DEBATES

OF

THE SENATE

OF THE

DOMINION OF CANADA

1904

REPORTED AND EDITED BY

HOLLAND BROS.

Official reporters of the Senate of Canada.

FOURTH SESSION—NINTH PARLIAMENT.

OTTAWA
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1904

SENATORS OF CANADA

ALPHABETICAL LIST

4TH SESSION, 9TH PARLIAMENT, 4 EDWARD VII

1904

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
AIKINS, JAMES COX	Home	Toronto.
BAIRD, GEORGE T	Victoria	Perth Centre, N.B.
BAKER, GEORGE B	Bedford	Sweetsburg, Que.
BÉIQUE, F. L	DeSalaberry	Montreal.
BERNIER, THOMAS ALFRED	St. Boniface	St. Boniface, Manitoba.
BLACK, T. R	Amherst	Amherst, N.S.
BOLDUC, JOSEPH	Lauzon	St. Victor de Tring, Que.
BOSTOCK, H	Kamloops	Monte Creek, B.C.
BOUCHERVILLE, BOUCHER DE C. E., C.M.G	Montarville	Boucherville, Que.
BOWELL, SIR MACKENZIE K.C.M.G	Hastings	Belleville, Ont.
CARLING, SIR JOHN, K.C.M.G	London	London, Ont.
CASGRAIN, JOSEPH P. B	DeLanaudière	Montreal.
CASGRAIN, CHARLES EUSÈBE	Windsor	Windsor, Ont.
CHURCH, C. E	Lunenburg	Halifax, N.S.
CLORAN, H. J	Victoria	Montreal.
COFFEY, T	London	London, Ont.
COX, GEORGE A	Toronto	Toronto, Ont.
CURRIE, R	Windsor	Windsor, N. S.
DANDURAND, RAOUL	De Lorimier	Montreal.
DAVID, L. O	Mille Iles	Montreal.
DEVER, JAMES	St. John	St. John, N.B.
DOBSON, JOHN	Lindsay	Lindsay, Ont.
DOMVILLE, J	Rothesay	Rothesay, N.B.
DRUMMOND, GEORGE A	Kennebec	Montreal.
EDWARDS, W. C	Russell	Ottawa.
ELLIS, J. V	St. John	St. John, N B.
FERGUSON, DONALD	Queen's	Charlottetown, P.E.I.
FISET JEAN BAPTISTE ROMUALD	Gulf	Rimouski, Que.
FORGET, LOUIS J	Sorel	Montreal.
FROST, F. T	Leeds and Grenville	Smith's Falls.
FULFORD, GEORGE TAYLOR	Brockville	Brockville, Ont.
GIBSON, W	Lincoln	Beamsville, Ont.
GODBOUT, J	La Salle	St. François, Beauce, Que.
GOWAN, JAMES ROBERT, C.M.G	Barrie	Barrie, Ont.
HINGSTON, SIR WILLIAM H., Kt	Rougemont	Montreal.
JONES, L. MELVIN	Toronto	Toronto, Ont.
KERR, WILLIAM	Northumberland, O.	Cobourg, Ont.
KERR, J. K	Toronto	Toronto, Ont.
KING, GEORGE GERALD	Queen's	Chipman, N.B.
KIRCHHOFFER, JOHN NESBITT	Selkirk	Brandon, Manitoba.
LANDRY, A. C. P	Stadacona	Notre Dame de Quebec, Que.
LEGRIS, J. H	Repentigny	Louiseville, Que.
LOUGHEED, JAMES ALEXANDER	Calgary	Calgary, N.W.T.
LOVITT, JOHN	Yarmouth	Yarmouth, N.S.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
MACDONALD, ANDREW A	Charlottetown	Charlottetown, P.E.I.
MACDONALD, WILLIAM JOHN	Victoria	Victoria, C.B.
MCKEEN, DAVID	Cape Breton	Halifax, N.S.
MCDONALD, WILLIAM	Cape Breton	Little Glace Bay, N.S.
MCGREGOR, J. D.	New Glasgow	New Glasgow, N.S.
MCHUGH, G.	Victoria, O.	Lindsay, Ont.
MCKAY, THOMAS	Truro	Truro, N.S.
MACKAY, R.	Alma	Montreal.
MCLAREN, PETER	Perth	Perth, Ont.
MCMILLAN, DONALD	Alexandria	Alexandria, Ont.
MCMULLEN, J	Wellington N.	Mount Forest, Ont.
MCSWEENEY, PETER	Northumberland	Moncton, N.B.
MERNER, SAMUEL	New Hamburg	Berlin, Ont.
MILLER, WILLIAM	Richmond	Arichat, N.S.
MITCHELL, WM.	Wellington	Drummondville, Ont.
MONTPLAISIR, HIPPOLYTE	Shawinegan	Three Rivers, Que.
MITCHELL, W.	Wellington	Drummondville, Que.
OWENS WILLIAM	Inkerman	Montreal.
PELLETIER, SIR ALPHONSE, K.C.M.G	Grandville	Quebec.
PERLEY, WILLIAM DELL	Wolseley	Wolseley, N.W.T.
POIRIER, PASCAL	Acadie	Shediac, N.B.
POWER, LAURENCE GEOFFREY *(Speaker)*	Halifax	Halifax, N.S.
ROBERTSON, J. E.	P. E. Island	Montague, P.E.I.
REID, JAMES	Cariboo	Quesnelle, B.C.
SCOTT, RICHARD WILLIAM	Ottawa	Ottawa.
SHEHYN, JOSEPH	Laurentides	Quebec.
SULLIVAN, MICHAEL	Kingston	Kingston, Ont.
TEMPLEMAN, WILLIAM	New Westminster	Victoria, B.C.
TESSIER, JULES	De la Durantaye	Quebec.
THIBAUDEAU, ALFRED A.	De la Vallière	Montreal.
THIBAUDEAU JOSEPH ROSAIRE	Rigaud	Montreal.
THOMPSON, F. P	Fredericton	Fredericton, N.B.
VIDAL, ALEXANDER	Sarnia	Sarnia, Ont.
WARK, DAVID	Fredericton	Fredericton, N.B.
WATSON, ROBERT	Portage la Prairie	Portage la Prairie, Man.
WILSON, J. H.	St. Thomas	St. Thomas, Ont.
WOOD, JOSIAH	Westmoreland	Sackville, N.B.
YEO, JOHN	East Prince	Port Hill, P.E.I.
YOUNG, FINDLAY M	Killarney	Killarney, Man.

THE DEBATES

OF THE

SENATE OF CANADA

IN THE

FOURTH SESSION OF THE NINTH PARLIAMENT OF CANADA, APPOINTED TO MEET FOR THE DESPATCH OF BUSINESS ON THURSDAY, THE TENTH DAY OF MARCH, IN THE FOURTH YEAR OF THE REIGN OF

HIS MAJESTY KING EDWARD VII.

THE SENATE.

Ottawa, Thursday, March 10, 1904

The Senate met at 2.30 p.m.

PRAYERS.

USHER OF THE BLACK ROD.

The Speaker informed the Senate that he had received an extract from a report of the Committee of the Honourable, the Privy Council, approved by His Excellency on March 1, 1904, showing that Captain Ernest J. Chambers had been appointed Usher of the Black Rod.

NEW SENATOR.

Hon. William Mitchell, of Drummondville, Ont., for the Electoral Division of Wellington.

THE OPENING.

The Chief Justice of Canada, Deputy Governor General, being seated at the foot of the Throne.

The Speaker commanded the Gentleman Usher of the Black Rod to proceed to the House of Commons and acquaint that House that :—

It is the Deputy Governor's desire that they attend him immediately in the Senate.

Who being come,

The Speaker said,

Honourable Gentlemen of the Senate :

Gentlemen of the House of Commons :

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

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

The Senate adjourned.

THE SENATE.

Ottawa, Friday, March 11, 1904.

The Speaker took the chair at 2.30 p.m.

PRAYERS.

THE SPEECH FROM THE THRONE.

This day, at Three o'clock p.m., His Excellency the Governor General proceeded in state to the Senate Chamber, in the Parliament Buildings, and took his seat upon the Throne. The Senators being assembled, His Excellency was pleased to command the attendance of the House of Commons. The

Members of that body, preceded by their Speaker, the Honourable Napoléon Antoine Belcourt, appeared at the Bar. The Honourable Napoléon Antoine Belcourt, then informed His Excellency that the choice of the House of Commons had fallen upon him to be their Speaker.

After which His Excellency was pleased to open the Fourth Session of the Ninth Parliament of the Dominion of Canada, with the following Speech :—

Honourable Gentlemen of the Senate :

Gentlemen of the House of Commons :

In again meeting you in parliament, it is our first duty to express our heartfelt thanks to a beneficient Providence for the abundant harvest with which the country has been favoured during the past year, and for the general prosperity that prevails in all parts of the Dominion.

It is very gratifying to note that the yearly increasing trade of Canada, which has been so marked a feature of the past six years, gives no indication of any abatement, while the number of settlers seeking homes in Manitoba and the Territories is without a parallel in the history of the country. These two very important facts lead irresistibly to the conclusion that long before the Transcontinental Railway, authorized by parliament at its last session, can possibly be completed, its urgent necessity as a medium for carrying the products of the west to our own Atlantic ports will have become apparent independently of the many benefits that will follow from the opening up for colonization and for various enterprises of the northern part of Quebec and Ontario.

The agreement made with the Grand Trunk Pacific Railway Company regarding a new transcontinental railway, contained certain stipulations which in effect required the Grand Trunk Railway Company of Canada to become a party to that agreement and to assume heavy obligations in respect thereof.

Further consideration of the agreement by the representatives of the Grand Trunk Railway Company and my government has resulted in showing the desirability of certain amendments to the contract which, having been approved by my government and subsequently by the board of directors and the shareholders of the Grand Trunk Railway Company, will be submitted to you for ratification.

The sum of $5,000,000 in cash has been deposited in the Bank of Montreal in accordance with the provisions contained in the original and supplemental agreements with the company.

A Militia Bill will be introduced containing several important amendments to the present law rendered necessary by the growth of the force and calculated to promote its efficiency.

A copy of the award defining the boundary between the Dominion and Alaska, and other papers connected with the controversy, will be laid before you.

In view of the widely extended settlements now forming in the Territories, it will become necessary to increase the strength of the Northwest Mounted Police force, and authority will be asked for that purpose.

Gentlemen of the House of Commons :

The accounts of the past year will be laid before you. I am glad to say that the revenue will exceed the expenditure, leaving a balance to be applied in reduction of the public debt.

The estimates for the coming year will be laid before you at an early date.

Honourable Gentlemen of the Senate :

Gentlemen of the House of Commons :

After the long protracted session of the last year, when so many important matters were dealt with, it is not probable that your duties will involve your being detained on the present occasion for any lengthened period. I commend, however, to your best consideration the subjects to which I have referred and I invoke the Divine Blessing on your deliberations.

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

The Senate adjourned.

THE SENATE.

Ottawa, Monday, March 14, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

THE ADDRESS.

The Order of the Day being called,

Consideration of His Excellency the Governor General's speech on the opening of the fourth session of the ninth parliament.

Hon. Mr. KERR (Toronto)—Hon. gentlemen, in assuming the duty which has been assigned to me to-day, I will not make the appeal which is so generally made that it may almost be said to be customary on such occasions as this, because I know that it has been the invariable practice of the Senate to extend to any of its members who may be called upon for the first time to assume a position of responsibility the most generous measure of its kindest indulgence, and, although I feel satisfied that I may stand to-day in as much need of that indulgence as any one, I am re-assured when I recall the consideration and the uniform courtesy which has been extended to me by the members of this honourable House since I have had the honour of having a seat in it.

In his gracious speech from the Throne His Excellency acknowledges the gratitude which the people of Canada should feel for the blessings which, under the dispensation of Divine Providence we have enjoyed during the past year. God has indeed been

good to us ! The abundant harvest has done much for the industrious husbandman who tilled the fields, and it has been a boon and a blessing to all our people.

The increase in the trade of Canada during some years past is indeed remarkable and it is, to most of us, I would like to think it will be to all of us, gratifying to notice that a great stride in the trade of this country was made immediately after the government of Sir Wilfrid Laurier assumed office. That growth was not ephemeral, but has continued over a period of six or seven years, and it is already apparent that the returns for the current year when brought down will show a still further marked advance. The immigration policy which was inaugurated by the government shortly after it came into office has been successful in attracting the experienced farmers of the middle and western states of this continent to the rich prairie lands of Manitoba and the Northwest Territories of Canada, where millions of acres bear testimony to the superior productiveness of the soil as compared with anything heretofore known.

It has been the great opportunity and privilege of Sir Wilfrid Laurier more than of any other Canadian to direct the attention of Britain and the British empire, and through them, the other countries of Europe to the growing importance of Canada and its natural resources. We will recall that at the diamond jubilee of 1897 he was a distinguished figure. At the various meetings which he was invited to address throughout England and Scotland he was able to bring before the people of the old land the important progress which this country was making. Later by the adoption of the tariff providing for British preference, again at the Coronation of His Most Gracious Majesty the King, and at the colonial conference which followed subsequently, he was enabled to emphasize the importance of our preferential tariff to British trade and also to call attention to the advantage to be gained by greater community of interest in colonial as well as imperial interests for the sake of, and the benefit and advantage of the whole empire. The natural effect has been to bring Canada, its resources, its products and its manufacturers to the notice of the whole civilized world, to enhance the importance of the country, to present its advantages and to make known more widely its attractiveness as a home for millions in the older countries who are looking for one in which their condition would be improved.

The present means of access to much the largest and perhaps most valuable part of our Northwest is not sufficient to provide for the incoming thousands of settlers. Nor do they afford anything like sufficient transportation facilities for the grain and other products of the vast areas now being opened up and settled. This makes it imperatively necessary that further avenues of transportation should be opened up with all possible speed, for the purpose of bringing to the markets of the world through our own seaports the products of the west as well as for the development and settlement of large tracts of the older provinces.

To judge of a country, its condition and progress, it is not enough to look at its statesmen, its educational or scientific institutions, its situation and natural advantages, but we should also look at the means of communication it possesses, at the means afforded the people to exchange commodities, to export their surplus products and to interchange thoughts and ideas. The railway is an essential requisite to a thrifty, peaceful and prosperous country such as ours. It is the forerunner of population. It is the pioneer of enterprise ; enterprise provides employment, and employment begets prosperity.

The Canadian people believe in their country. They have faith in themselves and in their ability to develop the resources of their country, and they have confidence in the government securing for the people the full benefit to be gained by the early construction and completion of the new Transcontinental Railway.

The Canadian people therefore will be glad to know that there is no longer any obstacle to the immediate prosecution of that work, and they will welcome the assurance of the work being done to meet the pressing necessity which will each year be more and more felt for the development and progress of the country.

Seward, the great American statesman, on one occasion, speaking of Canada, said :

I see in British America a region vast enough to contain an empire. Its immense wheatfields. Chains of mountains. Great waterways. Inexhaustible forests. The richest of

the north. Its priceless fisheries. Its mineral deposits are great elements of national wealth.

