Yukon Territory which has arisen through a recent judgment of the courts. This judgment is to the effect that title to a mineral claim can only be maintained in case it can be shown that the original locator of such claim strictly complied in all respects with the terms and conditions of the regulations at the time in force as to the proper size of the posts employed, the erection of the required mound of earth or stones around the base of the post, the discovery of mineral in place prior to location, etc.

This judgment is based on legal precedent, being a decision rendered by the Supreme Court of Canada in the case of Manley versus Collom, and reported in volume 32 of the Judgments of the Supreme Court, page 371.

Under this judgment it is feared that innocent purchasers of mineral claims for which entries were granted many years ago, who accepted the grants issued by the Crown as proof that the claims had been properly located, thus justifying the large expenditures in development subsequently incurred, may now sustain very serious loss through having their titles contested, while being quite unable, after the lapse of years, to prove that the original locator staked the claim in strict conformity with the provisions of the regulations.

This judgment would appear to indicate that not merely a substantial compliance with the requirements of the regulations is necessary, but that all details as to the exact height and width of the posts, the precise dimensions of the mounds surrounding the same, etc., must be shown to have been complied with.

The amendment is for the purpose of providing that if a substantial compliance with all the requirements of the regulations has been made, so that other prospectors may not be misled, the location may be accepted as valid.

Hon. W. B. WILLOUGHBY: I should like to say a word or two on this Bill. I am not opposing it, for I can quite see that a Bill of this kind may be very much in the public interest. But there are one or two provisions that I think might very well and very prop-

erly have been inserted in it. The first is a provision for the protection of those who, bona fide, have begun litigation. I do not know whether there are any such persons or not, but if there are, under this Bill they would be divested of their status in court. Another very desirable provision would be something in the nature of the Quieting Titles Act which we had in Ontario years ago, and which some of the other provinces may have. Take the case of a miner who has staked a claim. Perhaps he has not technically complied with the provisions of the Act, but has been accepted as the pending locatee. An action is brought contesting the priority and regularity of his application, and he has to show a substantial compliance with the regulations. Who is to determine that question, the mining recorder or the court? It seems to me there should be some provision for that, and certainly I think there ought to be some protection for pending litigants, and some provision covering future litigation.

Hon. Mr. MURPHY: As to protecting pending litigants, would the honourable gentleman be of the opinion that a clause similar to those in Acts reviving lapsed patents would be sufficient?

Hon. Mr. WILLOUGHBY: I think it would.

Right Hon. Mr. GRAHAM: I will call the attention of the Department to the remarks of my honourable friend, and on Monday we shall perhaps be in a position to discuss the matter thoroughly.

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

DOMINION ELECTIONS BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 313, an Act to amend the Dominion Elections Act.

Hon. Mr. COPP in the chair.

On section 1—"Judicial district"; "the Judge":

Right Hon. Mr. GRAHAM: Honourable gentlemen will remember that when the House was in Committee yesterday we made some slight amendments in the English version of this Bill, and also sent back the French translation for correction. This morning the Chief Electoral Officer examined the English version of the Bill and approved of the corrections we made yesterday, and also suggested some others which I will now submit. They do not change the principle of the Bill at all, but provide for the insertion of words that have been omitted. The first is on page 2 of the Bill, line 5, paragraph iv. I would move that the word "which" be inserted after the word "within", so that it will read:

—the judge of the county court of the county, or the judge of the district court of the district, as the case may be, within which such place lies.

The amendment was agreed to.

On section 6, new section 21, subsection 2—appointment by title:

Right Hon. Mr. GRAHAM: Subsection 2 of section 21, which begins at the 46th line on page 3, reads as follows:

Any appointment made by the Chief Electoral Officer may be made by reference to the title of office of the appointee. . .

It is suggested that the word "the" be inserted between the words "of" and "office," making that line read:

—may be made by reference to the title of the office of the appointee. . .

I move that the word "the" be inserted between the words "of" and "office" in the 47th line on page 3.

The amendment was agreed to.

On section 12, new section 28, subsection 1—polling divisions with 300 electors:

Right Hon. Mr. GRAHAM: On page 6, in section 28, subsection 1, there is evidently an error by the printers. Printers seldom make errors, I will say in their defence, but this seems to be one place where they slipped. Beginning on line 5, page 6, it reads as follows:

each designed to contain as nearly as possible there hundred electors. . .

The word "there" should read "three." I move that the word "there" be stricken out and the word "three" be substituted therefor.

The amendment was agreed to.

On Schedule B to Section 32—preparation of lists of voters in rural polling division:

Right Hon. Mr. GRAHAM: With regard to Rule 8, on page 18, the Electoral Officer and those of us who were discussing it with him were of opinion that "Rule (4)" at the end of the clause should be changed to "Rule (3)," and the last sentence of the clause should read:

He shall attach to such copy a copy of the notice published under Rule (3).

A reference to Rule 3, I think, will make that plain. Rule 3 says:

Every registrar shall forthwith on his appointment take an oath as such in Form No. 6 and shall immediately thereafter post up in public places in the polling division at least six copies of a notice that he is about to prepare a list of qualified voters resident in the division. . .

I move that the figure "4" at the end of Rule 8 be stricken out, and that the figure "3" be substituted therefor.

The amendment was agreed to.

Right Hon. Mr. GRAHAM: The same change is necessary in Rule 9. I move that the figure "4" at the end of Rule 9 be stricken out, and the figure "3" substituted therefor.

The amendment was agreed to.

Right Hon. Mr. GRAHAM: My honourable friend from Shawinigan (Hon. Mr. Paradis) has vouched for the corrected translation in French of the text of the Bill.

The Bill, as amended, was reported.

THIRD READING

Right Hon. Mr. GRAHAM moved the third reading of the Bill as amended.

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

DIVORCE JURISDICTION BILL

REJECTED

The Senate resumed from yesterday the adjourned debate on the second reading of Bill 75, an Act respecting the domicile of married women in proceedings for Divorce.

Hon. Sir ALLEN AYLESWORTH: Honourable gentlemen, I was not able yesterday to go any further than I did in what I was trying to say with reference to this Bill, and I wish to thank honourable gentlemen for their kindness to me in permitting, yesterday, the adjournment of the debate.

I shall not attempt to-day to say all that I was intending to say when I began to speak yesterday, because I feel I am not able to-day to do it. I am not well. But I should like to say something further with reference to the proposals of this measure.

This Bill proposes two things: first, to make a change, and a very radical change indeed, in what has always been the law as to the domicile, or home, of any man and woman who enter into matrimonial union. But not only does this Bill do that, contravening all existing principles in its proposal that there may be, for the purposes of divorce, two separate and independent domiciles of the spouses (one of which may be but a temporary place of residence of the woman), but it proposes also to confer upon the court of the province in which the domicile of the woman has been chosen the jurisdiction to decree divorce, and that jurisdiction is to be exercised not only over the woman who has selected that court, but also over the husband, who very possibly has never in his life been within the territorial jurisdiction of the court to which the wife applies. That strikes me as a very extraordinary proposition and a serious inroad upon all the principles which we have supposed underlay the jurisdiction of our courts in Canada.

The point of view of importance in considering the jurisdiction of any court is not whether or no it has jurisdiction over the complainant. The complainant gives it jurisdiction over herself by resorting to that court for aid. The question of importance is whether or no the court resorted to has jurisdiction over the defendant, that is to say, over the person to answer. This Bill proposes a revolutionary change: it proposes that a wife may apply for divorce to a tribunal in some other province of Canada, to which she resorts for that purpose, and for that purpose alone, and that such tribunal shall have jurisdiction over the absent husband, and may take from him his status as a married man and permit his wife to divorce him. That seems to me simply a revolutionary idea, and I must admit that I have a feeling of astonishment that a measure of this sort should come to us from the House of Commons.

If one is at liberty to speak here of what one has learned from the newspapers, or otherwise, of the reasons that were given in support of this measure in another place, they seem to my mind equally extraordinary. The Bill was supported as one concerning the equality of the sexes. It was said that the woman seeking divorce ought to have equal rights with the man. The proposal was apparently based upon the principle that the female sex needed emancipation from the domination of the male, and that a woman must be given authority, by this measure, to hunt, from one province of Canada to another, for some court in which, though her husband might never have been in any way subject to the jurisdiction of that court, she could find the means of getting a divorce from him

Before sitting down I wish to draw attention to exactly what this Bill proposes. If honourable gentlemen will look at it they will see that (superfluous words being eliminated, and the effect being stated in one sentence) the Bill provides that a married woman, deserted, may acquire a domicile of her own for the purpose of commencing

an action for divorce, and the court of the province in which she has acquired such domicile shall have jurisdiction. That is the whole gist of the enactment. The deserted married woman may acquire a domicile of her own with no real intention of making it permanent, but for the restricted purpose of commencing divorce proceedings and getting a divorce. The substance and essence of the proposed enactment is: a deserted married woman, in order to get a divorce, may acquire a domicile wherever she pleases to go, and the court of the province so selected shall have jurisdiction.

I have pointed out that it is utterly opposed to all the principles of British law that the mere presence and application of the complainant should give jurisdiction to the court she selects, when the person to answer is not present at all. See what the court is doing. The court is, at her instance, summoning this absent man, who may never have been domiciled within its territorial jurisdiction, who is not then there present, who may be in a distant part of the world. Without a particle of jurisdiction over him, but simply because his wife is then temporarily resident within its jurisdiction, the court summons him to appear before it to show cause why his wife should not put him away.

It seems to me this Bill might very much better have been entitled, "A Bill to facilitate divorce." It is more than facilitating it. In another place the Minister of Justice contemptuously referred to it as a Bill that would make Canada a second Reno. I think he might readily enough have gone far beyond that and have described it as a Bill to make Canada into a dozen or half-dozen independent and separate Renos. See what this Bill contemplates as the thing that will very likely take place. Take the case of a woman who was born in Ontario and was married and has lived all her life with her husband in this province. If the husband separates from her—"deserts" is the word used here—perhaps because he wants to go to some other part of Ontario to live, or because he is seeking employment and thinks he can get it better away in the northland of Ontario than in the southern portion, and his wife does not agree with him and will not go along, but exercises her indubitable right to do as she pleases within her own house, and stays at home while he is in the north, she may say after two years that he has deserted her. Perhaps he has not contributed to her support; he may not have been able to do so. She needs no longer to go to the tribunal for the Province of Ontario which has jurisdiction. All she has to do is to pack her trunk and go to Winnipeg. The day after she reaches Winnipeg she says, "I select Manitoba for my domicile under this statute, and I am entitled to begin proceedings in the courts of Manitoba to divorce that wandering husband of mine." Although the courts of Manitoba have no jurisdiction over him in other matters, this Bill, if it becomes law, gives them complete jurisdiction to decree divorce. But suppose the lady fails in her Manitoba suit: she has the right to proceed to Saskatchewan and try her luck there, and next to Alberta, and then to British Columbia; and failing in all those jurisdictions she may come east and do the same thing in each of the Maritime Provinces. That sort of thing, it seems to me, is worse than Reno.

But that is not all. Under this Bill, if it becomes law, it would be perfectly possible for two suits for divorce to be pending simultaneously, one in the province selected by the husband, where his home is, and the other in the province selected by the wife, where she had gone to reside. And the two divorce suits, of course, would not necessarily have the same result. In the one there might be dismissal, and in the other the granting of the decree. In such a case I do not know what the status of those two persons would be, and I do not suppose that situation has ever been considered by whoever it was that put this Bill upon paper.

The honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) said the other day, I think, that the Senate was already committed to the principle of this Bill. I would respectfully take exception to that. I think it is going too far to say that because the Senate, or the House of Commons, nine years ago passed a measure of similar character—a measure which did not become law, and which never has been the law of Canada—that the House which passed that abortive piece of legislation is committed to the principle of it. For my part, honourable gentlemen, I was not a member of Parliament in 1920, and I respectfully decline to be in any way bound by what either House of Parliament did at that time if the other House and His Excellency did not concur in it.

But from my point of view the measure which was under consideration in 1920 is much less objectionable than this. It says nothing whatever about the jurisdiction of a court in a province other than that in which the matrimonial domicile of the spouses has been established. It provides, it is true, that the wife may, under certain circumstances, ac-

quire a domicile differing from the matrimonial domicile. But it stops at that. If it had become law it would have changed the law in a very material respect, whatever the consequences of that change might be; but it did not go by any means as far as the present measure does.

This Bill being so ill-drawn, and having received such inadequate consideration, I venture to offer the opinion that it needs far more consideration than it has yet received, and in these circumstances I beg to move, seconded by my honourable friend from La Salle (Hon. Mr. Bureau):

That the said Bill be not now read a second time, but be read a second time this day six months.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, it is no part of my duty to speak on behalf of this Bill, and I have made no special preparation in order to do so, but as the Chairman of the Senate Committee on Divorce has gone home, I may, perhaps, say a few words. The Bill may have some latent defects, it may even have some which are patent, but on the whole the principle of it is one that I support. I am sure that every member of this House is delighted to hear the honourable gentleman who has just spoken (Hon. Sir Allen Aylesworth). It would be a pleasure, and an advantage, to hear him more frequently than he has been able to address us.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. WILLOUGHBY: We are only sorry that the honourable gentleman was not able to continue his remarks yesterday. We all recognize—and I particularly, as one who was a youth when he was a legal practitioner in Toronto—the very eminent position that he held, even before he became Minister of Justice. I have always regarded the honourable gentleman with a great deal of admiration as a member of my own profession. However, as you know, honourable gentlemen, not only lawyers but even judges disagree, and I for one do not fear the terrible consequences predicted by my honourable friend.

I accede to the honourable gentleman's proposition that this House is not committed to the position taken on the Bill of 1920. The action taken at that time was simply an expression of the opinion of this honourable House, and even though the Bill never became law, nevertheless, according to the records, it passed this House unanimously, and I think I may invoke that action as tending in a certain direction.

I am absolutely in accord with the statement of law made yesterday by the honourable gentleman as to what constitutes domicile—the domicile of origin, where the person is born; the domicile of choice, where he elects to live afterward; and the domicile of marriage in the case of a woman who has changed her status and has become a wife. There is no dissent from these general principles at all. While a restatement of them may refresh the memory of laymen in this House, to those who are familiar with the law of matrimony and divorce they are nothing new. In saying that, I do not wish to comment adversely upon what the honourable gentleman has said, for it is quite within his right to remind us of these principles.

I do not at all share the solicitude of the honourable gentleman for the class of people aimed at by this Bill, for they are absolutely undeserving, and they are the only ones punished, if anyone is, in the event of a dissolution of marriage as a result of divorce proceedings. The Bill says:

A married woman who either before or after the passing of this Act has been deserted by and has lived separate and apart from her husband for a period of two years and upwards, and is still living separate and apart from her husband.

It deals only with the cases of women whose husbands have deserted them for a period of two years or upwards.

Now, what is desertion? It is not the mere leaving of a wife. I say that a husband formerly living in the Province of Ontario who has deserted his wife and gone to live outside of that province is not deserving of our sympathy. It will be for the court that hears the application to decide whether or not he has deserted his wife, or whether the acts of which he is guilty constitute desertion. I do not admit that the illustration given by the honourable gentleman of a husband who goes to live in another part of Ontario is apropos.

Hon. Mr. HUGHES: Has desertion to be proved before the application for divorce?

Hon. Mr. WILLOUGHBY: No; it would have to be proved to the court.

Hon. Mr. HUGHES: But the woman has to prove desertion before making her application?

Hon. Mr. WILLOUGHBY: She would have to prove it in the course of her application. She makes an allegation, as she would in any other action in court; she asserts that she has been deserted for two years by her husband; then when her application is heard the judge has to decide, among other things,

whether or not there has been desertion. The act of a man in merely going from one portion of the province to another, or from one province to another, in order to earn a livelihood, does not constitute desertion. It must be a deliberate abandonment of the wife qua wife.

Hon. Mr. DANIEL: And withdrawal of support.

Hon. Mr. WILLOUGHBY: And withdrawal of support. The mere fact that a man goes away and works somewhere else is only an element to be considered.

The honourable gentleman (Hon. Sir Allen Aylesworth) has drawn a harassing picture of the poor man who has deserted his wife for two years following her to Winnipeg, perhaps, and then chasing her through the courts of the West as she changes her domicile, and then back to the East. Of course such a thing is humanly possible, but if the wife is not maintained by her husband, what is she to do other than find herself a home and a means of adequately supporting herself? She does not have to go from one province to another for the purpose of getting a divorce, because she can get her divorce in Ontario if she has lived there; but she may go to Manitoba because she has children there, or in order to earn a livelihood. And if she cannot earn it in Manitoba, there is no reason why she should not go farther west. All this time she is trying to do what was the bounden and legal obligation of her husband, namely, to find her a home and support her.

As I say, it does not lie at my door to support this Bill. It has been my privilege —not too eagerly sought—to sit on the Divorce Committee for a considerable number of years. It is the duty of that Committee, as everybody in this Chamber knows, to adjudicate on the question of domicile. That question is constantly arising, and it is an embarrassing and difficult one to decide. The law in England, so far as domicile is concerned, has been rather tightened up in the celebrated case of Cooke v. Cooke, that went from Alberta to the Privy Council in 1924, if I remember the date correctly. There were numerous cases, the names of which I shall not mention—hardship cases, as they are described in the Old Country—in which the law was interpreted differently, but in Cooke v. Cooke the law is laid down much more stringently. The law of this country as to domicile was governed by the well known case of Le Mesurier v. Le Mesurier, which is applicable to all the Dominions. In England the need of a Bill of this kind would not be felt, because once a person crosses the channel he is on the Continent, where they have different laws and speak different languages. The same is true in a lesser degree of the other British Dominions. But unfortunately in Canada, because it lies alongside the United States, a great sister nation who speaks our own language, this measure is more in point. We know that in the State of Michigan—I am speaking from memory now—for two or three years past there have been more divorces granted to Canadians than have been granted in all the courts of Canada during the same period. So our position is somewhat unique. Here we are, placed alongside a great country where, unfortunately, divorce is becoming too common, and where it is granted for causes that we in this country would not consider for a moment. We have here one standard cause that should appeal to every man. I would not have very much respect for a man who was willing to continue to be the husband of and to live with a debauched wife.

In the course of every year large numbers of women go across the border into the United States and secure divorces from their husbands. It may be that in not a few individual cases the husband has committed an offence that warrants his wife's leaving him, but, whatever the reason, many of our women do secure divorces in the United States. Many Canadian men do the same thing, but we are considering for the time being the case of a woman who takes this action. It may be that she remarries in the United States after securing a divorce which is not recognized in Canada, while her husband and children, if any, continue to live in this country. In the eyes of our law that woman is living in the United States in adultery, because she had not acquired a domicile separate from that of her husband, and therefore her divorce is not legal here.

The honourable gentleman might suggest, although he has not done so, that in no other British country has a law of this character been enacted; but it must be considered that no other part of the British Empire is situated geographically as we are. Because of our peculiar conditions a law of this kind might appeal to us as sound and justifiable, while it would not be regarded as desirable at all by other British countries. If this Bill passes this House and it is found to be wider in scope than it should be, it will be subject to amendment afterwards.

I do not quarrel with the views of the honourable gentleman from North York (Hon. Sir Allen Aylesworth) in regard to marriage. There are very many people who do not believe that divorce is justified in any circumstances, and it is the absolute right of

any person to take that view if he wishes. As I say, if this Bill becomes law and it is found that it does not work out in practice as we had expected, it will be within the competence of Parliament, which has passed the law, to change it. I am not suggesting that any amendment will ever be necessary, but if we should find that the law is responsible for some abuses which we had not anticipated, and that unforeseen difficulties arise, then Parliament could amend the law so that it would function as it was intended. Speaking for myself, I cannot accede to the amendment of the honourable gentleman, and I shall vote for the Bill.

Hon. H. J. LOGAN: Honourable gentlemen, the case made out against this Bill by the honourable gentleman from North York (Hon. Sir Allen Aylesworth) is, I think, a very strong one. I cannot understand how the Bill ever got through the House of Commons, because as it reads—

> A married woman who either before or after the passing of this Act has been deserted by and has lived separate and apart. . .

it does not specify that the married woman must be a Canadian. As far as this Bill goes, "a married woman" might mean a woman from any part of the world. That is the first objection I have to the Bill, and I cannot vote for the measure as it is presented to us.

Then it strikes me that a very strong argument has been made against the proposal to legalize an application for a divorce by a woman in different provinces. I cannot combat that argument.

But there is a principle in this Bill with which I agree. Take the case of a married Canadian man who deserts his wife and goes to the United States, where he gets a Reno divorce, and subsequently marries another woman in that country. He may have a family by his second wife, but in any event he establishes a domicile in the United States, while his first wife—and, under Canadian law, his only legal wife—remains in Canada and earns her living in this country. But she cannot take proceedings for the purpose of securing freedom from that man, because her domicile, under our law, is in the United States, where her husband's domicile is. It is because of the injustice that I think arises in such a situation that I should like to see all women put on an equal status with men in proceedings for divorce. It is not a question of whether we believe in divorce or not, but one of justice to women who may find themselves in the position of the woman in the hypothetical instance I have just referred to.