I might venture to say that he could have added great elements of national strength. Seward was able to appreciate our opportunities and yet to him the half had not been told. As Canadians we recognize that we have entered upon a new and distinct stage in our history. Our country occupies a distinct place on the map of the world. It is no longer the country of ice palaces or of 'Our Lady of the Snow.' It is recognized as the granary which makes the British empire independent of all foreign nations for its food supplies. Here the world now sees a happy home for millions wheresoever they may come from over the face of the habitable globe. We welcome to our shores all who come in to possess the land, to till the soil, to reap the harvest and to enjoy the benefits, the prosperity and happiness which attend an industrious and thrifty life.

The militia force has rendered great service to Canada, not only as the expression of a healthy national sentiment but in repelling invasions, in suppressing rebellions, and in maintaining order and good government on various occasions, and the part which our Canadian militia took in fighting the battles of the empire in South Africa, brought honour and distinction to themselves, added lustre to the great achievements of British arms, directed attention to and reflected much credit upon Canada in the eyes of the onlooking powers of the world. Any measure calculated to promote the efficiency of the militia is entitled to the most favourable consideration of parliament.

The award defining the boundary between Alaska and Canada and the papers connected with the controversy will receive the consideration which their importance to this country demands, and it is to be hoped that apart from the merits of the differences which are to be found in the conclusions of the arbitrators, the fact that such differences arose may secure for Canada, greater independence of action hereafter in relation to international questions which may arise involving the interests of this country. I beg to move :—

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 Sir Gilbert John Elliot, Earl of Minto and Viscount Melgund of Melgund, County of Forfar, in the Peerage of the United Kingdom, Baron Minto of Minto, County of Roxburgh, in the Peerage of Great Britain, Baronet of Nova Scotia, Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George, &c., &c., Governor General 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.

Hon. Mr. TESSIER—(In French.) Invited at the last moment to take the place of the Hon. Mr. David, who is confined to his home by sickness, to second this motion, I rise to say a few words, requesting this honourable House to accord me all its indulgence. My colleagues will understand that it is quite natural that I should use my mother tongue, that beautiful French language, the use of which is guaranteed to us by law and by treaty, and which we, the first settlers in this country, love to preserve as an inheritance from our ancestors.

The first paragraph of the speech from the Throne reminds us that we should be animated by a pious sentiment of thankfulness towards Providence for the abundant harvest and the prosperity which reigns throughout the country. This sentiment of gratitude, hon. gentlemen, I am sure we all deeply feel. There is no doubt that the people of Canada are happy, and we rejoice from the bottom of our hearts.

After this tribute to Divine Providence, we discharge an agreeable duty in rendering thanks to the right hon. Premier, who has been charged by the people with the duty of directing our policy, and justice to the Minister of Agriculture, who has practised the axiom, 'God helps those who help themselves,' and whose enlightened and persevering work has enabled his fellow-country-men to profit largely by the advantageous conditions that nature offers them. Our agriculture has made astonishing progress. The export of butter has increased in an extraordinary manner, and we may say the same also of the export of Canadian cheese. We have found a means of transporting these products, by which they preserve a great

deal of their value in a strange market. This system of transportation will be still further improved. It will be important to instruct our farmers as to the necessity of being more careful in the making of these products, and in the details which contribute to their perfection in a manner to enable them to compete with Russia, Denmark and other producing countries.

The general trade of the country has increased in enormous proportions. Whereas in 1896 the total amount of imports reached the sum of $118,011,508, in 1903 it rose to the sum of $241,214,961, an increase of $123,203,293. In 1896 our exports were $121,013,852; in 1903 they were $225,849,724, an increase of $104,835,872. In 1896 our exports of Canadian products rose to the sum of $109,915,337; in 1903 to the sum of $214,401,674, an increase of $104,486,337. In 1896 our exports of products of the farm were $55,378,407; in 1903 we exported $114,441,863, an increase of $59,063,456.

In 1896, when the Liberal patry came into power, the debt of Canada was $50.96 per head. In 1903, under the administration of Sir Wilfrid Laurier, it was $47.37, a decrease of $3.59 per head. The debt of Canada has been diminished by $9,885,811. It is not astonishing that this progress of our affairs has attracted general attention to Canada, and that a considerable flow of immigrants should be directed towards our country. The announcement of the construction of a new transcontinental railway cannot fail to stimulate this movement of immigration and the desire of a great number of strangers to become a part of the Canadian nation. Let us hope that our immigration agents will be careful to choose these new settlers among the healthiest of the populations of Europe and of the United States, in order that their presence here may be a gain and an aid in the development of the country.

It is useless to make a long speech on the policy of the government concerning railways, especially the Grand Trunk Pacific, of which so much was said last session. The government has appointed a railway commission, and if we may judge by what we see in the press, it appears certain that it will render great services.

As to the Grand Trunk Pacific, we learn with pleasure that the deposit of $5,000,000 has been made in conformity with the conditions of the contract with the company. This is calculated to reassure the public, whose confidence may have been shaken by the pessimism of certain newspapers. There is nothing extraordniary, in a matter of this magnitude, where a company like the Grand Trunk is called upon to assume so heavy a responsibility, to find objections raised and demands that some modifications of the contract shall be sanctioned by parliament. These modifications will no doubt be explained without delay by the government. It is necessary that this enterprise, which has been received with so much favour, should be commenced soon in all its parts from the Pacific ocean to Moncton, passing through the rich valley of Peace river, near Lake Manitoba, to the north of Lake Nipigon and Lake Abitibi, through the north of the province of Ontario and Quebec, opening up vast and fertile regions to cultivation and industrial development. Prof. Bell, head of Geological Survey, in a speech recently in Quebec demonstrated that these regions of the west, which he had himself explored with care, are fertile and easy of access. This new transcontinental railway is, therefore, a great national work which the legislators are presenting to the country.

A word on the subject of the militia, as to which we are told a Bill will be presented to parliament to increase its effectiveness and efficiency. Military science progresses in common with all the sciences. Parliament will readily consent to improve our militia, though the spectre of war may be far from us and though, in view of its geographical position, Canada, as a country has no reason to fear such a contingency. We have good military schools, but I am told that in some of them there is a marked tendency to bestow the best positions to young officers coming as strangers, who often have neither the knowledge nor the experience of officers in the Canadian army. I hope that when occasion arises to choose between an outsider and a Canadian officer, the rule will be adopted to give the preference to a fellow-countryman provided he has equal qualifications.

The government tell us that they will communicate to us the decision determining

the boundary between the Dominion and Alaska. I hope that all the documents relating to this question will be produced without reserve. It has been said that instead of a judicial decision such as our government desired, the award has been the result of diplomatic necessity. It is said also that the British ambassador proceeded with undue haste. One thing is certain, the Canadian commissioners refused to sign the award. I hope that within a few days we will be furnished with the true reasons for their refusal and their dissatisfaction, which dissatisfaction has spread through all the provinces of Canada, for that award has been far from giving satisfaction to the Canadian public. If it is true that the interests of Canada have been sacrificed for diplomatic reasons which do not directly concern us, let us hope that such incidents will not be repeated in the future.

Hon. gentlemen, I believe I have commented on the principal points of the speech of His Excellency. The speech is brief; let us hope that the same may be said of the present session. That is the view that His Excellency has expressed, and let us try to justify it in presenting him our thanks.

Hon. Mr. FERGUSON—It is a matter of very great regret to myself and my friends around me on this side of the House, as I am sure it is to hon. gentlemen sitting opposite, that our esteemed leader, Sir Mackenzie Bowell, has been prevented by very urgent private business from being present with us to-day. I have a telegram from him stating that such is the fact, and expressing a desire that the debate should be proceeded with. We regret exceedingly that he is not present with us, but we have the great satisfaction of knowing that he is in the best of health, and that we will have his presence here day by day during this session, God permitting, as we have had in previous years, giving his untiring industry and conscientious attention to the public business of the country. I am sure that is a feeling in which hon. gentlemen opposite me will concur. I have great pleasure in joining in the gratification expressed by the seconder of the address that the health of the Premier has also improved, and I am sure it is a matter of gratification for both sides of the House that such is the case. It is generally considered the duty and the pleasure of the gentleman who rises, as I do just now, after the address has been presented to the House, to refer to the manner in which the gentlemen who have been entrusted by the government with the duty of presenting their programme to the Senate at the opening of the session have discharged their duty. It was not a matter of surprise to me to find that the hon. gentleman from Toronto performed that duty with a great deal of skill and ability. I am not able to offer criticism of any kind with regard to the speech of my hon. friend who seconded the motion. He spoke in a beautiful language with which I am not acquainted, but from my knowledge of the hon. gentleman I have not the slightest doubt that his task was also performed with skill and with prudence. My hon. friend from Toronto, in taking up the first paragraph of the speech, referred in terms of satisfaction to the prosperity which Canada enjoys at the present moment, a feeling in which we will all agree. But he was not content with merely expressing that satisfaction and he went on very ingeniously to point out that the prosperity came in simultaneously with the advent of the Laurier government to power——

Hon. Mr. SCOTT—Hear, Hear.

Hon. Mr. FERGUSON—And he proceeded in a very quiet, and, as I thought, not very effective way to connect that prosperity in some way with the doings of this administration. As he intimated, prosperity in Canada had commenced simultaneously with the advent of the Laurier government to power. I expected, if he really believed that the government had done anything towards bringing about that prosperity, that he would have pointed out effectively in what way that work had been done and how the government had influenced that prosperity. The first reference was to the effective immigration policy which had been inaugurated by the present government. I am sorry to say that I cannot agree with my hon. friend in his reasoning that the government is entitled to credit for the increase of immigration, if that was what he intended to imply. For my own part

I think all the work had been done; the foundation had been laid for the filling of the Northwest with settlers by the administration that preceded the present one, and the matter had been made very much easier for the present administration from the fact that just about that time all Canadians began to believe in their country. My hon. friend said that Canadians believed in their country. Well, it seems to me, that a very large proportion of them only began to believe in their country about the time their party came into power. During the whole of the time the present opposition were in power, the then opposition were almost unanimous in decrying the country.

Hon. Mr. TEMPLEMAN—No, no.

Hon. Mr. FERGUSON—My hon. friend must think we have very short memories. We have a distinct recollection of the course that they pursued at that time. Canada was represented as a country perfectly helpless in itself and our only salvation from poverty and all other evils was the opening of the American market to us. That was the policy they pursued; they said there was no future for Canada unless unrestricted reciprocity with the United States could be attained. It was a very great point for the present government when they came into power, and immediately became faithful to their country to a certain extent, that they had this advantage that the whole Liberal-Conservative party from one end of the country to the other remained true to the Dominion, and were never found to utter one pessimistic word with regard to Canada although they were in opposition. When the government put forward any efforts to bring immigration to the country they did not hear the opposition say that Canada was going to the dogs because we could not get reciprocity with the United States. On the contrary, the opposition added their tribute to that of the government and their friends that the country was prosperous and offered an excellent home for immigrants.

Another reference was made by my hon. friend in moving the address, to the conduct of Sir Wilfrid Laurier and the important service which he rendered in the Jubilee celebration as leading up to the development of British trade and our receiving immigration from the mother country. I suppose that was the connection in which he brought in that remark about the services rendered by Sir Wilfrid Laurier during the Jubilee year in Great Britain. I may have something to say a little later in regard to that question of preferential trade, but I want to put in this remark as I pass, that if the Premier of Canada had, during the Jubilee year in Great Britain carried out the promises he had made to the electors of Canada before he went to England to the effect that he would, if he got into power, make strenuous efforts to obtain a preference for the products of our farmers and other producers in the British market—had he put in a plea of that kind when he was there, I might be disposed to admit that he was entitled to some degree of credit on account of any development which has occurred in the British trade since that time. But my hon. friend must remember that when the Premier went to England he stated publicly that we did not want any preference for our products in the British market, and if a friendly feeling for Canada has been developed, and a market found for our products there since that time, I think it would be very far-fetched indeed to connect anything which the Prime Minister did when he was there in 1897 with that result. When we look over the entire situation, we cannot forget that the changes which were made in the tariff in 1897 by the present government were not very many or very important, and that wherever they did make changes they were detrimental to the manufacturing interests of Canada in almost every respect. A better instance cannot be referred to than the iron and steel industry. That industry is at the present time in a languishing condition, I will not say entirely due to lack of protection, although that is one strong reason, but the bounty system which the government took up as their method has been proved by experience to be a mistaken policy. It was a mistake to reduce the iron duties, and if the government does not rectify that mistake, the duty will be entrusted to some other government and not only in that matter but others as well. You cannot point to one manufacturing industry that has been bettered by the policy of this government. You cannot look to one single market that has been obtained for the products of the farm

by this government. The late Conservative government put forward strenuous efforts to get our people to look towards the British market instead of the United States, while the Liberal party as a whole, including the members of the present government and their followers were pointing the people to the United States. The British market has been developed, and an important trade has been established there. We sell the great bulk of our farming products in Britain at the present time, but I fail to see where the present government have done anything to bring about that result. Then, in the settlement of the west, the Canadian Pacific Railway was built and every facility was provided for the influx of settlers in that country under the Conservative government. Experience was gained and a foundation was made which resulted in a larger number of settlers going in there in the years that have intervened since the present government has come into power, and I have no doubt that the influx of settlers from the United States and from European countries will increase in the future. Looking at the whole situation I cannot see that the present government is entitled to credit for any of these features of prosperity which the country enjoys at the present time. It would be just as reasonable to my mind if the old bachelors of Canada claimed credit for the increased population as it is for the government to claim any credit whatever for the prosperity which has come to this country during the term they have been in power.

The speech from the Throne refers in terms of gratification to the increase of trade.

It is very gratifying to note that the yearly increasing trade of Canada which has been so marked a feature of the past six years, gives no indication of any abatement, while the number of settlers seeking homes in Manitoba and the Territories is without a parallel in the history of the country.

Now, I have been looking at the Trade and Navigation Returns of last year, and I do not find in them everything to be pleased with. It is true that the volume of our trade is increasing ; it is true that as compared with the eight months of the previous year the volume of our trade is greater, but there is also another aspect of this question, which is equally true and which is not so encouraging. I find that for the first eight months of 1903, our imports were $139,199,618. In the same period of the present financial year our imports have increased to $158,171,447. In other words, there is an increase of nearly nineteen millions in the imports of the country in the first eight months of the present year as compared with the imports for the corresponding months of last year. Now, that must be what gentlemen in the government must have meant when they found so much that was encouraging in the trade of the country. But I turn to our exports, and what do I find ? I find that in the first eight months of the present year our exports of domestic produce amounted to $144,599,291 against $152,084,622 in the first eight months of the preceding year. There has been a falling off in the exports of Canadian produce in that period amounting to nearly $7,500,000. To my mind, neither one or the other of these sets of figures is satisfactory or encouraging. The importation of such a large quantity of goods beyond what we have exported and beyond the importations of the previous year is to my mind evidence of over-trading, the evil effects of which we are sure to find in the years that are to come. The introduction of such a large quantity of foreign goods into Canada also leads to the supplanting of our own productions to a certain extent, and indicates that there is something wrong with our tariff, as we on this side of the House have been telling the country all along. It indicates that our purchasing power has been diminishing. Putting these figures together, I am very far from agreeing with the language of the speech from the Throne, that our trade at the present time is in a satisfactory condition.

We now pass on to some observations of the speech with regard to the Transcontinental Railway question.

These two very important facts lead irresistibly to the conclusion that long before the Transcontinental Railway, authorized by parliament at its last session, can possibly be completed, its urgent necessity as a medium for carrying the products of our west to our own Atlantic ports will have become apparent.