In case some honourable gentlemen have not followed me, I shall repeat what I have said. If a man is married in Canada and deserts his wife, goes to the United States, gets a Reno divorce, as we call it, marries a woman in the United States, has a family by that woman, establishes a domicile in that country, his Canadian wife—his only legal wife, under our law—has her domicile in the United States, and there is no way, as far as I can see, by which that woman can acquire a divorce in Canada. I should like to have that inconsistency and injustice removed. But I cannot vote for the Bill as it now stands, because it is miserably drawn. As I have said, I cannot understand how it ever got by the other House in this shape. I would make a suggestion such as this: "A married woman who is a British subject,"—

Hon. Mr. BUREAU: There is a motion before the House.

Hon. Mr. LOGAN: I might move it as an amendment, but I am just suggesting it now: "A married woman who is a British subject and has been resident in Canada for a period of five years, who either before or after the passing of this Act has been deserted by her husband, residing out of Canada,"—and then go on with the rest of the section. That is the way I should like to see the Bill go through, but in the way it stands now I shall have to vote for the six months' hoist.

The amendment of Hon. Sir Allen Aylesworth was agreed to: contents, 18; non-contents, 12.

Hon. Mr. COPP: I was paired with the honourable gentleman from Westmoreland (Hon. Mr. Black) in a way, and I do not know how he would vote on this question.

Hon. Mr. DANIEL: With regard to the honourable gentleman's statement, I should like to know how it is possible for honourable members to be paired on a question like this, and whether pairs are recognized in this House. I do not see how honourable gentlemen can pair on such a question. We are not divided into parties here. We are supposed to take an impartial view of Bills and other matters that come before this Senate, and decide them on their merits. If my honourable friend should pair with somebody, both honourable gentlemen might happen to agree, and wish to vote the same way. I do not know whether there is any rule in connection with this question, but I think that when a Bill comes up to be voted on every member present is required by the rules of this Chamber to express his assent or dissent

by voting. I should like to ask His Honour the Speaker whether I am correct in that view. Is it not the rule that every member present must vote, Mr. Speaker?

Hon. Mr. COPP: While His Honour the Speaker is looking up the point raised by my honourable friend, I might say to him, if he is offering criticism as to why I did not vote, that when I was in the other House, if a pair was made with a friend on the other side of the House I always took particular care to observe it. The other day my honourable friend from Westmoreland (Hon. Mr. Black) told me he was going away, and asked me if I would pair with him on any vote coming before the House. I was very glad to do so, and I have kept faith with my honourable friend, as I promised. I may be somewhat green or unlearned in the rules of this House, and if I have committed a breach of etiquette of the Senate I apologize to His Honour the Speaker and to my honourable friend.

Hon. Mr. DANIEL: I think you have.

Hon. Mr. GORDON: Before His Honour the Speaker gives his ruling, I should like to say that my honourable friend from St. John (Hon. Mr. Daniel), while he looked over at the member from Westmoreland (Hon. Mr. Copp), meant to give his desk-mate a little dig because he did not vote. I am sorry that I did not have the excuse of having a pair, but my case is one of ignorance, for I came in too late to hear the latter part of the speech of the honourable member from North York (Hon. Sir Allen Aylesworth), and, as I happened to be busily engaged, I could not give this matter the thought that it deserved. As a consequence I felt that I should not vote.

Hon. Mr. DANIEL: I would ask my honourable friend if he did not read the Bill, and form an opinion based on that reading.

The Hon. the SPEAKER: Honourable gentlemen, I would say that Rule 52 reads as follows:

52. If two senators require it, the "Contents" and "Non-Contents" are entered upon the minutes: provided the Senate shall not have taken up other business; and each senator shall vote on the question, openly and without debate; unless for special reasons he be excused by the Senate.

Then our Rule 54 says:

54. A senator, declining to vote, shall assign reasons therefor; and the Speaker shall submit to the Senate the question,—"Shall the Senator, for the reasons assigned by him, be excused from voting?"

I understand that the honourable senator has assigned a reason for not voting, and the question is whether he is to be excused for that reason.

Hon. Mr. GRIESBACH: What happens if he is not excused?

The Hon. the SPEAKER: He has to vote.

Hon. Mr. GRIESBACH: The trouble is that the vote has been already taken. How can you judge him or deal with him then? Surely there is something wrong with that rule.

Hon. Mr. DANIEL: Provide a motion excusing this honourable gentleman from voting.

Hon. Mr. BUREAU: I would ask His Honour the Speaker how the vote is recorded in the Chamber when the Speaker is in the Chair. I thought that under the rules a standing vote was taken only when the House was in Committee of the Whole.

The Hon. the SPEAKER: For the information of the honourable gentleman I might read our whole procedure. On the second reading of a Bill:

71. Should the words "Not Content" be heard, the Speaker says: "The Contents will please rise," and judging to the best of his knowledge, says: "The Contents" or "Non-Contents have it," adding, "the motion is lost," or "Carried:" "Read the Bill" or "Call the next Order."

72. If the "Yeas" and "Nays" are called for, the Speaker says: "The Yeas and Nays being called for by two Senators, the Contents will please rise;" their names having been taken down; the Non-Contents are then called upon to rise, and their names being also taken down, the Clerk then reads from the Division List, thus: "Contents 25; Non-contents 18," or vice versa, and the Speaker says: "The Contents," or "The Non-Contents have it."

There are three methods of dealing with a vote in the Senate. First of all, the Contents may be asked to rise, and then the Non-Contents, and they need not be counted. The second method is that the Yeas and Nays are called for, and they rise and are counted, and then the Clerk, as he did on this occasion, gives the result to the House. The third method is that if the words "Call in the Senators" are heard, the Speaker rises and, addressing the Sergeant at Arms, says, "Call in the Senators." I have proceeded according to the regular form.

Hon. Mr. COPP: I may escape by this ruling.

SASKATCHEWAN ELECTION

On the motion to adjourn:

Hon. Mr. LAIRD: I should like to inquire if the Government is aware that there was a provincial election in Saskatchewan yesterday,

and if the honourable the acting leader would give us the latest returns he has.

Right Hon. Mr. GRAHAM: Honourable gentlemen, this House is non-partisan, as we have been told, and, not being personally interested in elections, I have no official notice of what occurred in Saskatchewan.

The Senate adjourned until Monday, June 10, at 3 p.m.

THE SENATE

Monday, June 10, 1929.

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

Prayers and routine proceedings.

CANADA GRAIN BILL

FIRST READING

Bill 359, an Act to amend the Canada Grain Act.—Right Hon. Mr. Graham.

SECOND READING

Right Hon. Mr. GRAHAM moved the second reading of the Bill.

He said: Honourable gentlemen, the text of this Grain Bill may be somewhat new to us, but we are more or less conversant with the discussion on the subject. A commission of inquiry, known as the Brown Commission, was appointed some time ago, heard evidence and brought in a report. That report was referred to the Agricultural Committee in another place, which in turn placed the matter in the hands of a sub-committee, and after the smaller body had made its findings the report of the full Committee was presented to the other House.

The Bill, which in its present form has been approved unanimously in another place, purports to deal with only the high spots of grain legislation. The intention is to consolidate the Grain Act and probably introduce several additional amendments at the next Session. These high spots are the abolition of grain mixing in grades 1, 2, and 3, an outturn standard of 75 per cent of the average of the grade, with 25 per cent of the minimum, and a provision allowing any producer of grain to ship his product to any terminal elevator that he selects. The Bill provides also that in addition to the three Grain Commissioners there shall be four assistants, who are to be stationed in different parts of Canada so that they may be on the ground to give decisions when required. These are the chief points of this legislation.

Hon. Mr. LAIRD.

I have been waited on by representatives of, I think, all the classes interested, and as they are unanimously in favour of the Bill as now before us, I do not think we can do better than pass it.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, it is always a pleasure to me to find myself in accord with the leader of the Government. This has frequently been the case during the present session, which certainly has not been a contentious one. On this Bill I am again in accord with my right honourable friend opposite (Right Hon. Mr. Graham).

Without arrogating to myself any special authority, I may claim that, coming as I do from the greatest grain-growing province in Canada, I have a fair first-hand knowledge of the needs and desires of the farmers of the West in regard to the operation of the Grain Act. I venture to say that the great mass of the farmers, whether members of the pool or not, are in favour of a change in the grading. I am equally satisfied that they are opposed to mixing—to perhaps a greater degree than to anything else dealt with in the Act. The prohibition of mixing will not come into effect for a year. It has been contended by the grain trade that in the operation of the terminal elevators and in the spouting of grain into the boats some technical readjustments will be necessary in order to meet the new conditions brought about by this prohibition. As to that I do not profess to have any technical knowledge, but it is quite obvious that the sponsors of the Bill have tried to play fairly with the grain trade and to give them an opportunity to prepare for the fate that is going to befall them, for I have no doubt that next session mixing will be absolutely abolished.

Right Hon. Mr. GRAHAM: May I be permitted to interrupt the honourable gentleman? I omitted to say that the abolition of mixing in grades 1, 2, and 3 will not come into operation until August, 1930.

Hon. Mr. WILLOUGHBY: That is what I am referring to. The provision as to mixing is not to become operative this year, and it applies only to the higher grades. The other provision—the standard of 75 per cent of the average with 25 per cent of the minimum of the grade, with the possibility that it may be extended to grades below No. 3—is a new departure, and it is hoped that it will be beneficial to the farmer. It has been contended in this House, as well as throughout the grain-growing sections of Canada, that there is a tendency to skim the grade to the absolute minimum. I have met gentlemen

from the Old Country interested in grain, who, while making no specific charge against the operation of the Act in Canada or the integrity of our grades, think that the present Act does permit of the grade being skimmed down to the very minimum. And that is reflected in the sale. The miller in the Old Country is our purchaser; he buys on test, and he knows what he is buying; and if it is skimmed to the minimum of the grade, he is well aware of the fact when he offers the price. It is therefore hoped that this experiment—for, after all, it is only an experiment—of mixing 75 per cent of the average with 25 per cent of the minimum will result in a better grade of grain of a particular class.

As there is no opposition from any party in the other House, so far as I know, and no opposition in this House, it would be in my opinion absurd to make any extended remarks. It is not the habit of members of this House to make speeches for publication unless they have some tangible object in view in securing the rejection or the passage of legislation submitted to us.

Hon. A. B. GILLIS: During the past two or three years there has been a very objectionable form of ticket. I do not know whether there is any provision in this Bill to do away with that. As far as mixing is concerned, I may say that no legislation, no matter how stringent it may be, will stop it. To do that would necessitate the presence of an inspector at every elevator in Western Canada. There always has been and always will be more or less mixing at the initial elevator. That is unfortunate, I think, because it is important that the standard of our grain should be maintained as high as possible. It is probably advisable, though, to pass stringent legislation for the purpose of preventing mixing. However, what I intended to ask was whether there is any safeguard provided as to those tickets which were so obnoxious.

Right Hon. Mr. GRAHAM: I think my honourable friend will find that provision is made for a uniform ticket, to be supplied under the supervision of the Grain Commissioners themselves.