I notice that this language is not by any means as sanguine as the utterances of the Prime Minister and his colleagues when this measure was submitted to parliament last year. It appears now they are speaking with rather bated breath. They prophesy that long before a certain event will happen

—that is the completion of the Transcontinental Railway from Moncton to Port Simpson, which is an event we all know that is very far in the future—it will have become apparent that this Transcontinental Railway was urgently needed.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. FERGUSON—That was not the way parliament was approached last year. We were told then that this enterprise would not wait—that it was urgently needed. I will just read the words of Sir Wilfrid Laurier when he introduced the Bill in the House of Commons last year :

> We consider that it is the duty of all those who sit within these walls by the will of the people, to provide immediate means, whereby the products of these new settlers may find an exit to the ocean at the least possible cost; and whereby likewise a market may be found in this new region for those who toil in the forest, in the fields, in the mines, in the shops of the older provinces. Such is our duty, it is immediate and imperative. It is not for to-morrow, but of this day, of this hour, of this minute. Heaven grant that it is not already too late. Heaven grant that whilst we tarry and dispute the trade of Canada is not deviated to other channels.

Now, hon. gentlemen come to parliament and venture to prophesy that before this railway is completed its urgent necessity will have become apparent. It is not apparent to-day, according to their own admission, and hence all this hysterical talk of the Premier last year, about time not waiting, evaporates into thin air. We are told that modifications of this contract are to be submitted to parliament. I do not propose to discuss those modifications now. The contract is already before us, and we will have ample opportunity to discuss the changes in detail at a later stage in this session. I do not propose to discuss them now; it would be only anticipating what will be more appropriately said later on; but I have to point out to the House in connection with the extract I have read from the speech that one of the modifications of this contract is to extend the time for the completion of the road from five to eight years—that is the completion of the western division from Winnipeg to the Pacific ocean. Notwithstanding all those hysterical utterances of last session, about time not waiting, about the danger of our not taking time at the flood and losing all the fortune that would accrue to us, and the immediate necessity of going forward at the earliest possible moment to obtain this new means of transport between the east and the west—in the face of all that, one of the modifications of the contract which is now proposed is to give another three years for the completion of that western division—not the entire line. It is clearly set forth in this contract that the eastern division need not be completed as soon as the western division. The Canadian Pacific Railway was completed from Callendar to Vancouver, an accomplishment much greater than the building of this entire Transcontinental Railway, and infinitely more so than the building of a road from Winnipeg over the prairies and through the comparatively easy mountain passes of the Peace river. The Canadian Pacific Railway was a much heavier undertaking than the whole line of the Transcontinental Railway considering the difficulties of access to the country at that time and the other great difficulties that pioneer railways had to encounter which will be unknown to those who now build, yet here we have the government of Canada deliberately extending the time to this company for the building of the prairie section, and the comparatively easy mountain section, giving them eight years to accomplish the work, or three years more than the Canadian Pacific Railway required for the construction of their whole line from Callendar to the Pacific ocean. This is not very consistent with the hysterical observations of the Premier last year, about time not waiting and the responsibility which would rest upon the parliament of Canada if we did not proceed immediately and provide this outlet for the people of Western Canada. The eulogy which the government bestow in the speech on this Transcontinental Railway scheme of theirs and which my hon. friend the mover of the address reiterated in his observations to-day, and which were so warmly and strongly applauded by hon. gentlemen opposite, are I think entirely beyond the mark, and furthermore they are inconsistent, and very inconsistent, with some other doings of the government since parliament rose. I refer to the action of the government in appointing as their chief railway expert the Hon. A. G. Blair, at a salary of $10,000 per annum, and it is known that Mr. Blair holds very different opinions with regard to the value of the Transcontinental

Railway from those which are expressed in the speech from the Throne. Let me remind hon. gentlemen of the utterances of this expert, their chief railway commissioner, whom they appointed since the last session of parliament after he had placed himself on record in the matter as follows :—

> You have a total of $139,000,000 representing the direct and indirect liabilities which the government assumed in connection with this enterprise. You could have taken a portion of that money to the harbours of Halifax and St. John and could have equipped those harbours so that they could have handled the traffic coming there for ocean shipment. You would have done some good with the money in that way. You will do no good with it now, except the temporary good that may be done while the money is in the course of expenditure. . . .
>
> Put this question how you will, turn it over, turn it back, examine it right and left, inside and outside, it fails to present a single redeeming feature in any phase of it from begininng to end.

The action of the government with regard to the Hon. Mr. Blair I think calls for some serious explanation. They have regarded Mr. Blair's opinion as a railway expert as of some value or they would not have appointed him as commissioner. What becomes then of his opinion of this great railway enterprise of theirs ? If they did not so respect his opinion as a railway man why did they appoint him as a commissioner ? Let them answer that question ! I should be glad to have that matter explained to the House. If the government did not come round to Mr. Blair's opinion, he did not come round to their opinion, at all events his opinion remains not retracted in any respect. It is before the country with regard to that railway enterprise and still the government appoint him at a very high salary as the chief railway expert, showing, at least, to the country that they have the most profound respect for his opinion on railway matters. I have given you the opinions of Mr. Blair, and we have the opinion of the government as given in the speech. A very strong complaint was made during the last session of parliament on behalf of the people of this country that such a sweeping measure as that, which was not discussed at the elections, which was not in any way put before the electors before the last session of parliament, was put through without obtaining the opinion of the people at the polls upon it. No such opinion was obtained. The opposition continually pointed out to the government that it was a project of such magnitude that it should not be proceeded with without a mandate from the people with regard to it. That mandate was not obtained by the government ; an appeal to the people was not made, but since the last meeting of parliament some appeals have been made to the people of Canada and this question has come up primarily as the principal one for discussion. On the 16th of last month there were eight by-elections, and as I know in one of them, where I took some small part, this question of the Transcontinental Railway was made the principal topic of discussion. I hope the hon. gentleman has taken a note of the elections and of the popular vote recorded.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. FERGUSON—I am glad the hon. gentleman has done so. But should my hon. friend not have looked at these returns as closely as they deserve to be looked at, let me just present to him a few of the figures which are revealed by the returns of these eight by-elections. They were held in constituencies in which the government candidates polled in 1900 at the general election, 22,097 against 17,000 by the opposition, showing a majority of 5,097 votes in favour of the government candidates. The other day in by-elections where the fate of the government was not at stake at all, where the local governments were in sympathy with the government at Ottawa, with the government firmly entrenched in power, we find that a majority of 5,097 was cut down to a majority of 848, a difference of 4,243 votes in the popular result in these eight constituencies. If my hon. friend who gives me to understand that he has looked at the result of these elections cannot find in these figures a great change of opinion on the part of the people with regard to the government and their Transcontinental Railway proposition, I cannot see how he can arrive at any other conclusion.

Hon. Mr. DANDURAND—Does the hon. gentleman count the votes of those candidates returned by acclamation ? Does

he give the whole number of the votes to the candidate ?

Hon. Mr. FERGUSON—My hon. friend may find the opposition made the mistake of not knowing the very full extent of their own strength, or they might have made it quite as uncomfortable in the constituencies where they allowed the government to return their candidates by acclamation as in the constituencies where the change was brought about. I know that in West Queen's we seriously considered the advisability of allowing the seat to go by acclamation. That was our conclusion until a week after the by-election was called on. It was, however, determined that another course should be pursued, and the result compared with the general election, was a falling away of the government majority by 453 votes, and that in a constituency where it was not expected from the start to the finish by the opposition that they could elect their man, in consequence of the powerful patronage of the two governments in the city of Charlottetown, which controlled a very large vote. I find that the change in the feeling in these eight constituencies is 530 votes on an average, and I find by applying just simply the change that occurred in West Queen's, in Prince Edward Island, to the other four ridings, supposing a similar result was to occur in the other four ridings of the province, that the majority against the government in these ridings would have reached from 213 to 678 votes. The result of these elections is a clear indication, to my mind, that the policy of the government upon the Transcontinental Railway question which was the great issue before the electors, was disapproved by the people at the polls. It was not merely in one province. Elections were held in four provinces. In the extreme west of Ontario two elections were held. There was a bunch of elections in the province of Quebec. Another was held in the city of St. John and one was held in West Queen's, P.E.I., and it so happened that nearly all of these constituencies, or all of them that were held by the government before, were held by such large majorities that it would seem almost like presumption to attempt to overthrow the government in these places. In one case, in St. Hyacinthe, where the government majority amounted to 1,111 votes; the majority was reduced to 185. Take the city of St. John, where such a complete overturn was made, and East Lambton, we find important results. It is not confined to one place, but it extended over a large breadth of the country. Last year, when this Bill was before the House, we complained from this side of the House, as was done also in the House of Commons, that the proposition was very indefinite, and more particularly as to the question of route. As far as the Bill itself was concerned, it seems that there was nothing very definite in regard to the route to be traversed between the main points, Moncton, Quebec and Winnipeg and the Pacific coast, but the government came down to parliament with what they called mountains of information on the subject. A report was got up under the instructions of the Minister of the Interior, by Dr. Ami, of the Geological Survey, with regard to the country that was to be traversed between the city of Quebec and the city of Winnipeg, and a map was submitted to parliament, showing the line of the proposed railway.

Hon. gentlemen will remember very distinctly all the things that were said in this House and elsewhere with regard to the route. We were told that for 700 miles west of Quebec it was absolutely a piece of tableland, a country so smooth, that there was no depression in the whole length greater than 200 feet, and that there would be no difficulty in obtaining absolutely level grades, so much so that one of the enthusiasts, a supporter of the railway in the press, said that all it would be necessary to do would be to start a car at Winnipeg and it would carry itself right along almost the whole distance eastward by its own momentum till it reached Quebec. All that was told to us last session of parliament. They told us that the government had made the wonderful discovery that along this height of land in a direct line between Quebec and Winnipeg there was a piece of tableland over which a route could be located that would afford such easy grades as would put all other railways in the shade, not only in this country but in every other country. That was the statement made in this House and elsewhere, and that is the substance of the official

document that was laid before parliament. Now we have another story. Honourable gentlemen will remember that almost the very last words I uttered on this question last session were to the effect that the route was a very unfortunate one, that a more northerly route would be better with respect to the quality of the country. I did not know anything beyond that, but I had information which I had collected from geological surveys, and from a map prepared by Dr. Bell many years ago, and which was not prepared for the purpose of bolstering up any particular policy, that the route proposed in Dr. Ami's pamphlet and announced by the government as the route—in other words, the direct route from Quebec to Winnipeg—was not a practical route at all, and that the country through which it would pass was not valuable either as agricultural lands or for lumbering purposes. It appears that the government have changed their minds with regard to that subject. It seems that they have gone back on this map that was submitted to us with so much assurance during the last session of parliament. I am sorry my hon. friend from Delorimier is not present because he became particularly responsible for the authenticity of that map and talked in the most glowing terms to this House about that route, and advanced some personal assurances in order to strengthen the claims that were put forward for this route. But the Minister of Justice has been talking and he states that that will not be the route; that the government find that a more northerly route is a much better one, and that that will be the route which the government will adopt. Hon. gentlemen who will remember all that took place in this House last year, the submission of this report, the statements that were made backing it by members of the government and supporters of the government, will hardly be prepared for the announcement made by the Minister of Justice the other day. But the announcement has been made, and almost simultaneously with that announcement by the Minister of Justice, another geologist is heard from. It is a strange way I must admit of finding routes for a railway to go to geologists. We always used to think that the proper course was to set engineers to work and get the opinions of engineers. But this government appears to be relying on the opinions of geologists. Mr. Bell, the director of the Geological Survey, gave a lecture in Quebec the other day. We can readily understand at whose instance he is heard from at this very moment, and he says among other things the following:—

> Again the actual difference would be greatly increased along the generally straight route by the numerous minor departures from a straight line, which would be rendered necessary by the uneven character of the country, as compared with the northern route. A comparison with the existing section of the Canadian Pacific Railway between Mattawa and Rat Portage, shows this amounts to nearly 30 per cent increase in the mileage, as compared with the straight line between these points, and there would be a corresponding disadvantage on the proposed southern route, to say nothing of the innumerable steep grades both eastward and westward. The nominally straight line between the head of Lake Nipegon and Quebec, on this standard of comparison, would really be one thousand and fifty-three miles.

Dr. Bell, the geological expert of the government, who tells us that this route between Quebec and Winnipeg, the direct route that was eulogized so highly in parliament last year would compare with the Canadian Pacific line from Mattawa to Rat Portage where the distance was increased owing to curvature and owing to deviations in order to get anything like decent grades, by 30 per cent of the entire distance, and states the same results would be reached if it was attempted to run a direct route from Winnipeg to Quebec. The distance would be increased by 30 per cent and would make it really longer than a more northerly line, though it took a long swoop to the north in order to reach Winnipeg. It is necessary only to give the matter a little consideration to see how ill-digested this scheme was, and how uninformed the government were with regard to this scheme when after six months the director of the Geological Survey is put forward to make adverse statements with regard to the route which the government eulogized so highly during the last session of parliament. This is another evidence that the government have gone into this question without any proper inquiry or preparation and the result is as might be expected, that they made very great and serious errors and that they were entirely wrong with regard to the feasibility of the route which they decided last year to be the route of this railway. Other matters connected with the location of the road might be referred to

which were incidents of the election in St. John. I will refer to one or two of them, showing the plunging which this government and the Grand Trunk Railway have indulged in in regard to this question. The Hon. Mr. Emmerson made a speech in St. John on the 11th February, four or five days before the election. I have the speech here and can refer to it. He made the statement that Mr. Wainwright of the Grand Trunk Railway had become a director in the company that owns the road from Chipman to Norton, and he added that he was prepared to say authoritatively that the Grand Trunk Railway had taken a hand in the road, and that it was the intention of the Grand Trunk Railway and the government to bring the road from Chipman to Norton and to the eastern side of the harbour of St. John, and that that was the settled policy of the government and the company. Mr. Emmerson made that statement and Mr. Pugsley also made the same statement when presenting the views of the government immediately before the election. Just about the same time Mr. Hays, the manager of the Grand Trunk Railway, also took a hand in the discussion that was going on, and he wrote a letter to the mayor of St. John asking that a reservation of frontage on the harbour of St. John should be made by the city in favour of the Grand Trunk Pacific Railway. Mr. Hays was evidently ignorant, when he wrote that letter, of the fact that the city of St. John does not own a frontage on the eastern side of the harbour, and whilst Mr. Emmerson was declaring to the people of St. John that they were going to come down on the eastern side from Chipman to Norton and by the Intercolonial Railway, Mr. Hays was asking for frontage on the western side of the harbour, indicating that they were going to bring it in that way. They were determined to catch votes by whatever method. But unfortunately for them, the letter of Mr. Hays to the mayor told a very different story from the speech which Mr. Emmerson made in the Opera House just at the same time. Then we have another phase of the question. My hon. friend from Queen's, N.B., can follow this matter I have no doubt very closely, and he is better acquainted with it than I am. But only a day or two ago Mr. Tweedie, in discussing railway matters in the legislature of New Brunswick, made this statement: that it was not the intention of the provincial government to provide any subsidy for the railway from Fredericton to Chipman, because it was almost certain to become a part of the Grand Trunk Pacific Railway plan and that there would be no subsidy necessary to be paid by the government of New Brunswick in connection with it. It is quite easy to learn from these things, from Mr. Emmerson's speech, from Mr. Hays' letter, from Mr. Tweedie's utterances, what use is being made of the Grand Trunk Pacific scheme down there, in order to make almost every man in New Brunswick believe it is going to run near his own door. It is going to be a forked lightning business in New Brunswick. It will dart from one side of the province to the other, but its terminus will be at Moncton, for the government say above and beyond all the statements of their friends that there is no change made in the route of the road, and, therefore, it goes to Moncton in the end. In the address the government proceed to speak of the Grand Trunk Pacific contract and of the modifications proposed. To these things I have already referred.