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

THIRD READING

Right Hon. Mr. GRAHAM: I move that the House go into Committee of the Whole on this Bill.

Hon. Mr. WILLOUGHBY: You need not go into Committee at all, as far as this side of the House is concerned.

Right Hon. Mr. GRAHAM: Then, with the consent of the House, we will omit the Committee stage, because there seems to be perfect unanimity in regard to this legislation. Shall the Bill be read the third time now?

Hon. Mr. WILLOUGHBY: That will be agreeable to this side of the House. In answer to what the honourable gentleman (Hon. Mr. Gillis) has said about mixing, I may say that we are dealing in this Bill only with the terminals. The third reading may take place now as far as we are concerned.

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

Hon. Mr. DANIEL: When the Grain Bill was before the Senate last year, or the year before, there was some dispute between farmers out in the West and the owners of certain elevators at various points throughout Western Canada. Many of the farmers objected to using those elevators. Speaking from memory, I think that they wished to place their own elevators there, so that they would be free from the use of those elevators that were already established. Against that position it was argued that such a course would destroy the investment of a very large amount of money spent in erecting those local elevators, and would not be fair to those who in good faith had invested their money in that way. I should like to ask the right honourable gentleman who is leading the House whether any difficulty of that kind exists now, or whether it has all passed away.

Right Hon. Mr. GRAHAM: I would ask the honourable gentleman opposite if he knows anything about that.

Hon. Mr. WILLOUGHBY: I am very happy to state from personal knowledge, as well as from what I have heard, that the old line elevators have not been put out of business, but that, on the contrary, a very large number have been built during the last year.

Hon. Mr. DANIEL: They are still running?

Hon. Mr. WILLOUGHBY: Not only running, but a great many more have been built.

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

EXPEDITIONS TO LABRADOR AND BAFFIN LAND

Before the Orders of the Day:

Right Hon. Mr. GRAHAM: Honourable gentlemen will remember that the other day the honourable member from Edmonton (Hon.

Mr. Griesbach) called the attention of the Senate to a despatch from Buffalo to the effect that Commander Donald B. MacMillan intended to chart some of the inland lakes of Baffin Island during the course of the present summer, and "perhaps give them some good Yankee names." There is an ordinance of the North West Territories to the effect that no scientist or explorer may enter the North West Territories without first obtaining a permit to do so from the Commissioner of the said Territories. In the case of MacMillan and his party the Royal Canadian Mounted Police would be requested to see that the terms of this ordinance were fully complied with. Commander MacMillan, because of previous explorations in northern Canada, is well aware of the requirements in this regard, as he has taken out permits in previous years.

For some time the press has contained articles outlining the expedition which Commander MacMillan and Commander E. F. McDonald intended making this year to Baffin Island. Through a letter transmitted by the High Commissioner's Office in London, our Government was advised that Commander McDonald had written to the Royal Geographical Society offering to fly over Baffin Island and map certain sections, either officially or unofficially, using a Fairchild's camera, upon the understanding that the names given to the newly mapped geographical detail would be officially accepted.

This matter was referred to the Department of the Interior, and a communication was sent to Commander McDonald pointing out that all names of geographical features in Canadian territory must be submitted to the Geographic Board and accepted by it before the names would become official. Commander McDonald replied, on the 11th ultimo, that his plans for the exploration of the interior of Baffin Island had been abandoned entirely, for this year at least, because of the fact that there was not manufactured an amphibian aeroplane satisfactory for this work. Commander McDonald stated further that had his plan been carried out as first anticipated he would have made formal application.

YUKON QUARTZ MINING BILL

THIRD READING

Bill 343, an Act to amend the Yukon Quartz Mining Act.—Right Hon. Mr. Graham.

The Senate adjourned until to-morrow at 8 p.m.

Right Hon. Mr. GRAHAM.

THE SENATE

Tuesday, June 11, 1929.

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

Prayers and routine proceedings.

BUSINESS OF THE SENATE

On the Orders of the Day:

Right Hon. Mr. GRAHAM: Honourable gentlemen, I anticipated that two Bills passed by the Commons would be here to-night, one an amendment to the Fisheries Act, and the other an amendment to the Criminal Code. It seems, however, that they are not here; consequently we have nothing to proceed with. Would honourable gentlemen mind adjourning during pleasure, so that I may make inquiries about these Bills? There may be some delay that should not occur.

Hon. Mr. BUREAU: They may be in transit.

Right Hon. Mr. GRAHAM: Would it be agreeable to suspend the sitting for fifteen minutes or thereabouts?

Hon. Mr. WILLOUGHBY: As to the Fisheries Bill I have no objection, but I may tell you frankly that I will raise an objection to the Criminal Code Bill.

Right Hon. Mr. GRAHAM: I move that we adjourn during pleasure, so that I may find out where these Bills are.

Hon. Mr. WILLOUGHBY: I have a legal and constitutional objection to the Criminal Code Bill and will not facilitate it. As to the other Bill, we are quite ready to spend the evening on it and to facilitate its passage.

Right Hon. Mr. GRAHAM: My motion is that we adjourn during pleasure. It will be for just a few moments.

The motion was agreed to, and the Senate adjourned during pleasure.

After some time the sitting was resumed.

FISHERIES BILL

FIRST READING

Bill 26, an Act to amend the Fisheries Act.—Right Hon. Mr. Graham.

SECOND READING

Right Hon. Mr. GRAHAM moved the second reading of the Bill.

He said: Honourable gentlemen, I may explain that the delay in sending the Fisheries Bill and the Criminal Code Bill to us was due to neglect on the part of officials. These Bills have been ready since this morning.

Hon. Mr. WILLOUGHBY: I have not seen a copy of the Fisheries Bill yet, and I should like to be furnished with one.

Right Hon. Mr. GRAHAM: Here is a copy.

Hon. Mr. WILLOUGHBY: A copy has just been given to me.

Right Hon. Mr. GRAHAM: As honourable gentlemen well know, the Atlantic Fisheries Commission after an extended investigation made a lengthy report, suggesting that certain amendments to the Act were necessary in the interest of the fishing industry. These suggested amendments, as well as one or two others, together with several sections of the old Act, will be found in the Bill. The explanatory notes printed with the Bill are fairly complete, but I presume we cannot consider the exact meaning until we go into Committee. With the leave of the Senate I would move the second reading, and suggest we go into Committee of the Whole on the Bill, so that each clause may be discussed separately.

Hon. Mr. WILLOUGHBY: Quite agreeable.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Béland in the Chair.

On section 1—interpretation:

Right Hon. Mr. GRAHAM: These interpretations are necessary in order to make clear section 5 of the Bill.

Section 1 was agreed to.

On section 2—fishery leases and licenses:

Hon. Mr. DANIEL: This section amends section 7 by inserting in the first line, after the word "may," the words "in his absolute discretion." I should like to know what is the purport of section 7. It refers to some licensing authority, no doubt. Perhaps it refers to the Minister, but I do not know to whom it refers. May we have a little explanation as to what it really means?

Right Hon. Mr. GRAHAM: Section 7 as it now stands reads as follows:

The Minister may, wherever the exclusive right of fishing does not already exist by law, issue or authorize to be issued fishery leases and licenses for fisheries and fishing wheresoever situate or carried on; but leases or licenses for any term exceeding nine years shall be issued only under authority of the Governor in Council.

The interpretation that has been placed on the word "may" is that the Minister has a discretionary power. Under this interpretation fishery licenses in British Columbia, for instance, were being restricted to white British subjects and native Indians. The question whether or not the Minister has such discretionary power has been raised, and while a decision in the matter is still before the courts, it was decided in the Standing Committee on Marine and Fisheries that this section should be so amended as to leave absolutely no room for doubt that the Minister has such discretionary authority. Hence the inclusion after the word "may" of the words "in his absolute discretion."

Section 2 was agreed to.

Sections 3 to 6, inclusive, were agreed to.

On section 7—penalty for using trawls:

Right Hon. Mr. GRAHAM: Honourable gentlemen, I might give an explanation which I have received from the Department concerning this section. Section 7 is substituted for section 5 of the original Bill. The Select Standing Committee on Marine and Fisheries finally recommended that instead of the original section 5 it be required that all vessels operating otter trawls should be licensed by the Minister, who should have power to determine the number of such licenses, and that the Governor in Council should have authority to specify the conditions under which such licenses would be issued. Also, that such vessels should not be allowed to operate within twelve miles of the shore, and that they should be registered and owned in Canada.

As the Fisheries Act probably does not apply beyond territorial waters, it is necessary in order to carry out the recommendations of the Committee, that the Act be amended so as to exercise the needed control over such vessels when they are in our ports and territorial waters.

The Atlantic Fisheries Commission divided on the steam trawler question, four of them recommending the total abolition of trawlers from Canadian ports, but the chairman recommending control.

The obvious and outstanding difficulty of the situation is that a large fleet of otter trawlers from the United States, France, and at times other European countries, operates on the banks off our coasts, beyond territorial waters. Also, even the abolition of the use of trawlers from Canadian Atlantic ports would not prevent Canadian steam trawlers from operating beyond territorial waters and

taking their fish to United States ports, to be shipped thence in bond to the interior Canadian markets.

It is essential that all feasible encouragement should be given to the development of our inshore fisheries and that to this end such trawlers should be restricted. The Bill, as amended, enables this to be done, and at the same time subsection 3 will enable the Department to encourage the inshore fishermen to equip themselves with small boats operating along the lines of the bigger ones, by means of which they can fish more steadily and for a greater period of the year.

Hon. Mr. WILLOUGHBY: I should judge that during the year those trawlers are not to engage in fishing within twelve miles of the land.

Right Hon. Mr. GRAHAM: That is what I understand.

Section 7 was agreed to.

Section 8 was agreed to.

The preamble and the title were agreed to.

The Bill was reported.

CRIMINAL CODE AMENDMENT BILL

FIRST READING

A message was received from the House of Commons with Bill 81, an Act to amend the Criminal Code.

Hon. Mr. L'ESPERANCE: Has this Bill been distributed to the House? I do not find it in my file.

Right Hon. Mr. GRAHAM: No; I do not seem to have it.

Hon. Mr. WILLOUGHBY: First reading to-morrow.

The Hon. the SPEAKER: We have not yet read the Bill the first time. The Bill is distributed before the second reading.

Right Hon. Mr. GRAHAM: It is being distributed now.

Hon. Mr. POPE: It is too late.

Hon. Mr. WILLOUGHBY: I raise the point that it is too late to distribute copies of the Bill while the House is in session, and after the Bill has been brought in.

The Hon. the SPEAKER: I would point out to the House that the first reading is a formal matter.

Hon. Mr. WILLOUGHBY: Quite true.

The Hon. the SPEAKER: A Bill is distributed after the first reading.

Hon. Mr. WILLOUGHBY: I may be wrong, but I submit the point of order to Your Honour.

The Hon. the SPEAKER: Does the honourable gentleman object to the first reading?

Hon. Mr. WILLOUGHBY: I object, because the Bill had not been distributed in time. The point may not be maintainable.

The Hon. the SPEAKER: I do not think the honourable gentleman's objection is well taken. Rule 25 says:

No notice is required for any of the following motions:

(1) For the first reading of a Bill.

Ipso facto, when the Bill is brought in it is read the first time at the Table.

Hon. Mr. GILLIS: Is it not customary to have a Bill distributed before the House deals with it at all?

The Hon. the SPEAKER: I know of no rule dealing with it before the first reading.

Right Hon. Mr. GRAHAM: Apparently we shall have plenty of time to discuss the Bill. I would suggest that we take the first reading now and the second reading to-morrow.

Hon. Mr. WILLOUGHBY: I cannot consent to the second reading without two day's notice.

The Bill was read the first time.

The Senate adjourned until to-morrow at 8 p.m.

THE SENATE

Wednesday, June 12, 1929.

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

Prayers and routine proceedings.

FISHERIES BILL

THIRD READING

Bill 26, an Act to amend the Fisheries Act. —Right Hon. Mr. Graham.

On the motion to adjourn:

Right Hon. Mr. GRAHAM: Honourable gentlemen, under all the circumstances I think it would be wise for us to meet to-morrow at 3 o'clock. I cannot say that by that time we shall have what I hope will be the last Bill of this Session, the Supply Bill, but it is possible that it may be ready then. If it is not, we shall adjourn then until 8 o'clock.

Hon. Mr. POPE: I would ask the right honourable the acting leader of the Government if he has any news respecting an increase in the indemnity.

Right Hon. Mr. GRAHAM: The news seems to have been lost in transit.

Hon. Mr. POPE: Sorry.

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

THE SENATE

Thursday, June 13, 1929.

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

Prayers and routine proceedings.

UNITED STATES TARIFF

INQUIRY

Before the Orders of the Day:

Hon. Sir EDWARD KEMP: Honourable gentlemen, I should like to ask the right honourable leader of the House a question, and in order to make it quite clear I ask permission to read a brief Associated Press despatch which appears in this morning's Citizen:

Washington, June 12.—A formal note from France protesting against the proposal to increase tariff on certain French products imported into the United States has been delivered to the state department by Ambassador Claudel.

Formal protests against the tariff also have been fyled by Spain, Italy and Persia, and retaliatory action has been urged in these countries as well as France. More than a dozen nations have forwarded material through the state department for the consideration of the house ways and means and senate finance committees.

I should like to inquire of the right honourable leader of the House whether Canada has forwarded representations to the Government of the United States with regard to pending tariff legislation of the United States and any adverse effect it may have on Canadian products going into that country.

Right Hon. Mr. GRAHAM: Honourable gentlemen, I have no information on this matter. I will inquire of the Government, and will call attention to the question asked by my honourable friend.

CRIMINAL CODE AMENDMENT BILL

REJECTED

Right Hon. Mr. GRAHAM moved the second reading of Bill 81, an Act to amend the Criminal Code.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, it is my intention to make but a few remarks on this Bill. I assume the Government have not been obsessed with the necessity for this proposed legislation, or they would have brought it down much earlier in the Session. In a limited way, during the time at my disposal, I have been looking into the origin and the history of this Bill, and if it reaches another stage in this House I may have more to say on it than at present.

As honourable gentlemen know, the sections of the Criminal Code which this measure proposes to repeal were passed in 1919. In another place the Minister of Justice made some remarks about the Bill having been sent to this Chamber four or five times and rejected. I have not looked up this matter myself, but I have caused the records to be searched and I find that the same Bill has been passed by the other House on only three previous occasions, namely, in the Sessions of 1926, 1926-27, and 1928, and it was not discussed there, in any formal way at least, from the time the amendments to the Criminal Code were made in 1919 up to and including the year 1925.

The first comment I have to make on the Bill itself is that everyone admits there has never been any proceeding, criminal or other, under section 98 of the Criminal Code, which we are asked to repeal. This shows that in actual practice, which is the best test of legislation, the section has not been the cause of hardship or oppression to anyone. If there had been a prosecution under this section of the Code we should have a record of it; but it is conceded, even by those in the other House who favoured the Bill, that advantage has not been taken of the section. It is a well defined practice in British Parliaments to pass legislation when the need for it arises, or when public sentiment demands it, and not to pass very much anticipatory legislation.

The only possible justification I can see for the Bill would be the assumption that section 98 of the Criminal Code is prejudicial to the rights of trades unions, but I can find no ground for such an assumption in the section as I read it. We on this side of the House are as kindly disposed to the activities and functions of trades unions as are honourable gentlemen on the other side; we have no desire to harass or embarrass the unions, nor to interfere in their proper operations.

In accordance with a healthy practice which I had some part in advocating, and which was introduced in this House, there are explanatory notes printed with the Bill. These

notes give us all the explanations necessary for an understanding of the proposed legislation. We repealed the old law against sedition, a law which was not oppressive. As I have stated, I am not going into an elaborate discussion of this matter, but I should like to quote the opinion of an acknowledged authority on our criminal law, and the author of textbooks on it—Mr. Crankshaw. In the third edition of his work on the Criminal Code, page 131, he says:

> At the present day, when the right of forming political organizations, of holding political meetings, and of giving,—through the press, or on the public platform,—free expression to our thoughts upon and criticism of public men and affairs, is so well recognized, a written or printed publication, a public speech, or an assembly, meeting, convention or combination would have to be of an extremely vicious, inflammatory and dangerous character to form the basis of a successful prosecution for a seditious libel, a seditious speech, or a seditious conspiracy.

Mark the language of this acknowledged authority, that there would have to be something "of an extremely vicious, inflammatory and dangerous character" in order to form the basis of a successful prosecution.

Section 98 of the Code prohibits the use of force in doing what may perhaps be done lawfully by other means. Subsection 1 says:

> Any association, organization, society or corporation, whose professed purpose or one of whose purposes is to bring about any governmental, industrial or economical change within Canada, by use of force, violence or physical injury to person or property, or by threats of such injury, or which teaches, advocates, advises or defends the use of force, violence, terrorism, or physical injury to person or property, or threats of such injury, in order to accomplish such change, or for any other purpose, or which shall by any means prosecute or pursue such purpose or professed purpose, or shall so teach, advocate, advise or defend, shall be an unlawful association.

I say that the application of that section in any charge is based upon the use of force.

Subsection 2 reads:

> Any property, real or personal, belonging or suspected to belong to an unlawful association, or held or suspected to be held by any person for or on behalf thereof may, without warrant, be seized or taken possession of by any person thereunto authorized by the Commissioner of the Royal Canadian Mounted Police, and may thereupon be forfeited to His Majesty.

Honourable gentlemen will notice that the authorization to act without warrant cannot be given by any subordinate official, but is exclusively within the power of the Commissioner of the Royal Canadian Mounted Police. Every lawyer, at least, knows that there are many cases where a search may be made without a warrant.

Subsection 3 reads:

> Any person who acts or professes to act as an officer of any such unlawful association and who shall sell, speak, write or publish anything as the representative or professed representative of any such unlawful association, or become and continue to be a member thereof, or wear, carry or cause to be displayed upon or about his person or elsewhere, any badge, insignia, emblem, banner, motto, pennant, card, button or other device, whatsoever, indicating or intended to show or suggest that he is a member of or in any wise associated with any such unlawful association, or who shall contribute anything as dues or otherwise, to it or to any one for it, or who shall solicit subscriptions or contributions for it, shall be guilty of an offence and liable to imprisonment for not more than twenty years.

Before this subsection can be applied there must be an unlawful association such as is dealt with in the first paragraph. It is designed to cover cases where force is used or advocated.

Section 3 of the Bill amends section 134 of the Criminal Code by providing maximum imprisonment of two years instead of twenty years as at present. I submit, honourable gentlemen, that although section 98 of the Code has been in force since 1919, it has resulted in no abuse. Under it no subject of His Majesty has been deprived of his liberty; in fact, as I have already pointed out, no prosecution has been brought. It may be asked why the section should be retained. My submission is that its very presence in our Statutes is a warning to the people who might be tempted to use force in the way that the section prohibits, and that it operates as a restraining influence upon them. If this law were exercised oppressively against freedom of intercourse, or if free assembly for lawful purposes were prevented by arbitrary power in any part of Canada, then, I submit, it would be time for this Parliament to intervene. I appeal not only to my friends behind me, but to all who believe in the maintenance of safe, sane, established government. Even more than to any others, perhaps, do I appeal to our friends from Quebec, who stand pre-eminently for stabilized, moderate and strong government, and if I may say so—I say it without being offensive—who stand for ordered liberty.

I see no reason why this Bill should now, in these dying hours of the Session, be brought again before this House, which on three other occasions did not see fit to adopt it. Apparently nobody is now complaining particularly about the law. If any complaints at all are coming, they are from that section of the community of whose views I do not approve. Those who are designated as Reds have something to fear from the present law,

which is a warning of what will happen to them if they transgress against it. They could not have been dealt with adequately under the former provision of the Code. When organized labour through its representatives intimates that its associations have been oppressed by this law—not merely by a barren threat, but by the actual operation of the law—then we shall have time to consider the complaint and determine what should be our attitude towards a Bill of this kind. Therefore I cannot support the motion for the second reading of this Bill, and I intend to vote against it.

Right Hon. Mr. GRAHAM: Honourable gentlemen, I cannot, of course, pretend to indulge in any legal argument on this measure.

Hon. Mr. WILLOUGHBY: Pardon me. I presume the right honourable gentleman is not closing the debate. There are others who wish to speak.

Right Hon. Mr. GRAHAM: They may as well speak now.

Hon. Mr. ROBERTSON: Honourable gentlemen, on the subject under discussion, which has been before us a number of times previously, I desire to say a few words because the Minister of Justice, when introducing the Bill this year in another place, stated that it was presented at the request of labour organizations in Canada. I do not suggest that that statement is not true; I do suggest, however, that it is only partially true, and that there are labour organizations in Canada that do not desire to see the law amended in this regard.

The Minister who introduced the Bill stated clearly that its purpose was to put the Criminal Code, so far as seditious utterances and acts are concerned, in exactly the position that it occupied prior to 1919. Honourable gentlemen will remember the serious trouble that arose in 1919, when that sympathetic strike occurred which everybody in Western Canada knew was a revolutionary move. The old law permitted such things to be done, for under the law as it stood then men could not be brought to justice for committing offences which were recognized to be seditious. Now it is proposed to restore that law. It was amended in 1919 because of the experience of this country in that year. Ten years have passed since the amendment was made, and no person in Canada, be he citizen or not, has suffered any inconvenience, embarrassment or oppression as a result of that legislation. Surely, then, there ought to be some good reason for changing the law at the present time.