The speech from the Throne says that the Grand Trunk Railway assumed heavy obligations in connection with this matter. I confess I am not able to agree with that statement, because that is a matter that we looked into very closely last session of parliament, and I never was able to learn from the strongest supporters of the Grand Trunk Railway Company, that any obligation was assumed by them in connection with the construction of that line except the guarantee of bonds to cover twenty-five per cent of the cost of the prairie and the mountain sections of the railway. It is true that the president of the Grand Trunk Railway had made a statement to his English shareholders that the Grand Trunk Railway Company was not going to put one penny in the enterprise or become involved to any extent whatever. I have never been able to find that the Grand Trunk Railway assumed any obligation in connection with this scheme, except the one, and that was to guarantee the bonds of the Grand Trunk Pacific to the extent of twenty-five per cent of the cost of the prairie and mountain sec-

tions. I am not going to enter into any discussion with regard to the modifications; that we will reach later on.

We come now to the reference in the speech to the Alaskan boundary question. That is certainly a very important subject and one which will demand very earnest consideration on the part of this House and the people of Canada. I feel it my duty to deprecate the heated language used by the Premier of Canada on this subject towards the close of the last session of parliament, and since that time, with regard to the action of the British government in reference to this matter, and his advocacy of a policy that Canada should have the right to negotiate its own treaties with foreign countries independently of the mother country. A little later the right hon. gentleman modified that opinion in some degree by declaring that in his judgment it would be sufficient that the British government should possess a veto over such treaties negotiated by the colonies; but I must say I consider the observations of the Premier and of other gentlemen who have spoken for the government in regard to this subject as being uncalled for and unfair towards the mother country. In fact, I think that the government of Canada have themselves been quite as much to blame for any unfortunate incident in the formation of the Alaskan trbunal as was the government of Great Britain. I recall to mind that in 1898 the Marquis of Lansdowne called the attention of the government of Canada to the demand of the United States for the abrogation of the Clayton-Bulwer treaty. The answer of our government that Canada had no interest in the Clayton-Bulwer treaty was a most extraordinary one, because we seemed to have as much interest in the question as any country outside of the United States itself; and an opportunity was not taken advantage of which might have been used by the government at that time to obtain some reasonable means of settling this Alaskan boundary question in connection with the concession proposed to be given the United States in the abrogation of that treaty. But I hold, and I wish to make my observations as emphatic as I can, that the government of Canada are very much to blame for having agreed to submit the Alaskan boundary question to a packed jury, for that is practically what it was. I was in California at the time the Senate of the United States ratified the treaty to refer the Alaskan boundary question to a judicial tribunal, and I read despatches from Washington in the California papers next morning that Senator Turner and Senator Lodge had agreed to allow the arbitration to take place on the understanding with the President that they were to form members of the Tribunal themselves and that they were irrevocably opposed to any concession of the claims of Canada and never would consent to give up what they called one inch of American territory. Notwithstanding the fact that these gentlemen had prejudged our case and were not impartial jurists, the government of Canada very weakly consented to go on with the case with Messrs. Lodge and Turner on the tribunal, men who had been placed there on a distinct understanding with the government of the United States that they were to stand firmly against the claims of Canada no matter what evidence might be submitted. But still more serious is the complaint we have to make against the government on this subject, that they furnished to the government and counsel of the United States the very strongest evidence they urged before the tribunal in London. Hon. gentlemen who will take the trouble to read those papers will find that Mr. Taylor, one of the United States counsel, read to the arbitrators the following extract from a speech made by Sir Wilfrid Laurier in the House of Commons on March 7, 1898, in support of the Teslin Lake Railway proposition which the government were then pressing through the House. On that occasion Sir Wilfrid Laurier said:—

> We have either to take the route by the Lynn canal and Dyea, or the route by the Stikine river. The advantages of the one had to be set against the disadvantages of the other, and vice versa. The advantages of the route by the Lynn canal were that it was shorter and more direct than the route by the Stikine river. But if we had adopted the route by the Lynn canal, that is to say, had chosen to build a railway from Dyea by the Chilkat Pass up to the waters of the Yukon, we should have had to place the ocean terminus of the railway upon what is now American territory. I agree with the statement which has been made on the floor of this House on more than one occasion that Dyea, if the treaty is correctly interpreted, is in Canadian territory. It ought to be; but the fact is, as my hon. friends know very well, even those who do not belong to

the legal profession, that possession is nine points of the law; and even though by the letter of the treaty, Dyea is in Canadian territory, the fact remains that from time immemorial Dyea was in the possession of the Russians, and in 1867 it passed into the hands of the Americans, and it has been held in their hands ever since. Now, I will not recriminate here; this is not the time nor the occasion for doing so; but so far as I am aware no protest has ever been entered against the occupation of Dyea by the American authorities; and when the American authorities are in possesison of that strip of territory on the sea which has Dyea as its harbour, succeeding the possession by Russians from time immemorial, it becomes manifest to everybody that this moment we cannot dispute their possession, and that before their possession can be disputed the question must be determined by a settlement of the questions involved in the treaty. Under such circumstances, Dyea was practically in American territory—at all events, in possession of the Americans; and, therefore, if we had undertaken to build a railway from Dyea to the Yukon country, we would have been placed at the mercy of the American authorities with regard to the bonding privilege. We would have been in this position, that though we had built a railway, the ocean terminus of that railway was not in our own country, and we could not send a ton or a pound of goods over that railway unless we had the permission of the American authorities. If we had built the railway by Dyea, when we came to Dyea we would have come to an American port, and, according to the law of nations, we could not have entered a ton of merchandise or a pound of food without subjecting ourselves to the necessity of paying duty, if the Americans refused to bond the goods.

Commenting on this Mr. Taylor said:

I shall make no allusion to the American occupation or to the Russian occupation, which my able colleague will handle, but I simply want to refer to the fact that down as late as the making of the speech of Sir Wilfrid Laurier, from which I have just read——

Sir Edwin Carson—That is 1898.

Mr. Taylor—I will not trouble to read the speech again, but down to 1898, the Prime Minister of Canada standing in the parliament of his nation, with all the responsibility of his great office, declared to his own people that from time immemorial the Russians and then the Americans had been in possession, that no protest had been made, and that, however, much it might be regretted, there was the fact of this unbroken and continuous—he seemed to be enamoured of the use of this word 'immemorial,' for he used it three or four times, as you may have noticed in the extract—that this possession of the United States, and of Russia and the United States had continued * * * * But what is singularly valuable in Sir Wilfrid Laurier's statement as to the notice of to the United States' government, is that in 1898, ten years after this time, when it is so innocently claimed that we have the notice, the Prime Minister of Canada declares that we had not. It is very regrettable, he said, but he made the public declaration in parliament of his nation that we had not.

Hon. gentlemen will understand that the British counsel had shown by documents that Canada had made a protest in 1888 that a solemn protest had been made by the Dominion through the Imperial government to Washington. In order to detract from the weight of that evidence which had been submitted, the United States counsel quoted the ill-advised, hasty and incorrect words of Sir Wilfrid Laurier that no protest had been made and that Russia had held this piece of land where Dyea is built from time immemorial, whereas it is known that there was not a settler in Dyea up to the time gold was discovered on the Yukon.

Hon. Mr. SCOTT.—The hon. gentleman is quite wrong. There was an Indian school there—it may not be on the spot where Dyea is built, but up the Lynn canal and opposite Dyea.

Hon. Mr. FERGUSON.—I think I shall be able to point out, in the words of Lord Lansdowne, that there were no settlers on the Lynn canal.

Hon. Mr. SCOTT.—Not at Dyea, but immediately opposite on the Lynn canal.

Hon. Mr. FERGUSON.—I can turn up the quotation.

Hon. Mr. SCOTT.—It is not an issue now.

Hon. Mr. FERGUSON. The hon. minister admits there were no settlers except, possibly, a school, but my authority is the Earl of Lansdowne, that there was no continued settlement of any kind at the head of the Lynn canal, up to the discovery of gold in the Yukon, sometime towards the close of 1896. However, the point I am desirous of making is that the Prime Minister of Canada is blamable by making an incorrect statement in the parliament of Canada on this subject in the hysterical effort that was made at that time to carry through parliament a very wild proposal for the building of a tramway from Telegraph creek to Teslin lake. That measure was pressed on parliament in the same way as the Transcontinental Railway was pressed last year, as if time could not wait and matters were so urgent that something had to be done even though it was not a well considered measure. When the leader of the government was in that mood he made the statement which I have quoted, and I find that the Hon. Clifford Sifton, Minister of the Interior, made a precisely similar statement in the House of Commons with regard to it, at

the same time. Further, the late Hon. David Mills, when he was leading this House, made a statement to the same effect. I called him to task for doing so, and I will read the words which I used. They will be found in the Senate Debates of 1898, at page 722. They are as follows :—

My hon. friend said a little while ago that there was a question in dispute between the two countries, but the whole line of the hon. gentleman's argument was that they (Dyea and Skagway) were on United States territory. If not, why is he so alarmed at this Bill building up Dyea and Skagway. This is a very extraordinary course for the government to put themselves on record making arguments for the United States to use in discussions on this very question when that boundary comes to be determined, and all of this comes from hon. gentlemen who claim to take such an eminently patriotic view of this whole question.

In my own humble way I pointed out at that time that the course that the hon. gentleman was pursuing was a dangerous one and that the argument he was addressing to this House would be used against Canada in determining our rights in this territory. It turned out as I predicted. I have not found yet that the United States counsel had taken notice of Mr. Mills' speech here or Mr. Sifton's speech in the House of Commons, but they took that of the leader of the government which they perhaps considered to be more important than any of the others, and they were able to quote that in their favour, and no doubt it made a strong impression on the minds of the commissioners.

There is an omission in this speech from the Throne that is quite noteworthy.

The accounts of the past year will be laid before you. I am glad to say that the revenue will exceed the expenditure, leaving a balance to be applied in reduction of the public debt
The estimates for the coming year will be laid before you at an early date.

Taking first the matter of the debt, it would be very satisfactory to the House to feel that that would be the effect of the surplus which we are promised for the present year, but if we turn to the documents we will find that that has not been the case with regard to the surpluses of previous years. I find that the debt of Canada in 1896 was $258,497,432.77, while the debt at the close of the last year for which we have the accounts, the year ending the thirtieth of June, 1902, was $271,829,000, an increase in the debt of the country in six years of $13,331,656.

Hon. Mr. FERGUSON.

Hon. Mr. SCOTT—The hon. gentleman is taking the net debt in the one case and the actual debt in the other.

Hon. Mr. FERGUSON—I am making no such mistake. I am taking the net debt in both cases.

Hon. Mr. SCOTT—Take the last year.

Hon. Mr. FERGUSON—I have not the figures for the last year.

Hon. Mr. SCOTT—They have been distributed.

Hon. Mr. FERGUSON—No, I made every effort to get possession of the accounts for 1903 and could not procure them, and the hon. gentleman has no right to use documents in the debate in advance of their distribution to members. I am giving the latest figures supplied to the public, and they show that the debt has been increased over $13,000,000 during the six years the present government has been in power, and I venture the further statement after the extraordinary votes of last session and the previous session of this parliament pledging the resources of this country for years to come, that even though the buoyancy of the revenue may continue there will be no permanent reduction of the net debt. Indeed it will be all the other way, because the capital expenditures authorized by this government are of such a nature that they will go on exceeding the increase of revenue, even though the country should continue to be prosperous. At all events, no reduction of the debt is shown yet. There may be some at the close of this financial year, but I am very confident that the general result, judging from the figures furnished us, will not be any substantial reduction, but on the contrary, in consequence of the enormous obligations imposed on the country mortgaging our future by parliament last year and the immediate preceding years, the debt will be increased notwithstanding the surplus. There is one important omission in the paragraph with reference to the estimates. It has been customary, to use the words of Sir Wilfrid Laurier with reference to the occupation of the Lynn canal, from time immemorial, for governments to assure parliament that the estimates had been prepared with due regard to economy. But these gentlemen appear to

have lost this word economy; they cannot find it in their vocabulary to-day, and consequently they do not make the old assurance to parliament that the estimates are prepared with due regard to economy. In fact it is just as well that they did not put in that word, because from what we know of the hon. gentlemen we have no hope that there will be any evidence of economy in anything that comes from their hands. I turned to some figures with regard to the expenditure during the first eight months of the present year, and they tell the same story, as we have been reading in these returns for years back—increased revenue and an almost corresponding increase of expenditure. That is what is going on during the current year just as in previous years, and this government show no tendency or disposition to economize in the management of public affairs. I would say this to them—possibly they will not be very thankful for advice given from this side of the House—that they will be overtaken one day. The Finance Minister spoke of the crest of the wave a year ago, showing that he had himself some feeling that that point had been almost if not altogether reached. At all events it is not unsafe to say that the crest of the wave will be reached some time, and that the buoyancy of the revenue and the general propsperity of the country, like that of every other country, will be affected by depressions world wide in their nature, and will reach us as well as other countries, and they would do well in their own interest as well as the interest of the country, if they would take in a little sail, because there is scarcely any doubt—we hope it may be a remote time—stringency will come and the system of expenditure which they have been pursuing, mortgaging the resources of the country for years to come, will prove to be a very dangerous policy and will hamper themselves, or their successors. When a more economical government come into power their difficulties will be enhanced by the obligations created by this government in the extravagant frame of mind in which they have been acting ever since they came into office.

The matter of the surplus is also referred to by gentlemen in the government on every occasion as a matter of the highest of gratification. We who have been in the public life of Canada for some years remember very well that when a surplus occurred when the Liberal Conservative party were in power, we were told by leading men in this government that we had no right to have a surplus, that we were robbing the people, taking money from them which was not needed for the public service, and consequently were pursuing a bad course. We were told that we should only tax the people for the public necessity and when the revenues exceeded that, the tax should be reduced. Now, I have been turning back within the last few days to remarks made on the subject of taxation and I find that Sir Richard Cartwright, the present Minister of Trade and Commerce speaking about twenty years ago, laid down this proposition :—

> Now, I admit that abstract propositions cannot always be depended on. But I say that in matters financial you can almost with safety lay down this proposition: that whenever, without war or some other extraordinary cause, like that, you find the taxes of a country increasing very rapidly; increasing out of all proportion of its population, you can rest assured, that the government has been grossly extravagant, and in all probability grossly corrupt. And when you find the taxation remain stationary for a term of years, you may feel equally assured that the government has been honestly and economically conducted.

Now, in line with the proposition so confidently laid down by Sir Richard Cartwright, let me point to the taxation of the people of Canada during the six years the present government has been in power, and compare it with the taxation of the people of Canada during the last ten years of the Conservative administration. Taking the latter it was :—

TAXES.