I ask honourable gentlemen to look into their morning papers of to-day and see what is happening throughout the world as a result of the propaganda that is being carried on by the very element that caused this law to be brought into existence in 1919. See what is going on in India to-day; the massacres that have occurred in China within the last three days; the arrest of thirty-one officials in Russia itself, under the oppressive laws that are in force there. Yet those people complain against this law, which has maintained order in this country for the last ten years. The class who are protesting against our law are the very ones that are oppressing their own people to-day.

Hon. Mr. HAYDON: Would the honourable gentleman compare those experiences with ours?

Hon. Mr. ROBERTSON: My honourable friend may make his remarks later. Now, I submit that thus far no good reason has been advanced to prove the necessity for any change of the law at this time, or to show the wisdom of such a change. I have been for nearly thirty years associated with one of the recognized standard labour organizations in Canada. For nearly twenty years I have been at the head of it in this country, and as directly representing more than 8,000 men in Canada now I say that there is in that organization no such sentiment as would justify the statement that a change in this law is desired. On the other hand, the law as it stands is a protection to the honest, bona fide trade unions in Canada. It oppresses no man; it allows full liberty to everyone. Just as the law against murder deters many persons from committing that crime, so this law, as long as it stands on the statute book, will cause many to refrain from seditious utterances and acts in which they would undoubtedly indulge if the law were not in force.

As one who is perhaps as closely associated with organized labour in Canada as any honourable gentleman in this House, I would not advocate or support the enactment or retention of any legislation that was inimical to the best interests of labour. I sincerely believe that in the interest of the trades unions in Canada, and in the interest of the liberty of our citizens, there should be reasonable restriction of those who are too enthusiastic in the expression of their views and who are given to the support of the Communistic propaganda in Canada which brought this law into existence. I therefore submit that we ought to agree to retain this law until such time as the efforts and in-

fluence of that element in society, not only in this country but in many countries throughout the world, have so abated as to justify the Parliament of this and other countries in placing more confidence in and allowing greater latitude to those who are prone to violate the laws of the land. I hope that the action taken by this House in years past will be repeated to-day, because we shall thereby be doing Canada a service, and in my opinion our first duty is to Canada, without regard to any subordinate organization with which we happen to be connected.

Hon. Mr. LEWIS: Honourable gentlemen, I feel bound to disagree with the opinion expressed by the honourable leader on the other side, that we should allow this legislation to remain on the statute book because no prosecutions have ever taken place under it. I am in favour of abolishing this law because it seems to be wholly unnecessary, and capable, at least, of being used for oppressive purposes. The first section, 98 (1), says:

98. (1) Any association, organization, society or corporation, whose professed purpose or one of whose purposes is to bring about any governmental, industrial or economic change within Canada, by use of force, violence or physical injury to person or property, or by threats of such injury, or which teaches, advocates, advises or defends the use of force, violence, terrorism, or physical injury to person or property, or threats of such injury, in order to accomplish such change, or for any other purpose, or which shall by any means prosecute or pursue such purpose or professed purpose, or shall so teach, advocate, advise or defend, shall be an unlawful association.

Practically, after the verbiage is eliminated, this is simply a declaration that an association for criminal purposes is unlawful. We surely do not require that to be on the statute book. Then we have the most extraordinary provisions of an inquisitorial character, such as this:

(2) Any property, real or personal, belonging or suspected to belong to an unlawful association, or held or suspected to be held by any person for or on behalf thereof may, without warrant, be seized or taken possession of by any person thereunto authorized by the Commissioner of the Royal Canadian Mounted Police, and may thereupon be forfeited to His Majesty.

All these extraordinary powers are given on the ground merely of suspicion. Then we have the next one:

"(3) Any person who acts or professes to act as an officer of any such unlawful association and who shall sell, speak, write or publish anything as the representative or professed representative of any such unlawful association, or become and continue to be a member thereof, or wear, carry or cause to be displayed upon or about his person or elsewhere, any badge, insignia, emblem, banner, motto, pennant, card, button or other device, whatsoever, indicating or intended to show or suggest that he is a member of or in any wise associated with any such unlawful association, or who shall contribute anything as dues or otherwise, to it or to any one for it, or who shall solicit subscriptions or contributions for it, shall be guilty of an offence and liable to imprisonment for not more than twenty years.

The next clause penalizes anyone who attends meetings of an unlawful association. During the excitement of the war meetings were held in Toronto which were of such a character that outsiders could not know whether they were for lawful or unlawful purposes, and any person attending them, either because he wanted to observe the course of public opinion or because he wanted to oppose what was being advocated, would, under this law, be liable to imprisonment.

Then again:

Any owner, lessee, agent or superintendent of any building, room, premise or place, who knowingly permits therein any meeting of an unlawful association—

—would be punishable. Another inquisitorial provision.

And finally:

If any judge of any superior or county court, police or stipendiary magistrate, or any justice of the peace, is satisfied by information on oath that there is reasonable ground for suspecting that any contravention of this section has been or is about to be committed—

—he may put the law in motion. All police magistrates are not experts in constitutional law; but if one of them suspects that someone is going to hold an illegal meeting he is given all kinds of inquisitorial powers. An instance showing the unwisdom of placing these enormous powers in the hands of magistrates and policemen occurred in the United States during the excitement of the war. A man was arrested, and in his possession was found a typewritten document which the policeman said was seditious. The accused protested and said: "Why, that is not seditious. That is just an extract from the writings of Thomas Jefferson, the author of the Declaration of Independence." The zealous police officer replied: "That is all right. We will get that fellow Jefferson too." While that may be an unusual case, we cannot assume that all policemen and magistrates are experts in constitutional law and the law of sedition, and are capable of judging a case of this kind.

It seems to me that if we want to really impress the foreigner who comes here, or anyone else who is ignorant of our laws, with the seriousness of such offences, it would be far better to leave him to the ordinary process

of the law—have him tried before a judge and a jury, when evidence would be presented, and arguments pro and con fully stated and reported. In this way it would become a celebrated case, and would be impressed upon the minds of those who might be tempted to commit a like offence. I think that such a method would be much preferable to all the hole-and-corner stuff contained in this rigmarole, which, I submit, although not a lawyer, is a mere defacement of our statute book. We might as well preserve the laws against witchcraft and say that they do no harm because nobody has been prosecuted under them for a couple of hundred years. We all agree that men ought to be perfectly free to express their opinions, to criticize the Government, or to advocate changes in the mode of government, and while we want to impress the public mind with the idea that force or violence must not be used in the advancement of ideas, it seems to me that it is possible to do so without all this rubbish, which I think we ought to sweep off the statute book.

Right Hon. Mr. GRAHAM: Honourable gentlemen, my words will be few. I started to say a few moments ago that I could not enter into any legal argument, because I am not possessed of the necessary qualifications. Nevertheless a man may hold views outside of those of the law courts.

The argument of my honourable friend (Hon. Mr. Willoughby) that the presence of this section of the Criminal Code on the statute book has probably had the effect of preventing crime has some force. We will all agree that it has not been used. But surely the fact that it was on the statute book did not evangelize all the people of Canada and convert all who are supposed to be subnormal criminals to proper thinking. It is just as arguable that the fact of this statute not having been used for ten years is at least comparative proof that it was not needed.

Hon. Mr. DANIEL: No.

Right Hon. Mr. GRAHAM: And a thing that is never used is, in ordinary parlance, useless.

Hon. Mr. DANIEL: It is a preventive.

Right Hon. Mr. GRAHAM: I say there is some force in the argument of my honourable friend, but it is not at all conclusive. My own opinion is that the statute as it existed before 1919 would be more applicable to present-day conditions than the amendment adopted in that year. Honourable gentlemen will agree that the conditions existing at the end of 1919 do not exist to-day. Conditions then might possibly be described as a bit panicky, because at that time people who were inclined to be opposed to stable government and that sort of thing thought the time was ripe to take certain action, and they did so. But we are now ten years away from the war. Nations are reducing their armaments to normal strength, and it strikes me that we might very well remove from our statutes a weapon which has never been used, and substitute for this high-power gun the weapon that we had before 1919, which to my mind would be just as effective.

My honourable friend from Welland (Hon. Mr. Robertson) suggested that the trades unions were not unanimous. Well, I have hardly ever known them to be unanimous about any one thing. In fact, about some things we in this House are not unanimous. But that does not alter the situation that a great many of the trades unions are in favour of restoring the provision which was in the Criminal Code before the war.

It will be remembered that in conjunction with the Criminal Code amendment in 1919 there was an amendment to the Immigration Act which gave the Immigration Department extensive powers as to the deportation of individuals found guilty of treason and offences of that character. Last year the Parliament of Canada, including this House, amended the Immigration Act, and agreed, I think unanimously, to restore to a large extent the old law. The proposal to repeal the provisions placed in the Code in 1919 is along the line of the action taken by Parliament a year ago in repealing certain clauses of the Immigration Act which were found to be very obnoxious.

I had thought of reading a portion of the amendment of 1919, but my honourable friend has read sufficient to show that it is very drastic. A considerable portion of our population consider that that provision may be a reflection on them or an impediment in the way of carrying on the legitimate affairs of their organization, and I feel that we might well trust the people of Canada to adhere to the law which was previously on the statute book, and was certainly sufficiently drastic to protect the citizenship of Canada, our Government, and our constitution.

The section repealed in 1919 reads as follows:

133. No one shall be deemed to have a seditious intention only because he intends in good faith,—

(a) to show that His Majesty has been misled or mistaken in his measures; or,

(b) to point out errors or defects in the government or constitution of the United

Kingdom, or of any part of it, or of Canada or any province thereof, or in either House of Parliament of the United Kingdom or of Canada, or in any legislature, or in the administration of justice; or to excite His Majesty's subjects to attempt to procure, by lawful means, the alteration of any matter in the state; or,

(c) to point out, in order to their removal, matters which are producing or have a tendency to produce feelings of hatred and ill-will between different classes of His Majesty's subjects.

I would submit that anything ouside of that was punishable without the amendment of 1919. So far as this section is concerned, I presume that we all have advocated constitutional changes—different methods of doing things. I think we should do well to place a little more faith in our fellow-citizens, and to restore the section in force before the amendment of 1919, which, as I say, was passed when the people were more or less excited, and when perhaps it was essential. But the world is moving; that time has passed; and in my opinion we ought, as far as possible, to forget the war and get back to the basis of trusting and confiding in our fellow-citizens.

The motion of Right Hon. Mr. Graham for the second reading of the Bill was negatived: contents, 13; non-contents, 16.