1887	$ 28,687,001 93
1888	28,177,413 18
1889	30,613,522 51
1890	31,587,071 73
1891	30,314,151 15
1892	28,446,157 31
1893	29,321,367 42
1894	27,579,203 09
1895	25,446,198 71
1896	27,759,285 42
	287,931,372 45
Average for 10 years	$ 28,793,137 25

It was barely $100,000 greater in the last year of the ten than it was in 1887. Now, I turn to the six years during which the present government, and for which we have the figures, have been in power and I find the following :—

1897..	$ 28,648,626 11
1898..	29,576,455 64
1899..	34,958,069 21
1900..	38,242,222 99
1901..	38,743,550 28
1902..	43,389,111 87
	$ 213,558,036 10
Average for 6 years ..	$ 35,709,672 00

Hon. Mr. SCOTT—Rising every day—increasing every day.

Hon. Mr. FERGUSON—Yes, increasing very rapidly. The average during the ten years was $35,709,672. Now, according to Sir Richard Cartwright's doctrine, when the taxation increased out of all proportion to the population of the country, it afforded the most convincing evidence that the government was grossly extravagant and probably grossly corrupt.

Hon. Mr. LANDRY—Hear, hear.

Hon. Mr. FERGUSON—And he says that when you can show that taxation remains stationary for a number of years, you may be equally assured that the government is economically conducted. That was the state of affairs the last ten years the Conservatives were in power. The taxation remained stationary practically during the ten years, and, according to Sir Richard Cartwright, that is the best evidence in the world that the government was economically conducted. On the other hand, the extraordinary increase of taxation during the time the Grit government has been in power shows that they have been extravagant and also probably corrupt. That is the dictum of Sir Richard Cartwright. The remedy for this would be, if the government have taken more than they need from the people, to reduce taxation so that they would not be bringing themselves within the condemnation laid down by Sir Richard Cartwright in 1884. There are some other matters not referred to in this speech, one of which is the singular omission of all reference to provincial autonomy for the Territories. There is no reference made to the giving of provincial powers to the Territories. I am surprised that such is the case. It is well known that there is a desire that they should be given provincial autonomy. The demand is made on behalf of the Territories that they should have autonomy, but the government ignore those claims. They come down to parliament with a reference so far as the mounted police are concerned, but no reference to the important question of giving the Territories provincial autonomy. I think it is high time that question should be dealt with. It is not well in this country that we should keep the large number of people residing in the Territories at the present time under a system of tutelage, people who are well able to govern themselves. It is time we started them in housekeeping, giving them full power, and starting them in a just manner, and I think the policy of the government in not making a reference to this question shows their inability to deal with it, because there seems to be some difficulty which they are afraid to tackle, or otherwise they would have taken up this question before now. There is also another omission in the speech, a remarkable one, and that is the omission of any reference to the preferential trade campaign which is now going on in Great Britain under the leadership of Mr. Chamberlain. I must say that I looked over the speech with some degree of surprise at this omission. I have noticed that the government have not been dealing courageously with that question. In fact they have not dealt consistently with it, nor courageously at any time from the beginning of the discussion of the question in Canada up to the present time; and that lack of courage which the government have shown with regard to the subject is a plain manifest from the fact that there has been no reference in the speech to that question, which is one of the most important subjects affecting the interests of Canadians of all the questions that are inside of the political horizon at the present moment. My hon. friend the mover of the address referred in the beginning of his observations to the part which Sir Wilfrid Laurier took in England during the Jubilee year. As I intimated, I am far from agreeing with my hon. friend as to the value of the services then rendered by the premier in Great Britain. In fact I lay to his charge, as the people of Canada lay to his charge, that he failed to perform a duty that he had solemnly pledged himself to the people of Canada he would perform, before the elections of 1896. I will just read an extract from Sir Wilfrid Laurier's speech in London, Ont., in 1896, immediately before the elections, and then hon. gentlemen will remember the solemn character of the pro-

mise which he made on that occasion. He said :

We would have for our goods a preference which would not be given to the goods of another nation. That practical statesman Mr. Chamberlain has come to the conclusion that the time has come when it is possible within the bounds of the empire for another step to be taken which will give to the colonies in England a preference for their product over the products of other nations. What would be the possibilities of such a step if it were taken? We sell our goods in England. We sell our wheat, our butter, our cheese, all our natural products. But there we have to compete with similar products from the United States, from Russia and from other nations. Just see what a great advantage it would be to Canada if the wheat and cheese and butter which we send to England be met with a preference over similar products of other nations. The possibilities are immense.

Speaking again in Montreal a little later—all before the elections of 1896— he said :

My hope is, nay, my conviction is, that on the 23rd of June the Liberal party will be at the head of the polls, and that it will be the Liberal party with its policy of a revenue tariff that will send commissioners to London to arrange for a basis of preferential trade.

Here was a promise. Commissioners would be sent to London by the Liberal party to arrange a preference. The hon. gentleman went to England in the Jubilee year and was met by English statesmen on landing and a speech of welcome was made by the Duke of Devonshire, and in reply to that Sir Wilfrid Laurier said :—

What we give you by our tariff we give you in gratitude for the splendid freedom under which we have prospered. It is a free gift. We ask no compensation. Protection has been the curse of Canada.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. FERGUSON—Does the hon. gentleman say hear, hear ? Mr. Préfontaine and Mr. Brodeur say that there are no free traders in Canada that we are all protectionists. Did I understand the hon. Secretary of State to say 'hear, hear' to the language of the premier that protection is a curse in Canada?

Hon. Mr. SCOTT—Yes.

Hon. Mr. CLORAN—Does the hon. gentleman contend and maintain that the hon. Minister of Marine and the hon. Minister of Inland Revenue stated in their speeches in the province of Quebec that all are protectionists and that there are no free traders in the sense the hon. gentleman is putting it?

Hon. Mr. FERGUSON—They made that statement.

Hon. Mr. CLORAN—I attended all the meetings and did not hear it. It was not stated in my hearing.

Hon. Mr FERGUSON—The hon. gentleman is not ubiquitous. He simply did not hear it and that is all he can say.

Hon. Mr. CLORAN—I attended all his meetings and did not hear him make that statement.

Hon. Mr. LANDRY—The hon. gentleman is deaf.

Hon. Mr. FERGUSON—Mr. Brodeur is reported as having made the statement that there are no free traders in Canada, that all are protectionists, and Mr. Préfontaine declared his own support of protection and that he had always said so. They have both been reported in that way, and they have not contradicted it as far as I know. In fact it is well known that Mr. Préfontaine has been placing himself on record as a protectionist on a great many occasions, and he is most anxious that he should be so regarded in the province of Quebec. In the face of that we hear the hon. Secretary of State saying 'hear, hear,' when the words of Sir Wilfrid Laurier are quoted where he states that protection has been the curse of Canada.

Hon. Mr. SCOTT—I am speaking entirely satirically. The hon. gentleman's argument is so extremely funny in some points—it is pure satire.

Hon. Mr. FERGUSON—The hon. gentleman has put himself right ; it was in an ironical sense that my hon. friend applauded the language of the premier of Canada. It is not what I am saying just now that seems funny to the hon. gentleman but it was the funny language of the premier which attracted his attention and caused him to say 'hear, hear.' It was not on account of anything I said but he saw something funny in the premier's saying that protection was the curse of Canada and his 'hear, hear' is to be understood in an ironical sense. Then Sir Wilfrid goes on to say :

We would not see you come under the baneful influence, for what weakens you must weaken us.

The point I am making—hon. gentlemen can see it very well—is that the language which the Prime Minister used when

in England in 1897 was in direct contradiction to the promise which he made to the people of Canada in his speeches in London, Ont., and in Montreal, before the elections of 1896, that he would endeavour to obtain a preference for our products in the British markets, and I claim that by the course which the premier pursued at that time, by his having gone back on his promise to Canada, and gone back on the interests of the people of Canada, that a very severe blow was struck at the proposition of preferential trade for Canada. And that is the way Mr. Chamberlain regarded it. What did he say? He spoke as follows:—

> It would have been hard enough to carry through the idea had all the colonies been persistent and enthusiastic advocates of it, but Canada does not favour it and New South Wales opposes it. These are the leading colonies and with them in practical opposition it becomes impossible, and I would not now touch it with a pair of tongs.

This was Chamberlain's declaration after the premier of Canada had warned the people of England not to do anything, that Canada did not want it, that protection had been a curse to Canada and he did not want the people of England led back to protection. But after he returned to Canada and after he had heard something about Canadian opinion with regard to his action in England, the premier made another statement. He said:

> Certainly if I thought I could have obtained for my country, for the products of Canada, a preferential treatment with markets of Great Britain, I would not only have been wanting, but I would have been wanting in reason—I simply would have been an idiot—if I had failed to obtain such preference.

This was a most extraordinary statement for the premier to make after he had solemnly warned the people of England not to give Canada a preference because Canada did not want it. Now, what do we find in the speech? Any reference to this subject? None whatever, notwithstanding the fact that a few days ago the question was discussed in the House of Lords and a prominent member of that body, Lord Beauchamp, attacked the Chamberlain proposition and pointed out that it had not the support of the colonies. He pointed to the fact that out of twenty-one colonial parliaments only one parliament in the whole of the British colonies had passed a resolution in favour of the preferential scheme which Mr. Chamberlain had been advocating, and that was the province of Manitoba, and the silence on the part of all the other parliaments was construed by Lord Beauchamp, as, I am sure it was by many others, that there was either opposition to or a great lack of interest in this question on the part of the people of the colonies, otherwise their parliaments would have been heard from with regard to it. We know that the leader of the opposition in the other branch of this parliament last session made an overture to Sir Wilfrid Laurier as premier that they should agree upon a resolution in favour of preferential trade and that it could be submitted to the House and carried by a unanimous vote. Sir Wilfrid did not agree; he would not accept the proposition, although Mr. Borden offered him the support of every member of the opposition to such a resolution if it were introduced. But for reasons which are best known to himself parliament preserved a silence, and that silence is being used in England to-day by the opponents of preferential trade, the opponents of Chamberlain and the opponents of the colonies to show that the parliament of Canada is indifferent. It may be said, why did not the opposition bring up the matter last session? The question was too dear to their hearts to do that from the fact that the government refused to allow it to pass unanimously. They felt that it would be accepted as a vote of want of confidence, and it would have the opposite effect to what was desired, which was to strengthen Mr. Chamberlain's hands and secure preferential treatment of the colonies. The opposition would have strengthened themselves in the House and in the country by proposing a resolution of that kind and supporting it in parliament, but they felt the danger they incurred from the fact that the leader of the government would not allow a unanimous resolution to be passed, and a great deal of damage would be done to the cause in that way, even though it would enure to the benefit of the opposition party in Canada.

Many subjects referred to in the speech will be discussed at the later stages of the session, and the main question of the Trans-

continental Railway is one which I know will engage the most serious consideration of gentlemen in both Houses of parliament. In the speech from the Throne we find the following paragraph :—

After the long protracted session of the last year, when so many important matters were dealt with, it is not probable that your duties will involve your being detained on the present occasion for any lengthened period.

I do not think it is very usual for gentlemen in the government to indicate in the speech from the Throne to parliament that it is not necessary to give a very protracted consideration to the questions coming up, but I may say that if the government do as they did last year, bring down some very important measures after the House is three or four months in session, a Bill for instance, differing altogether from the indications given in the speech with regard to the same subject, the session is not likely to be a short one. Last year the government promised a transportation commission to investigate the question of communication between the east and west within our own country. That was the promise in the speech ; but after the House was nearly six months in session they brought down a Bill to build a Transcontinental Railway from Moncton to the Pacific, and thereby greatly increased the length of the session. If on the present occasion a similar course be pursued—it is not within the knowledge of anybody how long the session may be protracted. At any rate a due and fair and proper discussion of questions which are already indicated, and of which we have outlines or details already in our possession, will take up a very considerable amount of time, and I feel sure the members of the opposition in this House, as well as in the other branch of parliament, will do their duty by fairly, fully and fearlessly discussing the questions which will be submitted by the government or which will in any other way come before parliament.

Hon. Mr. SCOTT—I join with my hon. friend opposite in regretting the absence of the hon. leader of the opposition on the present occasion. We are all very glad to know that it is not in any sense due to ill-health or any other weakness of that kind, but rather to important matters of business which require his attention in the city of Toronto. We hope, however, to see him here within the next few days, when he will have the opportunity possibly of giving his views on the speech now before us. I also join with the hon. gentleman in offering congratulations to the hon. mover and seconder. All will admit that they performed the task with great tact and ability, and that these gentlemen have given evidence, not only on this occasion but on all others, that they are a very great acquisition to this chamber. One of them, the mover of the address, is a gentleman who has been long familiar with the public questions of the day, and although not elected a member of parliament, has had large experience in parliamentary matters, in addressing committees of the House, and is quite familiar with parliamentary routine. The seconder of the address is also a gentleman who has had very considerable experience in the local legislature of his own province, having, in fact, been Speaker of the Quebec legislature for a term of, I think, four years, and therefore is a good parliamentarian. It was a pleasure indeed to listen to the observations which he made, which were quite pertinent to the subject in hand. A speech from the Throne is usually drawn in the least aggressive form. It is always on the lines of least resistance. But my hon. friend (Hon. Mr. Ferguson), with a good deal of ingenuity, has managed to point out a great many defects, both of omission and commission. I question, however, whether the deductions he has drawn from it will meet with the approval of fair-minded men. In the first place, he doubted that the prosperity of this country was due in any degree to the present administration. We properly and very naturally thank Providence for the bountiful harvest that He has given us, and for the general prosperity of to day. It is a very old adage that Providence helps those who help themselves, and this government has been helping itself very materially since it came into office. I do not think it requires any figures to demonstrate it. I have them under my hand. There is the most ample evidence that the policy of this government largely contributed to the wealth and prosperity that prevail to-day. It ought not to require figures. The Conservative papers admit it. Take any individual not only among members of parliament, but any individual on the street, and

ask him whether he ever experienced such prosperity as exists to-day in Canada, and he will tell you no, and to say that this government did not largely contribute to that prosperity is rather a misstatement of the facts. I was very much amused indeed at my hon. friend charging this government with increasing the taxation. What he calls taxation is the revenue derived from the purchases that the people of this country made out of the superabundance of their wealth in buying goods abroad. It is pretty hard for a government to say what to do. We wanted to bring down the tariff, but our friends opposite, the opposition, and probably some from our own side, say, 'Don't do that, you will ruin us, you will destroy the industries of this country. Put it up, put it up,' and that is the attack that is made on us to-day from all directions, that we are destroying the industries of this country by the tariff we have at present. I noticed in the election campaign in St. James and Hochelaga that this government was charged with ruining the industries of the country because we have not put up the tariff higher. We have to strike a medium between the two. We now have a tariff that does not oppress the people. Through the policy pursued by the government the people have accumulated a great deal of wealth in this country. You can see that. Attend any of our fairs and you will notice that in no part of this world are farmers in a better condition than the farmers of Canada. That is the case with everybody. I say the facts will show very conclusively that this government, by the tariff, have adopted a medium line, which has increased the prosperity of Canada very largely. They have not destroyed the interests of this country, and whatever views I or others may have held on protection or free trade when the change of government took place in 1896, it was absolutely impossible for Sir Richard Cartwright or any other free trader to go back to his old views. I do not propose now to discuss that question, but I do think that it can be shown that had free trade always existed in Canada, as it does in England, this country would be prosperous to-day. It is an agricultural country, and its wealth is due to the products of the soil, but there is no use discussing that. This government did not come in to ruin people who had large sums of money invested in manufactures. They wanted to save them, and at the same time open avenues of trade. In order to make that perfectly clear, Mr. Foster the other day, speaking in Montreal, admitted that there was very great prosperity, and he said that it was because the present government had followed in the footsteps of their predecessors. They had made no change in the tariff; there was only a difference of 1 per cent in the customs duty, and it was entirely due to the fact that they had followed in the footsteps of their predecessors that the country is prosperous. Now, let us see what Sir Charles Tupper, the leader of the opposition at that time, said about the new tariff in 1897. He first alluded to the fact that Sir Wifrid Laurier and other members of the government assured the manufacturers that they would not be ruined, that we were not going to introduce any drastic legislation that was going to destroy the industries of the country; and Sir Charles and the opposition, when that tariff was going through parliament, denounced the government because they had not kept their promise, because they were ruining the industries of this country. Sir Charles says :

> What is the result ? The result is, that this tariff goes into operation and the hon. gentleman knows that the industries of this country are already paralyzed in consequence. While hon. gentlemen gloat, vindictively gloat over the destruction of Canadian industries, I was reading the wail, the sorrowful wail of those industries in the Montreal 'Gazette,' where one manufacturer after another declares that their industries were ruined, that their mills must close and that they saw staring them in the face a return to the deplorable state of things that existed when the hon. gentleman who last addressed the House was in charge of the fiscal policy of this country. I say that a deeper wrong was never inflicted upon Canada. It would have been bad enough if the hon. gentlemen had gone to the country with a frank avowal that they were in favour of what they had declared to be their policy for long years previously. It would have been bad enough if they had been able to get a majority pledged to sweep these industries and to destroy a policy that had achieved so much for Canada, but to obtain power by the solemn declaration made publicly and privately all over this country that no harm would come to the manufacturing industries, that not a hair of their heads should be touched, that in fact their rights would be protected and their position would be improved because they were going to have their raw material free.

That was the view that the Conservative party had of this tariff, and ask any

fair-minded manufacturer to compare the last seven years with the preceding seven years: the industries of this country have nearly doubled, having been unable to meet the demands. Are there not demands now for Canadian products all over the world, South Australia and the West Indies and Mexico and every other country? Our agents who are abroad in South Africa report, 'Why cannot your manufacturers take advantage of it.' The fact of the matter is they cannot supply the home demand, and the people must buy abroad. What has been the effect? It has been to bring United States manufacturers into the country. See the enormous concern recently started at Hamilton, covering a number of acres, for the manufacture of agricultural implements. They came from across the line; also large manufacturers of locomotives came from the United States and bought a concern in this country. They said, 'You do not seem able to supply the needs of the country, and we will come over and establish an industry here that will meet the demands.' I might go on and enumerate several cases.

Hon. Mr. FERGUSON—Will the hon. gentleman explain why they came over?

Hon. Mr. SCOTT—Because they say this is a good market and our manufacturers here are not equal to the demand.

Hon. Mr. WATSON—Hear, hear.

Hon. Mr. FERGUSON—Why do they not continue to manufacture in the United States and send the goods over?

Hon. Mr. SCOTT—Because the protection keeps them out. The hon. gentleman's speech was one mass of absolute inconsistencies from beginning to end. In the eighteen years that the hon. gentlemen had charge of the Treasury benches the trade of this country absolutely stagnated, there is not a manufacturer in Canada who will deny that his business has been more than doubled or trebled since the change of government. They are now beginning to send abroad. I think before 1897 the whole manufactures of this country sold abroad were $6,000,000. Last year the export was $20,000,000, but the demand in Canada has been so great that our people must buy. One question is, why do people buy goods coming from the United States? The answer is because the people find they can buy things cheaper there, because it suits them to buy. Are we going to muzzle the people of this country absolutely and say you must buy so and so? No, they at least have the freedom of the world. We have protected our manufactures to a very great degree. I should like to point to a few figures in confirmation of the statement I make that the whole business of this country was paralyzed from the time the late government came into power in 1879, until they were turned out in 1896. I take a couple of years after the national policy was established, when it was in fairly good working order. The imports then were $105,000,000 and the exports $108,000,000. My hon. friend attempted to make a point because last year our imports were larger than our exports; but we find that from 1881, when the national policy was introduced for the very purpose of keeping out imports, the imports exceeded the exports. The theory of the government of that day was to send your exports abroad but to buy all you want at home, but the very first year I quote here the figures were as I have given them, and it was the same in every year after that for fourteen years, the imports exceeded the exports. It was an absolute reversal of the policy they were preaching and of the way they expected it to work out. Their exports languished. The farmers were kept down—they were too poor to do business. The trade in 1881 was $203,000,000, and in 1896 it had risen to $239,000,000. In all that time, fifteen years, the trade of this country had gained only $36,000,000. In 1903 the trade of this country was $466,000,000 that is, in our seven years we had gained $227,000,000 against their $36,000,000 between 1881 and 1896. These figures have elicited remarks from all parts of the world. I read a day or two ago an article in the 'Bankers Magazine' pointing to the extraordinary prosperity of Canada in the last few years. It has been noted in Great Britain over and over again. In fact it was almost incredible. Finally, a distinguished statistician proved that, per capita, our people are the richest in the world; he showed our trade per capita was greater than that of any other people. He took our savings banks showing deposits running up to nearly $500,000,000, and that has all been within the last seven years, and yet enormous sums in that period

have been invested in various enterprises. If hon. gentlemen would watch the number of companies incorporated, not alone at Ottawa, but in all the provinces, it is perfectly amazing where the money comes from. It is evidence of the wealth of Canada. Only last year we incorporated a company to do business in Mexico. It was a company which started in Nova Scotia. When I asked what their capital was I was told it was $17,000,000. I said, will the government of Mexico recognize a Canadian charter, and they said 'Oh, yes, all we want is a charter' That company—I think Mr. Ross is at the head of it—is doing a good business in Mexico developing the country and making money. According to the hon. gentleman's theory, the exports furnish evidence of the wealth of the country, although the government of which he was a member was never able to carry out that theory, their imports always exceeding their exports for fourteen consecutive years. Now, taking the whole exports of produce from 1890 to 1896—and I give them the benefit of the best seven years they had—the whole export of home products, embracing the products of the farm, forest, and fisheries, was $694,000,000. In our seven years we sold abroad of products under the same heads $1,162,000,000. There is just that difference. Something must have been done. It was not that the sun shone more warmly on us, but some impulse must have been given. It is not possible to conceive that that could be the mere effect of accident, without the government in some way or other directing it. My hon. friend smiles; I will take one article as an illustration. When I was in the government before, we endeavoured to develop a butter trade with Great Britain, and we brought our exports up to $3,000,000. The hon. gentlemen who succeeded us did not exercise the same paternal influence towards it and the export fell to about $800,000 during the last year they were in office. We took it up again and favoured it by various means with which you are all familiar and brought the export up to $6,000,000. The exports of butter alone will probably during the next ten years be double or treble that.

I have here under my hand the 'Canada Gazette'. I thought the Public Accounts were distributed; they were to have been laid on the table the day the House opened, because they were printed, but I have the 'Canada Gazette' to which every hon. gentleman has access. I find that our trade for the eight months of the year up to the end of last month is greater by $55,000,000 than the highest year of the late government. That is pretty strong evidence that some impetus must have been given to the trade of Canada. Whether it was Sir Wilfred Laurier's speech, or the preferential tariff, or calling attention to Canada as we have done, advertising it and sending trade agents abroad, and encouraging trade in every direction, which in my judgment has had a great deal to do with it, there is the fact. The hon. gentleman gave some figures about the net debt. He was quite correct as far as he went. In 1879 the debt was $142,000,000. In 1896 it was $258,000,000. That was an increase of $116,000,000. In 1893—I do not know whether my hon. friend gave those figures correctly—it was $261,000,000.

Hon. Mr. FERGUSON—I gave the figures at the close of 1896 and last year.

Hon. Mr. SCOTT—In 1893 it was $3,000,000 higher than when this government took office. In the 'Canada Gazette' the net debt is put down at $251,000,000.

Hon. Mr. FERGUSON—What date is that?

Hon. Mr. SCOTT—Up to the end of February last.

Hon. Mr. FERGUSON—My hon. friend knows that the state of the debt at any particular period of the year is no indication.

Hon. Mr. SCOTT—This is published under the authority of the Finance Department, at all events.

Hon. Mr. FERGUSON—No doubt it is right, but it does not give evidence whether the debt is falling or rising for the whole year.

Hon. Mr. SCOTT—It will be a good deal less at the end of the year. In the meantime I may quote the 'Canada Gazette.' The statement appears over the signature of the Deputy Minister of Finance, and it shows that the net debt at the end of February was $251,000,000. That was $7,000,-

000 less than when this government took office, and at the same time this government has spent on capital account, $46,000,000. The hon. gentleman claims considerable credit for the expenditure on the Canadian Pacific Railway. He seems to ignore entirely the fact that the preceding government, the Mackenzie administration, had taken up the construction of the Canadian Pacific Railway in 1874. I was a member of that government, and had the honour of introducing the Bill in this chamber in 1874. The hon. gentleman compared the building of that railway in five years with the time given for the construction of the Grand Trunk Pacific, eight years. But the Canadian Pacific Railway was not built in eight years; it took more than ten years to build it. It was first launched in 1871. The Canadian government, however, failed to vitalize it, and the Mackenzie administration took it up in 1874, and went on with it as a government work, gave out the contracts, and nearly completed the line between Lake Superior and Winnipeg. The contracts were given out for the line in British Columbia, and very large sums of money were spent for sections which were handed over in 1881 to the present company. After the change of government in 1878, the administration of Sir John Macdonald continued the same policy for three years—went on building the road; so the hon. gentleman is entirely wrong in assuming that the Canadian Pacific Railway Company built their road in five years. There is the fact that we have reduced the public debt by seven million dollars, and we have spent on capital account, on canals, Dominion lands, railways, and other public works, $46,000,000.

Hon. Mr. LANDRY—Does the hon. gentleman assert that the government has reduced the debt by seven million dollars up to last February ?

Hon. Mr. SCOTT—Yes.

Hon. Mr. LANDRY—What was it last June ?

Hon. Mr. SCOTT—It was $3,000,000 the other way, in excess of what it had been in 1896, but hon. gentlemen know very well that the revenue has been largely increased during the last eight months.

Hon. Mr. LANDRY—I wanted to know what it was on June 30, 1903 ?

Hon. Mr. SCOTT—It was $261,000,000, that is $3,000,000 more than it had been in 1896. Now, I think the evidences of prosperity are apparent, and I have briefly adverted to them, giving the figures and showing that the statement is sustained by the facts.

The hon. gentleman made some comments in his opening about our desiring to have trade with the United States. For the last 50 or 60 years it has been the aim of the people of Canada to have trade relations with the United States. In 1856 Lord Elgin succeeded in securing a reciprocity treaty which was very beneficial to the people on both sides. I need not point out why that was annulled. It was due entirely to action taken by the United States on the assumption that Canada had rather favoured the southerners during the American rebellion. Since that time the Conservative party held office for very much longer periods than the Liberal party, and they always endeavoured to obtain reciprocity with the United States. Sir John Macdonald's argument, when introducing the tariff in 1879, was that we should have either reciprocity of trade or reciprocity of tariffs, and one reason for raising our tariff was to coerce the United States into reciprocity. Over and over again that was asserted. It is no new statement from me. It was one justification for having a high tariff.

The hon. gentleman made some references which have been answered on other occasions over and over again, to the position which Sir Wilfrid Laurier took in England at the time the preferential tariff was offered to Great Britain. If the Liberal party are entitled to credit for any one thing above all others, it is for the present feeling of imperialism and closer connection with the mother country. They have at all events made that mark, and the hon. gentleman says that Sir Wilfrid Laurier refused to accept a 'quid pro quo.' He talked as if it rested with Mr. Chamberlain to hand over to Canada a policy of reciprocity allowing our natural products to enter the British market at a preference and taxing those of all other countries. Now, surely, the hon. gentleman could not in a sane mind make such a statement when he finds Mr. Cham-

berlain going out of office because he could make no headway with his colleagues ! The Duke of Devonshire is quoted as being ready to grant a preference to Canada, when the Duke has taken the bold stand that on no terms would he consent to the food of the people being taxed.

Hon. Mr. FERGUSON—My hon. friend will bear in mind that I made no statement of what Mr. Chamberlain could do or what he had the power to do. What I did was to read Sir Wilfrid Laurier's own words, in which he warned the people of England not to give Canada any preference.

Hon. Mr. SCOTT—Did Sir Wilfrid Laurier know how to pay a compliment? If Sir Wilfrid Laurier had gone there and said, We will do this if you will do that, would they have looked upon us with any degree of favour ? No, they would have said, 'You are a pack of speculators ; you want to make something out of the unfortunate operatives of England, who are underpaid, and to whom the difference of a halfpenny on the price of a loaf means a great deal. You want a preference which will increase the poverty of the starving millions.' Sir Wilfrid Laurier acted the part of a diplomat, and made a virtue of necessity. It would have been idle for him to have taken any other stand, when men like the Duke of Devonshire and Mr. Chamberlain have left the government because the government would not consent to the taxation of the food of the people, and when Mr. Balfour has recently made the announcement, in speaking of the withdrawal of the Duke of Devonshire and Mr. Chamberlain from his cabinet, 'I am not in favour of taxing the people's food; it cannot be done now what ever may be done in the future. Whether the people can be educated up to that in the future I cannot say, but they are not in a position to accept such a policy.' It is idle for any one who pretends to know what is going on in the mother country to make those absurd statements about Canada being able to get a preference in the British market. Had Sir Wilfrid Laurier attempted to make a bargain, where would we have been to-day ? Would we have been able to sell this large volume of exports ? I think not. All over England they say, give us Canadian products and goods. In purchasing we will give them the preference. Is not that evident from the fact that we have exported double, treble the amount that the former government exported ? Is it not due to the good feeling we have excited in England in offering to help the mother country by admitting her goods at one-third less than the goods of other countries? They naturally respond to that and send their agents to Canada and purchase Canadian goods. That is a fact well known; it does not need proof. Sir Wilfrid Laurier got ten times the value for Canada that he would have got had he attempted to make a bargain. He could not have carried his policy, Mr. Chamberlain could not, the Duke of Devonshire could not. Every one will admit that imperialism has made great strides since 1896, and yet to-day leading members of the government resign on that issue, and even Mr. Balfour had to say the other day in the House, 'I will never consent to tax the food of the people. We are not in a position to do it, whatever we may do in the future.'

As it is near six o'clock, I move an adjournment of the debate.

The motion was agreed to.

The Senate adjourned.

THE SENATE.

Ottawa, Tuesday, March 15, 1904.

The SPEAKER took the Chair at Three o'clock p.m.

Prayers and routine proceedings.

A QUESTION OF PRIVILEGE.

Hon. Mr. McSWEENEY—I rise to a question of privilege. In this morning's 'Citizen' there is an article reflecting upon certain hon. gentlemen in this House, and as they are present I think it only right that we should receive an explanation from them. The article reads as follows :—

Judges were ignored—

Did not receive any invitation to the opening—Chief Justice was assured by Speaker Power that the Woolsack would not be restored to the Senate—Who is responsible ?