BUSINESS OF THE SENATE

Right Hon. Mr. GRAHAM: Honourable gentlemen, that is the extent of our Order Paper for to-day. Although I have tried, I have not been able to secure information as to when we may expect to prorogue. Discussion among some people seems to be somewhat elongated and difficult to curtail.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

Right Hon. Mr. GRAHAM: Honourable gentlemen, as there is not a favourable report from the west end of this block, as to sufficient progress having been made to enable us to function to-night, I would move that when the House adjourns it do stand adjourned until 11 o'clock in the forenoon to-morrow.

The motion was agreed to.

The Senate adjourned until to-morrow at 11 a.m.

Right Hon. Mr. GRAHAM.

THE SENATE

Friday, June 14, 1929.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

On the Orders of the Day:

Right Hon. Mr. GRAHAM: Honourable gentlemen, when we adjourned yesterday we thought it possible that the Supply Bill would be ready for our consideration by this time, but we have not received it yet. I suggest that we meet again this afternoon at 3 o'clock. If the Bill is not here then, we might adjourn during pleasure.

Hon. Mr. DANIEL: Does the right honourable the acting leader of the Government know of any legislation other than the Supply Bill to come from the other House?

Right Hon. Mr. GRAHAM: I have had no intimation that there is any other Bill.

At 1 o'clock the Senate took recess.

The Senate resumed at 3 o'clock.

PROROGATION OF PARLIAMENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Secretary to the Governor General, acquainting him that His Excellency the Governor General would proceed to the Senate Chamber at 5 p.m. for the purpose of proroguing the present Session of Parliament.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

APPROPRIATION BILL NO. 4

FIRST, SECOND AND THIRD READINGS

Bill 365, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending 31st March, 1930. —Right Hon. Mr. Graham.

The Senate adjourned during pleasure.

PROROGATION OF PARLIAMENT

His Excellency the Governor General having come and being seated on the Throne:

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

Who being come with their Speaker:

The following Bills were assented to, in His Majesty's name, by His Excellency the Governor General:

BILLS ASSENTED TO

An Act to amend the Railway Act.

An Act for the relief of Calvert Mitchell Carruthers.

An Act for the relief of Florence Jane Sheppard.

An Act for the relief of William Ernest Foulkes.

An Act for the relief of Harry Babington Millward.

An Act for the relief of Alla Chretter.

An Act for the relief of Myrtle Virginia Maulson.

An Act for the relief of Claude Le Cheminant.

An Act for the relief of Alice Gladys Barkey.

An Act for the relief of Irene Mabel Usher.

An Act for the relief of Anna Estella DeNike.

An Act for the relief of Elizabeth Spain.

An Act for the relief of Louisa Hitchman.

An Act for the relief of Minerva Elliott.

An Act for the relief of Edyth May Shields.

An Act for the relief of Mary Melvina Guerin.

An Act for the relief of Marion Ruth Laidman.

An Act for the relief of Sophia Love.

An Act for the relief of Harry Freeman Switzer.

An Act respecting the construction of a Canadian National Railway Line from a point on the Murray Harbour Branch to a point on the Georgetown Subdivision of the Canadian Government Railways, in the Province of Prince Edward Island.

An Act respecting the construction of a Canadian National Railway Line from Sunnybrae to Guysborough, in the Province of Nova Scotia.

An Act respecting the construction of a Canadian National Railway Line from a point on the Dundas Subdivision near Brantford to a point on the Dunnville Subdivision near Cainsville, in the Province of Ontario.

An Act respecting the construction of a Canadian National Railway Line from a point on the Garson Branch to the Falconbridge Mine, in the Province of Ontario.

An Act respecting the construction of a Canadian National Railway Line from a point on the Sudbury Branch to a point in the Township of Fairbank, in the Province of Ontario.

An Act respecting the construction of a Canadian National Railway Line from a point near Melfort to a point near Aberdeen, in the Province of Saskatchewan.

An Act respecting the construction of a Canadian National Railway Line from a point near Central Butte or Mawer to a point in Township 18 or 19, Range 10, 11 or 12, West of the Third Meridian in the Province of Saskatchewan.

An Act respecting the construction of a Canadian National Railway Line from Neidpath to a point on the Canadian Pacific Railway near Swift Current, in the Province of Saskatchewan.

An Act respecting the construction of a Canadian National Railway Line from Ridgedale, in the Province of Saskatchewan, thirty miles toward The Pas, in the Province of Manitoba.

An Act respecting the construction of a Canadian National Railway Line from a point near Unity to a point near the Provincial Boundary in Township 36 or 37, in the Province of Saskatchewan.

An Act respecting the construction of a Canadian National Railway Line from a point near Hamlin to a point near Glenbush, Medstead or Robin Hood, in the Province of Saskatchewan.

An Act respecting the construction of a Canadian National Railway Line from St. Walburg, in the Province of Saskatchewan, to Bonnyville, in the Province of Alberta.

An Act respecting the construction of a Canadian National Railway Line from Alliance to a point near Youngstown or Dobson, in the Province of Alberta.

An Act respecting the construction of a Canadian National Railway Line from a point at or near Bulwark to a point in Township 38 or 39, Range 8, West of the Fourth Meridian, in the Province of Alberta.

An Act respecting the construction of a Canadian National Railway Line from Hemaruka to Scapa, in the Province of Alberta.

An Act respecting the construction of a Canadian National Railway Line from a point near Swift Creek to a point near Tête Jaune, in the Province of British Columbia.

An Act respecting the construction of a Canadian National Railway Line from New Westminster to a point on Lulu Island, in the Province of British Columbia, with Branches therefrom.

An Act to amend the Civil Service Act (Private Secretaries).

An Act respecting The Toronto Terminals Railway Company.

An Act to amend the Canadian National Railways Act.

An Act respecting Canadian National Railways and to authorize the acquisition of the Quebec, Montreal and Southern Railway.

An Act to authorize consent to the sale of certain cable and wireless telegraph undertakings established under the Pacific Cable Acts, 1901 to 1924 (Imp.), and the West Indian Island (Telegraph) Act, 1924 (Imp.).

An Act for the relief of Agnes Victoria Leader.

An Act for the relief of Adèle Cawthra Rogers.

An Act for the relief of Madelaine Virginia Lumsden.

An Act for the relief of Edgar Charles Buchanan.

An Act for the relief of Isabel Honor Gilderoy.

An Act for the relief of Harvey Baden Powell Haney.

An Act for the relief of John Campbell.

An Act for the relief of Joseph Nicholl.

An Act for the relief of Marjory Lavinia Bradford.

An Act for the relief of Patrizio Nardini.

An Act for the relief of Constance Mary Kearns.

An Act for the relief of Edna Louise Brown.

An Act for the relief of Wallace Evered Gillespie.

An Act for the relief of Florence May Forbes.

An Act for the relief of Susannah Musson Savery.

An Act for the relief of Maud Parker.

An Act for the relief of Eleanor Vair.

An Act for the relief of Lillian Augusta Dunn.

An Act for the relief of Catherine Goring.

An Act for the relief of Mary Bertha Dupuis Ranger.

An Act for the relief of Ivy Georgina Lloyd.
An Act for the relief of Helen Steele.
An Act for the relief of Annie Forbes Sangster.
An Act for the relief of Charles Stanley Cuneo.
An Act for the relief of William Allan Griffith.
An Act for the relief of Sydney Bishop.
An Act for the relief of Walter Henry Lyne Dixson.
An Act respecting the Canadian National Railways and to provide for the refunding of certain maturing financial obligations.
An Act to amend the Fish Inspection Act.
An Act to provide for a further loan to the Vancouver Harbour Commissioners.
An Act to provide for a loan to the Three Rivers Harbour Commissioners.
An Act to provide for a further loan to the Chicoutimi Harbour Commissioners.
An Act to provide for a further loan to the Halifax Harbour Commissioners.
An Act respecting the Administration of Justice in the Yukon Territory.
An Act to provide for a further loan to the Harbour Commissioners of Montreal.
An Act to amend the Customs Tariff.
An Act to amend the Excise Act.
An Act respecting Joliette and Northern Railway Company.
An Act respecting The Premier Guarantee and Accident Insurance Company of Canada.
An Act respecting a certain patent of Zebulum Colvin Ketchum.
An Act for the relief of Frederick Rutherfoord Zoppi.
An Act for the relief of Thomas Southwood.
An Act for the relief of Bessie Ruth Glass.
An Act for the relief of Edith Marie McFarlane.
An Act for the relief of Cleoniki Paleologou Drakoulas.
An Act for the relief of Nanette Coffey.
An Act for the relief of James Graham McCreadie.
An Act for the relief of Stephen Dymon.
An Act for the relief of Marion Isabel Kemp.
An Act for the relief of Elizabeth Crawford Copping.
An Act for the relief of Arthur Alderton.
An Act for the relief of Elias Abraham, otherwise known as Elie Abraham Allen.
An Act for the relief of Claude Frederick Burgin.
An Act for the relief of Mary Addie Linton.
An Act for the relief of Edna Maud James.
An Act for the relief of Helen Jane Sim Pittendreich.
An Act for the relief of Alfred Roy Edwards.
An Act for the relief of Molly Vaughan.
An Act for the relief of Myrtle Mary Jane McLean.
An Act for the relief of Jeanie Mathieson Howell.
An Act for the relief of Gordon Asher True.
An Act for the relief of Ida Rosenberg.
An Act respecting Canadian National Railways and to authorize the acquisition of the Quebec Oriental Railway and the Atlantic, Quebec and Western Railway.
An Act respecting Canadian National Railways and to authorize the acquisition of the Saint John and Quebec Railway.
An Act respecting certain employees of the Postal or Railway Mail Service of Canada.
An Act to amend and consolidate the Opium and Narcotic Drug Act.

The Hon. The SPEAKER.