Unless prevailing conditions are satisfactorily adjusted, the elaborate official and social ceremonial connected with the opening of parliament is not likely to be hereafter graced with the presence of the learned judges of the Supreme Court of Canada. The absence from last Friday's opening of their lordships and

their wives and daughters caused a decided ripple of excitement and continues to be a fruitful theme of discussion in the upper social strata. This is not the first year that complications have arisen affecting the attendance of the judges at the opening. Last year without any notification being sent the judges, the woolsack or official seat of the judges was removed and that caused a considerable dissatisfaction inasmnch as in the absence thereof the judges, if attending, would not wear their robes of office. Their attendance would therefore assume a social rather than an official significance.

To prevent a recurrence of the unpleasantness of last year, Sir Elzear Taschereau, chief justice, wired last week to Mr. Speaker Power of the Senate inquiring if the woolsack was to be in position for the judges at the opening on last Friday. The answer came back that the same regulations would prevail as last year, and that in place of occupying the woolsack the judges would sit with the archbishops. Notwithstanding this assurance by Speaker Power, who, as head of the Senate, is responsible for the arrangements within the chamber at the opening, the woolsack was this year in its usual place, though no notice to that effect was sent to the judges.

But where the particularly indelicate point of the whole matter comes in is that though the accustomed seat was provided for their lordships they were ignored in the matter of being invited to the opening. On the authority of one of the judges, the 'Citizen' is in a position to state that their lordships received no official notification to attend or invitation to be present, either in an official or private capacity. It has been customary for them to receive what was more of an official notification than an invitation, but this year there was an entire omission of any form of invitation. As before stated, it appears that from the official list of those to be invited, the judges of the Supreme Court were entirely omitted, but Captain Chambers, Gentleman Usher of the Black Rod, saw that the wives and daughters of their lordships were sent cards even though, in so doing, he was perhaps exceeding the instructions of the official list provided for his guidance. The judges are not disposed to blame the Usher of the Black Rod, but rather hold responsible his superior officer, Mr. Speaker Power.

In the latter connection that gentleman is regarded by some of the interested parties in this case as being rather weak and the real man behind the gun in arranging things is said to be the Secretary of State.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman did not finish reading the article.

Hon. Mr. McSWEENEY—Yes, I know that there is some more of it.

Hon. Sir MACKENZIE BOWELL—Better read the rest of the article.

Hon. Mr. McSWEENEY—The article continues :—

Action was concerted.

It is learned that in staying away from the opening last Friday the judges acted in concert. 'We received no invitations to be present,' said one of the number yesterday, 'and in consequence we didn't go. We did not like the idea of being considered as intruders.'

Last year the judges' wives were denied precedence after the wives of cabinet ministers, and this caused considerable irritation.

It is now announced that the woolsack is to be consigned to oblivion and the statement has been made that the judges approved of this. That is denied, however, 'It is not absolutely necessary that it should be there,' stated one of their lordships, 'but if it is not there the judges will not attend the opening in their robes of office.'

In reply to a question as to the probable reason for the judges being omitted from the official list, one of the number stated that it was regarded as an error more than anything else. 'Next year,' he said, 'it is presumed we will have a new Speaker, and we are expecting that the grievance will be satisfactorily adjusted. Until something is done, however, different from this year, it is safe to predict that the judges will not attend the opening ceremony.'

The occurrence of Friday has been widely discussed at the social functions occurring since then, and it is well known that the Prime Minister is much annoyed over the situation.

The SPEAKER—If it is the wish of the House I shall try to explain my connection with this rather unfortunate occurrence. I think it was on the 2nd March I received a despatch from the Hon. Sir H. Elzear Taschereau, the Chief Justice of the Supreme Court of Canada, in which he asked whether the practice adopted last year would be followed this year. That is all of the despatch that I consider is relevant. He asked some question also as to the places for the wives of the judges. I replied to Sir Elzear's telegram on the 23rd March, as follows :—

'My impression is that the committee to direct Black Rod recommended abolishment of woolsack and that judges sit with archbishops, &c.'

I simply gave the chief justice my recollection of what had taken place and I did not, as Speaker, assume any authority in the matter whatever. I simply spoke as a member of the Senate, and as any other member of the Senate would have had a perfect right to speak, giving his recollection of what had taken place. Nothing further occurred until Thursday last, when his lordship, the chief justice, attended here as deputy governor for the purpose of opening parliament; and I noticed then that the woolsack was in its usual place between the clerk's table and the throne. His lordship, who, naturally, would be interested in the fact, must also have observed the woolsack, because it was directly in front of

him. On the same evening, at a ceremonial function which took place near the city, I met one of the judges of the Supreme Court, who spoke to me about the matter and seemed to think that I was responsible for the fact that the judges had not been invited to take the places which they had occupied up to last session. I told the judge in question that I had nothing to do with the matter, but, I added, that I noticed the woolsack was in its usual place, and this judge then said that the judges had received no notice to that effect and that he thought they should receive an official notice. Well, hon. gentlemen, the judge was right, but I did not feel that I had either the right or the duty to send any official notice to the judges. I had nothing to do with the removal of the woolsack nor with its being replaced, and I thought probably if I undertook to give any orders with respect to the judges my action might be resented as an impertinence by the gentleman who had dealt with the woolsack. I remember that the hon. the Secretary of State was at this same gathering and was close by, and the substance of what I further said to the judge was that the Secretary of State if spoken to would probably see that the required notice was sent. The judge, as far as I can gather, did not speak to the hon. Secretary of State on the matter, and no formal notice was sent and that is about all I have to say. There is this further fact, that the Gentleman Usher of the Black Rod prepared a list of the ladies and gentlemen who were to be invited to seats on the floor of the House, and on that list he had the names of the Supreme Court judges, their wives and daughters. It appears that this list was handed to a clerk to fill up the cards which were to be sent in accordance with the list, and the clerk probably being very much hurried or not familiar with the work, sent the cards to the wives and daughters of the judges but did not inclose cards for the judges themselves. I do not see that the Usher of the Black Rod or myself is to blame in the matter. It is unfortunate that a misunderstanding should have occurred, but I do not think that we are to blame, and as far as I am aware there does not seem to be any one to blame. I assume that the Secretary of State thought, as I did, that a proper notice had been sent.

Hon. Mr. SCOTT—I took the precaution to ask whether the invitations had gone to the judges the day before, and was informed that they had. I presumed invitations had been sent because their names were on the notices intended to be sent. I think it is purely an accidental inadvertence. The Usher of the Black Rod has only very recently been appointed, and everything had to be done in a very great hurry and perhaps he was not acquainted with the work. He showed every desire to discharge the duties incidental to the meeting of the House, and I saw him once or twice in his room working hard with a clerk. It appears to be a matter of inadvertence that those notices were not sent. I do not see that any further remark can be made about it. If cards were sent to the judges' wives and daughters, they might have assumed that they were included with the members of the government and the Senate who were not invited.

Hon. Sir MACKENZIE BOWELL—It is a matter of regret that almost at every meeting of parliament there is some little hitch in connection with precedence. It is very unfortunate that it should be so. I never knew or could understand why the woolsack was removed from the chamber last year. There was no recommendation to that effect from the committee to whom this question was referred. There is one point, however, which might justify the Gentleman Usher of the Black Rod in not sending the invitations, the fact that the judges of the Supreme Court are not specially mentioned in the report which was made by that committee to the Senate. The Usher of the Black Rod, as I understand it, took it for granted that the judges of the Supreme Court had certain rights and privileges on the floor of the Senate, and, therefore, may have omitted to send invitations, but on inquiry I find that he placed the names, as has been mentioned by Mr. Speaker, on the list of those to whom invitations were to be sent, but through some inadvertence, I presume on the part of the clerk, while he sent the invitations to the wives and daughters of the Supreme Court judges, he omitted to send them to the

judges themselves. What the practice has been in the past in reference to sending invitations to the judges, I am not prepared to say. Perhaps the Speaker can give us information on that point.

Hon. Mr. MILLER—The Speaker has nothing to do with it.

Hon. Sir MACKENZIE BOWELL—I am aware of that. The present Speaker indicated very clearly that he took the same view, that he had nothing to do with it; and that if he interfered it might be considered a piece of impertinence on his part either by the members of the Senate or by the judges themselves, therefore he declined giving any instruction in the matter. The point in which the Speaker was, innocently, I presume, in error, was in his reference to the report of the committee which had been appointed to consider this question, as to who should be invited to positions and seats on the floor of the House. From the fact that the woolsack, as it is termed, was removed from the floor of the Senate last year, the Speaker might, no doubt, be led to the conclusion at which he arrived, that a recommendation had been made for its removal. I was on that committee, and I have no recollection of that question having been discussed, but there certainly was no intention, speaking for myself, and I think I may add for those with whom I was associated on that committee, that any slight should have been cast on the judges of the highest court of the Dominion, and if they did omit the names of the judges in their report which was adopted and from which the invitations were issued by the late Usher of the Black Rod, it was purely unintentional, and I can only hope that in future these difficulties may not arise. They are matters of very little consequence to the community generally, but in the light of what I might term courtesy and proper treatment of those in high positions we should try to avoid them as much as possible. Many people will say the woolsack is a relic of old times. Well, supposing it is, there are certain dignities pertaining to it, and these old forms and formalities add much, I think, to the solemnity of the ceremonies of the opening of parliament, and I for one should very much dislike to see them abolished.

Hon. Mr. SCOTT—Hear, hear.

Hon. Sir MACKENZIE BOWELL—I am glad the hon. Secretary of State agrees with me upon this. I know that in this democratic age these things are looked upon with contempt by some. I think they have a certain bearing on the dignity and solemnity of an assembling of parliament and until we see good reasons for changing them they should be continued.

Hon. Mr. ELLIS—There might be a question why the woolsack is here at all.

Hon. Sir MACKENZIE BOWELL—That is just what I say.

Hon. Mr. ELLIS—I think I was on the committee with my hon. friend and other members, but I do not remember that the question about the woolsack was raised. I see no reason why the woolsack should be in this House. The woolsack is the seat of the Lord Chancellor of the House in England, but the House of Lords declared that he sat there not as a judge but as chairman of the House of Lords' and really I do not think any harm would be done by removing it except that my hon. friend does not like to see an old custom abolished.

Hon. Mr. MILLER—I understand the committee last year decided to abolish the woolsack.

Hon. Mr. ELLIS—I do not remember that.

Hon. Mr. MILLER—That ought to be understood. I certainly thought it would be kindness to the judges themselves to abolish the very uncomfortable seat they had in this chamber. I thought they would be much more comfortable in the ordinary chairs of the House than on that very uncomfortable bench where they have no rest for their backs. If the committee reported last year to abolish the woolsack, whatever my personal opinion might be on the question, I would think that if the judges had the slightest desire that it should be retained we should accede to their wishes. I am sure there is no feeling in this House excepting one, with regard to the judges of the highest court in the land, that is, to treat them with all the respect and consideration befitting the dignity of their high office. Therefore if the committee reported to abolish the woolsack and the

judges would prefer to have it remain, I think the Usher of the Black Rod should make inquiries and have the matter put right. But I cannot see that the dignity of the court would not be just as well preserved by having chairs for the judges on the floor of the House abreast of the bishops and archbishops who are personages of much higher rank according to the Royal regulations regarding precedence—in fact who take precedence over the cabinet ministers. The puisne judges of any court in the land do not take precedence even over senators. Therefore, I thought it would not be an infraction of the dignity of the judges and would add greatly to their comfort if they had comfortable chairs like we provide the high dignitaries of the churches on the floor of this House on the occasion of these important functions. Some people think, perhaps, that we overdo these functions. Perhaps I am old-fashioned, but I am not altogether of that opinion, and I agree with my hon. friend beside me that our institutions are sustained by a good deal of form and ceremony, which come down to us with the hoary attribute of time, and which we are almost as much attached to as we are to the institutions which we enjoy.

Hon. Sir MACKENZIE BOWELL—Perhaps the hon. gentleman did not hear me. I stated distinctly that that committee did not report in favour of the abolition of the woolsack. I have the report in my hand.

Hon. Sir ALPHONSE PELLETIER—As one of the members of the committee appointed to regulate invitations, I regret to contradict my predecessor in the chair, that there was no order from the committee to remove the woolsack from the usual place. I am sure there was no question about it. As to what was done last year I do not know. I do not remember that any question was put to the committee as to retaining the woolsack. I know that during the time I had the honour to be in the chair there was never any mention made of invitations to the judges of the Supreme Court: in fact I thought that really they did not want an invitation, that like the ministers they had a right to be on the floor of the House. I did not know what was the custom about these invitations, but my impression was that they were always supposed to be present without any invitation. I am very sorry that the difficulty has occurred, and I am sure that for next session, and for prorogation this session, the difficulty will be settled for ever.

Hon. Mr. POIRIER—The woolsack was removed by some one giving orders last year that it should be removed. What I should like to know is, who gave the order to the chief messenger last year—because I suppose it was he—to remove them. That might throw some light on this question, unimportant as it is, but still that fact has some importance. I should like to know who gives orders in contravention of the old usages that have prevailed in this House since confederation?

The SPEAKER—I wish to call the attention of the leader of the opposition to the fact that my telegram did not state positively—I only gave my impression.

Sir MACKENZIE BOWELL—I think when the hon. Speaker reads the report of what I said he will find that I did not attribute it to him. I said I could readily understand the hon. Speaker might have come to that conclusion from the fact that the woolsack had been removed last year. I was rather giving that as an illustration or reason why he might have come to that conclusion.

PRINTING OF THE SENATE DEBATES.

Sir MACKENZIE BOWELL—There is another matter I wish to bring to the attention of the House. I notice that the reports of our debates are very late in reaching the members of the Senate. I have in my hand the debate of last night in the Commons. The reason I bring up this question is to see if the Committee on Printing the Debates cannot make some suggestion by which, when an important debate takes place, the members of the Senate can have in their hands the next day what has taken place the day before, in order that they may be enabled to deal with it. The reason I call attention to that is that I had not the pleasure or advantage of listening to the debate yesterday, owing to my absence. I was very anxious to read what the hon. Secretary of State had said on one or two points as to which there might be some little difference of opinion. I read the newspapers but I must confess that they do not contain any-

thing in reference to the point to which I refer. What I would suggest is this. The reports of the debates in the House of Commons are distributed in what is called the unrevised edition, to be corrected afterwards. Would there be any objection to handing the proof sheets, of the debates in the Senate in galley form, which would be the unrevised speeches of members similar to the sheets just handed to my hon. friend on my right, the next morning after the debate? They would then be able to read what had taken place, and if there was any inaccuracy it could be corrected. I see some practical men sitting before me who understand this question. The course I suggest would not add to the expense, having 50 or 60 proof sheets struck off and pinned together. We could use it in that form. We all know that when the first edition comes to the Commons in this form, there are additions and alterations made, necessitating very often a rearrangement perhaps of 50 or 60 pages of the report and adds very materially to the expense. I hope the committee will consider this matter. I think advantages may arise from it, and we may avoid a good deal of misrepresentation that some of us perhaps are led to make as to what has been said by senators from the fact of not having the proof sheets of the reports before us.