An Act to amend An Act respecting the Construction of a Canadian National Railway Line between Grand'Mere and East Burrills, in the Province of Quebec.
An Act to amend An Act respecting the Construction of a Canadian National Railway Line, being a joint section from Rosedale southeasterly in the Province of Alberta.
An Act respecting Canadian National Railways and to authorize the acquisition of The Kent Northern Railway.
An Act respecting Canadian National Railways and to authorize the acquisition of the Inverness Railway.
An Act respecting a certain patent of Cobb Connector Company.
An Act respecting a certain patent of Jean Baptiste Hurteau.
An Act for the relief of Marie Rose Beffre Baer.
An Act for the relief of Ethel Evelyn Farrow.
An Act for the relief of John Alfred Neary.
An Act for the relief of Charles Storey.
An Act for the relief of Eva Alexandra Grayson Smith.
An Act for the relief of Ernest Gillespie Simpson.
An Act for the relief of Laura Grace Osborne Lea.
An Act for the relief of Gertrude Helena Martin.
An Act for the relief of Laura Warren.
An Act for the relief of Ethel Elizabeth Kelley.
An Act for the relief of Andrew Ralph Wilson.
An Act for the relief of Marion Jane Stewart.
An Act for the relief of Mildred Muriel Lange.
An Act for the relief of Lindo Lydia Snowdon Pascoe.
An Act for the relief of John Carbery Hickman.
An Act for the relief of Lydia Alice Hinch.
An Act for the relief of Allan Plant.
An Act for the relief of Pansy Jean Van Luven.
An Act for the relief of William Treslove.
An Act for the relief of Annie Letticia Smith.
An Act for the relief of Frederick Herman Schelke.
An Act for the relief of Jennie White.
An Act for the relief of Alma Berlinda Swayne.
An Act for the relief of Gladys Evelyn Lawrence.
An Act for the relief of Daniel Ray Bouvier.
An Act for the relief of Edyth Viola Beacock.
An Act for the relief of Bertha Nichols.
An Act for the relief of George Nelson Brown.
An Act for the relief of Albert Victor Walter Holman Homan.
An Act for the relief of James Duncan Gerard.
An Act for the relief of Frances Vera Carter Van Luven.
An Act for the relief of Violet Haney.
An Act for the relief of James Thompson Clark.
An Act for the relief of James Collingwood Darroch.
An Act for the relief of Ross James Smalley.
An Act for the relief of Alexander James Purse.

An Act for the relief of Wilfred Keith Black.
An Act for the relief of Fanny Green Fuchs Webber.
An Act for the relief of Henry Lawrence Jones.
An Act for the relief of Dean William Moncrieff.
An Act for the relief of William John Brett.
An Act for the relief of Grace Viola Byers.
An Act for the relief of Mildred Soden.
An Act for the relief of Mabel Graham.
An Act for the relief of Velma Stella Seadon.
An Act for the relief of Emma O'Grady.
An Act for the relief of Edna Marguerite Stroud Robinson.
An Act for the relief of Gordon Hanna.
An Act for the relief of Joseph Richardson.
An Act for the relief of Angus John Archibald Blaine.
An Act for the relief of Thomas Horace Siliery.
An Act for the relief of George Melville Fulton.
An Act for the relief of Gladys Elizabeth Boyd.
An Act for the relief of Annie Fraser Rice.
An Act for the relief of Clarence Spurgeon White.
An Act for the relief of Gertrude Georgeanna Anderson.
An Act for the relief of Lloyd Edward Angel.
An Act for the relief of George Stanley Warner.
An Act for the relief of Vincenzina Gramigna.
An Act for the relief of Kenneth Evan Thompson.
An Act for the relief of Thomas Matthews Moland.
An Act for the relief of Andrew Townsley Hirsch.
An Act to incorporate the Northern Alberta Railways Company, and respecting the Canadian National Railway Company and the Canadian Pacific Railway Company.
An Act to provide for the payment of Claims for Compensation for loss sustained by the civil population of Canada during the late war.
An Act to amend The Returned Soldiers' Insurance Act.
An Act respecting Water Power in the Provinces of Alberta, Saskatchewan and Manitoba.
An Act to amend the Supreme Court Act.
An Act to amend the Penny Bank Act.
An Act to amend the Special War Revenue Act.
An Act to amend the Insurance Act.
An Act respecting Central Finance Corporation.
An Act respecting The Dominion Fire Insurance Company.
An Act respecting Alliance Nationale.
An Act to ratify and confirm the organization and the election of directors of Family Trust, and to change the name of that company to "Financial Trust Company."
An Act to incorporate The Royal College of Physicians and Surgeons of Canada.
An Act for the relief of Henry Feldman.
An Act for the relief of Marion Rose Harrison.
An Act for the relief of Robert Wilson Reoch.
An Act for the relief of William Edward King.
An Act for the relief of John Wilson Pickering.
An Act for the relief of Wallace Wellington Corkum.
An Act for the relief of Marion Anne Terry.
An Act for the relief of Joseph Edwin Wood.
An Act for the relief of Dora Chearnley Chearnley.
An Act for the relief of William Edgar Baird.
An Act for the relief of Edith Laura Hewitt.
An Act for the relief of Bertha Jane Phelan.
An Act for the relief of Roland Emory Anderson.
An Act for the relief of Olive Marion Gerrard.
An Act for the relief of John Beck.
An Act for the relief of George King.
An Act respecting The New Brunswick Railway Company.
An Act respecting Juvenile Delinquents.
An Act to amend The Precious Metals Marking Act, 1928.
An Act for the relief of Ruth Leonard Wiser.
An Act respecting the Construction by the Canadian National Railway Company of certain terminal facilities with grade separation and other works at and in the vicinity of the City of Montreal.
An Act respecting The Dominion of Canada Guarantee and Accident Insurance Company, and to change its name to "The Dominion of Canada General Insurance Company".
An Act to amend the Yukon Quartz Mining Act.
An Act to amend the Canada Grain Act.
An Act to amend the Dominion Elections Act.
An Act respecting The Royal Architectural Institute of Canada.
An Act for the relief of Stella Pearl Duncan.
An Act for the relief of Hurley Alexander Fummerton.
An Act for the relief of Barbara Elise Sewell de la Penotiere.
An Act for the relief of Oliver Milton Martin.
An Act for the relief of Mary Jane Teeson.
An Act for the relief of Sam Gladstone.
An Act for the relief of Charles Smalkin.
An Act for the relief of James Franklin McDonagh.
An Act for the relief of Joseph Louis Philippe Corbeau.
An Act for the relief of Frances Thirza Edlund.
An Act for the relief of Vivian Elizabeth Pearce.
An Act for the relief of Alice Clarke.
An Act for the relief of Kathleen Mary Hambourg.
An Act for the relief of Florence Gertrude Singer.
An Act for the relief of Mabel Bullis.
An Act for the relief of Fanny Elizabeth Reed Kendall.
An Act for the relief of Robert Henry Dunlop Ellis.
An Act for the relief of Evelyn Cowie.
An Act for the relief of Enid Marjorie Judd.
An Act for the relief of Vera Alice Griffin.
An Act for the relief of Christina Adams Bourne.
An Act for the relief of Ruth Agnes Townsend.
An Act for the relief of William John Blight.
An Act for the relief of Kenneth Blackwood Gibb.
An Act for the relief of Edith Spencley.
An Act for the relief of Annie Farrow.

An Act for the relief of Evelyn Mae Warren.

An Act for the relief of Vera Maud Gendron.

An Act for the relief of Lillian Ainsworth.

An Act for the relief of Sarah Berkovitz.

An Act for the relief of George Frederick Wilson.

An Act for the relief of Roy Franklin Beattie.

An Act for the relief of John George Laney.

An Act for the relief of Albert Nott.

An Act for the relief of John Thomas Legge.

An Act for the relief of Emil Henry Hornburg.

An Act to amend the Fisheries Act.

An Act for the relief of Catherine McRae Beattie McRae.

An Act for the relief of Edward Ernest True.

An Act for the relief of Glennville Wesley Potter.

An Act for the relief of Elizabeth Mitchell.

An Act for the relief of Edith May Enfield.

An Act for the relief of Lillian Elizabeth Barton.

An Act for the relief of Isabella Henderson.

An Act for the relief of Ruth Oretta Taaffe.

An Act for the relief of Frank William Benson.

An Act for the relief of Hilda Rebecca Allison.

An Act for the relief of Sydney James Black.

An Act for the relief of Llewellyn John Chubb.

An Act for the relief of Charles Edwin Walker.

An Act for the relief of Lewis Coit Dargavel.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1930.

SPEECH FROM THE THRONE

After which His Excellency the Governor General was pleased to close the Third Session of the Sixteenth Parliament of the Dominion of Canada with the following Speech:

Honourable Members of the Senate:

Members of the House of Commons:

I desire to express my appreciation of the expedition with which you have conducted the proceedings of the session of parliament now concluded, and of the attention given by you to its exacting duties.

It is gratifying to observe that it has again been possible to effect a further reduction of taxation, and also a substantial reduction in the Public Debt.

The improvement in Canada's financial position has been paralleled by a continuous improvement in the financial position of the Canadian railways and by a steady growth in manufacturing and in domestic and foreign trade. The Acts making provision for another comprehensive program of branch line construction by the two railway systems, for the acquisition by the Canadian National System of certain lines of railway in different provinces, for the construction of adequate terminal facilities at Montreal, for the completion of the Hudson Bay railway and harbour facilities at Fort Churchill, and for further loans to the Harbour Commissioners of our national ports, are indications of your recognition of the urgent demand for more adequate transportation and trade facilities.

The policy of promoting the expansion of trade by assisting the establishment of steamship services abroad has been amply justified. The Canadian National service inaugurated last year to ports in South America has required the addition of more ships than was at first contemplated, and the West Indies service has attracted an increasing export trade. Provision has been made for an increased service to South Africa, also for establishing a new connection with Australia and New Zealand. Provision has also been made for an increase in the number of Trade Commissioners in foreign countries.

Resulting from an exhaustive inquiry and a unanimous report by the Standing Committee of the House of Commons on Agriculture and Colonization, amendments have been made to the Canada Grain Act respecting the storage, shipping, mixing, inspection and grading of grain, which it is believed will more adequately protect the standards of Canadian grain and prove of benefit to the producers.

With a view to the improvement of the existing electoral system, a Special Committee of the House of Commons was appointed to inquire into the Dominion Elections Act and the Corrupt Practices Inquiries Act. After devoting much time and study to the several subjects submitted for its consideration, this Committee also presented a unanimous report, in accordance with the recommendations of which important amendments to the Dominion Elections Act have been enacted. Among other changes introduced by this legislation, provision is made for the future appointment of returning officers by the Chief Electoral Officer, and for a more efficient method of preparing election lists in urban centres.

Among other important measures enacted were Bills respecting pensions to employees of the Canadian National Railways, also amendments to the Narcotic Drug Act, the Fisheries Act, the Insurance Act, and the Juvenile Delinquents Act.

The report of the Royal Commission appointed to inquire into the financial readjustments incidental to a transfer to the Province of Manitoba of its natural resources has been received. The report will be made the basis of negotiations between the governments of the Dominion and the Province with a view to effecting a final agreement.

A Postal Convention has recently been signed whereby the rate of postage between Canada and France has been reduced.

The approval of Parliament has been given to the General Treaty for the Renunciation of War; to the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or other Gases, and of Bacteriological Methods of Warfare, and to the Convention and Protocol between Canada and the United States regarding the Niagara Falls and the Niagara River.

Members of the House of Commons:

I thank you for the generous provision you have made for the Public Service.

Honourable Members of the Senate:

Members of the House of Commons:

The progress of His Majesty's convalescence has given cause for deep thankfulness during recent months. I share your sincere hope that the complication which has lately developed may be of brief duration and that His Majesty's health may soon be completely restored.

In taking leave of you at this time, I pray that the blessing of Almighty God may rest upon your labours.

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