Hon. Mr. BERNIER—I happened to be a member of the Debates Committee when some change took place in the publishing of the debates. They used to be published in an unrevised edition, in pamphlet form, and it turned out that these unrevised editions were scattered abroad in the country in a condition which was not a credit for those who took part in the discussion. Certainly, it is not pleasant for members to have reports of the debates spread over the country possibly full of defects and mistakes. Sometimes the very reverse of what an hon. senator had said was printed. So that the Committee on Debates thought it would be better not to have those unrevised editions issued, and they then ordered the system as it exists to-day; but of course such a system takes time. It takes four days before we can get the debates. We might, perhaps, remedy that by having debates of the previous day distributed among the members in galley form.

Hon. Sir MACKENZIE BOWELL—That was my suggestion.

Hon. Mr. BERNIER—We would know exactly, especially if we were present, what an hon. gentleman might have said. I think that is the only way to remedy it. Our staff is not large enough to have those debates printed as quickly as they are in the House of Commons; it would cost too much for the Senate to have such a staff and I do not think it is necessary. But if we had these proofs distributed the next day, that would answer the purpose.

Hon. Mr. LANDRY—In place of distributing these galleys perhaps it might be preferable to have say a dozen of them on fyle at the reporters' room, so that anybody who wanted to see them could call there and see them.

Hon. Sir MACKENZIE BOWELL—That is a matter of detail for the committee.

THE ADDRESS.

DEBATE CONTINUED.

The Order of the Day being called:

Resuming the ajourned debate on the consideration of His Excellency the Governor General's speech on the opening of the fourth session of the ninth parliament.

Hon. Mr. SCOTT said: The hon. gentleman from Marshfield who led the opposition yesterday, in the absence of the hon. leader, was very severe in his comments on the policy and administration of the government. They had failed in all the purposes that the government ought to have succeeded in. He would give them no credit for the increase in the trade of the country nor for the improved condition of things generally. I think I invited investigation of the line that I had taken, that the government were entitled to very considerable credit for the business interest that they exhibited in the development and prosperity of the country.

I come now to one of the departments of the government with which, practically, the whole people have to deal. It will show, I think, most clearly and demonstrate beyond any possibility of a doubt that some extraordinary change of policy must have taken place with the change of government in 1896. I am alluding now to the administration of the Post Office Department. Mr. Foster, who was the Finance Minister of

the former administration, in his budget speech in 1896, which will be found at pages 971 and 972 of the 'Hansard,' vol. 2, made these observations :

DEBATE RESUMED.

'In the post office we have an increased estimate of $240,780, which is a large increase. The demands for the opening up of new lines and for greater frequency and greater thoroughness in the delivery and despatch of mails are continually pressing upon the Post Office Department, and a large expenditure has necessarily to be made if we are to keep at all even with requirements of the times which we are bound to do. There is now a deficit of somewhere near $800,000 between the total receipts and the total expenditure of our post office service and this, I fear, makes the time somewhat distant when what otherwise might be fairly asked for can be granted, that is a reduction upon the rates of postage in this country.

That deficit, hon. gentlemen, had been a chronic one, and Mr. Foster put it down as one that, in his judgment, at all events at that time, he saw no prospects of removing. Now, I would just like to give a retrospect of what occurred in the administration of the department after the change of government, and compare it with the practice before. The net revenue of the Post Office Department for the year 1878, when the change of government took place, was $1,224,000. In 1896 it had risen to $2,964,000, being an increase in eighteen years of $1,740,000. That was the whole increase in the net revenue of the eighteen years of the national policy, under which that government was said to be flourishing. Hon. gentlemen have the Post Office Report in their possession for 1903, and they will see that the net revenue was $4,360,000, being a net increase of $2,226,000 in seven years—an increase of nearly double in seven years. Here it may be as well to mention that the Postmaster General, by a bold stroke of policy, reduced the postage through Canada from three to two cents. He also, after a great deal of difficulty with the imperial authorities, succeeded in reducing the Canadian postage to all parts of the empire from five to two cents. After a very prolonged discussion, in which there was a great deal of opposition on the part of the imperial post office authorities, he succeeded in reducing the postage on newspapers between this country and Great Britain. Complaints had been made that this country was being flooded with United States literature. English literature was expensive and hard to obtain, and the postage charge was one cause which prevented its circulation in the Dominion; yet the authorities connected with the imperial post office were so slow to recognize the importance of having British news disseminated through Canada that they obstinately refused to reduce the postage in order to meet the objection of this country that the Dominion was being flooded with United States literature. Now I turn to the business part. The money orders are supposed to be an index of the business done in this country. I take first the seven years preceding the change of government, 1890 to 1896; they show an actual decrease in the money orders issued. The value of money orders issued in 1890 was $1,471,946, and in 1896 it actually had fallen to $1,365,827. Last year the value of money orders issued was $3,682,312. So that hon. gentlemen will see that something must have stirred the business of this country, because there is no better standard of the state of business than the ordinary post office orders which pass between the people for comparatively small amounts. I need not quote here the increase of business in the banks. Every banker who has spoken on the subject has pointed out the extraordinary extension of the business of the country in the last few years. I particularly call the attention of hon. gentlemen to the remarks of the manager of the Bank of Montreal, the largest monetary institution we have, in which he went very definitely into the whole subject, and pointed out that there was not a branch of industry in Canada that did not show an extraordinary and successful expansion in business, and it was quite unprecedented in its history. The number of letters posted through the mails may also be taken as some standard of the activity of the people. The increase in eighteen years under the late administration of the number of letters sent through the post office was 73,000,000. In the seven years ending with 1903 it was 119,000,000. Hon. gentlemen will see there the enormous increase in those seven years as compared with the whole eighteen years of the former period. Since July, 1896, the number of post offices through the country has increased considerably over 1,000. The expenditure of the department has necessarily increased just as the general expendi-

ture of the government has increased. My hon. friend pointed out yesterday that we were extravagant and were going to ruin the country, but it was very clear there was a large credit balance to meet the expenditure. My hon. friend ought to recollect that the management of government affairs is not unlike that of an ordinary business establishment. If a merchant finds his trade increasing he is not slow to avail himself of the opportunity to extend his business. No better standards of the development of the country can be quoted than those I have given in conjunction with an admission made by a Finance Minister so recently as 1896. He looked upon the deficit of the post office as a necessity. He did not see how he was to get over it, and yet that deficit has not only disappeared, but this year there is a large surplus in the face of a reduction of the rate of postage. I should like to call attention also to the marked business ability exhibited in the Department of the Interior. I shall only refer to one particular instance there, showing the extraordinary immigration that has gone into Manitoba and the Northwest owing to the business methods adopted in advertising Canada and spending some money for the purpose. Government business is like any other business, more particularly in a young country like Canada, where we have so many resources to be made known to the public. We are not like an older country, and therefore money invested in advertising comes back one hundred-fold. Take the ten years in which the late government held office, from 1881 to 1891. The census returns, which I suppose are correct, because they were taken under the administration of hon. gentlemen opposite, show that the increase of population in Manitoba was from 62,000 to 152,000, an increase in ten years of 90,000. The increase in the same period in the Territories was 41,284, a total increase in ten years in Manitoba and the Northwest of 131,530. It must be recollected that during half that time at least the Canadian Pacific Railway was in operation, and therefore it cannot be maintained that there were not opportunities to send settlers into that country had the proper policy been adopted. It is an ascertained fact that the increase last year alone was 139,000, which is more in one year than the whole increase from 1881 to 1891 under the former government. The hon. gentleman had a fling at the government in connection with recent by-elections, and claimed that the majorities of the government were dwindling, and that it was an indication that the people condemned the Grand Trunk Pacific project and the policy of the government generally. It seemed to afford him great consolation. We do not grudge him the consolation so long as we get the members. We are satisfied to have them even though the majorities are not in four figures. We do not always ask our friends to come out and vote when it is absolutely unnecessary. Since the election in 1900 there have been forty-two by-elections; of these the Liberals carried thirty-four, a pretty good evidence that the country is with them yet; and of the thirty-four, four were gains, and if you count the Yukon, it would make five gains. The Yukon was neutral territory for both parties, but apart from that there were four gains.

Hon. Mr. FERGUSON—Will the hon. gentleman name the four.

Hon Mr. SCOTT—There was Lisgar.

Hon. Mr. FERGUSON—Oh!

Hon. Mr. SCOTT—A straight Liberal ran against Richardson who was supported by the Conservative party.

Hon. Mr. FERGUSON—He was a Liberal.

Hon. Mr. SCOTT—Yes, like the Huntington 'Gleaner'—that kind of a Liberal. The 'Gleaner' is always quoted as a Liberal organ. So long as my hon. friend takes consolation from it we have no objection.

Hon. Mr. FERGUSON—When Richardson went back for re-election after being unseated, a Conservative opposed him.

Hon. Mr. SCOTT—No, a Liberal.

Hon. Mr. FERGUSON—And a Conservative also.

Hon. Mr. SCOTT—Then in North Ontario, we recovered that constituency—Foster was beaten by Grant. In the city of Victoria, B.C., Mr. Riley carried the constituency which Mr. Prior had represented before. In one of the Yorks, after the lamented death of Clark Wallace, Archibald Campbell carried the constituency, and then, as I have said, there is the Yukon. On the other

side the Conservatives took three seats from the government. In Bruce they succeeded in having a Conservative elected. In East Lambton the same, a Conservative was elected, although there it was not a question of the policy of the government at all, but of whether crude oil should be admitted into the country free or not. Our candidate was in the refining business and wanted crude oil admitted free. The successful candidate was opposed to it, and the majority of the people, who had wells and wanted to keep out the crude oil, voted for the Conservative candidate.

Hon. Mr. FERGUSON—Was the oil question in Hochelaga and St. John too ?

Hon. Mr. SCOTT—I am just coming to those. In Grey, on the death of Mr. Horsey, the Conservatives carried that seat. In Laval, on Mr. Fortier's being elevated to the bench, a Conservative was elected. In St. John city a Conservative was elected. A little incident in connection with that election may be recited. My hon. friend omitted it when he stated the way in which the opposition carried St. John. He said it was a slap at the government and at the transcontinental railway. It is very well known by those who have studied the situation there that the present member, Mr. Daniel, was elected by reason of a very large body of Liberals declining to vote. I have the figures before me. The total voted in 1900 was 8,043. The vote of St. John had not certainly decreased. There is no doubt it had increased somewhat in the three years following. Yet the total vote in the recent election was 7,749, nearly 900 less than the former vote. The vote for the Liberal candidate was 3,523, and Mr. Daniel polled 186 more than Mr. Foster. Those 186 probably were added to the Conservative vote, owing to the increased population, but there is the fact that as compared with the former election about 900 votes were not recorded at all.

Hon. Mr. FERGUSON—It would be exceedingly unkind on our part to deny my hon. friends any comfort they derive from the fact that the Liberals refused to vote for this government.

Hon. Mr. SCOTT—They did not refuse to vote for the government. It was because a very considerable element of the population in St. John thought that the man they supposed should have been the choice of the convention had been turned down before the convention met ; they took this mode of resenting. The election turned on the question of the personality of the two Liberal candidates, so that it cannot be said that St. John has gone into the Conservative lines.

Hon. Mr. POIRIER—How can it be ascertained that those who abstained from voting were Liberals ? Might there not have been some Conservatives among them ?

Hon. Mr. SCOTT—We know that the Conservative vote was whipped in pretty actively, and the Liberal vote was nearly 1,000 less than it had been at the former election, and we know there was a very considerable element there of dissatisfied and disgruntled voters by reason of the incident to which I have referred.

Hon. Mr. LANDRY—How do the two lists compare, the list of 1900 and the list of 1904 ?

Hon. Mr. SCOTT—I do not know ; I did not examine the lists.

Hon. Mr. LANDRY—The hon. gentleman cannot draw any conclusions then.

Hon. Mr. SCOTT—The number of votes did not diminish.

Hon. Sir MACKENZIE BOWELL—It shows that the people were dissatisfied with the government.

Hon. Mr. FERGUSON— There is a greater change in St. Hyacinthe. How does the hon. gentleman account for that ?

Hon. Mr. SCOTT—If the Liberals know that their man is going to be elected anyway they do not go to the polls. I thought the hon. senator from Marshfield went out of his way to pass a number of strictures on the premier and on Mr. Sifton in connection with the Alaska boundary and one or two other points. He had a slap at Sir Wilfrid in connection with his views on the subject of the treaty power. He said, among other things :

I feel it my duty to deprecate the heated language of the premier with regard to the

policy of the British government on this matter.

That is the Alaska boundary commission. This government had given expression to a good deal of feeling because they were not satisfied with the manner in which they were treated by the imperial government. The hon. gentleman said further :

> And his advocacy of the policy that Canada should claim the right to negotiate her own treaties, was wholly undesirable.

He said further :

> I think the government have themselves to blame quite as much for any unfortunate incident in the formation of the tribunal.

He blamed this government for the formation of the tribunal, although he must have seen in the papers, the British papers particularly, that though they did not get all the correspondence, enough was made public to show that this government had protested just as strongly as the English language afforded words, against permitting Senator Lodge and Senator Turner to sit on that tribunal, but their protest was simply overruled, turned down, and the treaty was signed in defiance of their opposition. Not only that, but in the formation of the tribunal he blamed us actually for the result. He said :

> I make this observation as emphatic as I can : the government are very much to blame for agreeing to submit the Alaska boundary to a packed jury.

Then he also censured the premier because he said he had admitted that Dyea was in United States territory.

Hon. Sir MACKENZIE BOWELL—Did he say that ?

Hon. Mr. SCOTT—Yes, he said that.

Hon. Sir MACKENZIE BOWELL—From what is the hon. gentleman quoting ?

Hon. Mr. SCOTT—From the speech of the hon. gentleman from Marshfield yesterday. He condemned the premier and Mr. Sifton because they had made speeches in which they had said that there was no doubt about Dyea being in United States territory. When the hon. senator made the statement that the premier had no right to make that admission, I said the fact was patent, and that it ought to be admitted if it was true, and I said I knew it was true, because a school house had been built on the Lynn canal in the neighbourhood of Dyea, about 1882. I might with very much greater propriety have turned on the hon. gentleman and said ' your government made no protest when the United States built a school house there. I did not do that because public attention was not turned towards it at that time, but there is no doubt about it, that it was not in depriving us of the use of the Lynn canal that the principal injury was done to Canada. It was in not taking the headlands for the outer limit. If they had given us the line for which we contended we would have had the use of the head of Lynn canal, and every one would have been satisfied, but as a matter of fact, after delimiting the boundary for a certain distance along the coast, the board stopped and there is now a gap of about 200 miles of the Alaska boundary that has not yet been settled. They were afraid that if they took certain headlands then visible on the plan, it might possibly give us a line too near the coast, and so they postponed the consideration of this large gap and deputed certain experts to report on the topography of the country. I may tell hon. gentlemen that when such matters come up it is the best policy always to admit established facts. Lawyers are probably as controversial as other people, and, as a rule, in the profession where there is a fact known it is always wise to admit it. It rather weakens a case to deny it, and Sir Wilfrid Laurier knowing it was easily capable of proof that Dyea had been in possession of the United States, and that possession is nine points of the law, admitted the fact. What he said had not the weight of a straw on the ultimate decision.

Hon. Mr. FERGUSON—My hon. friend will kindly note that my remark was that Sir Wilfrid Laurier had made an admission in this parliament which was used by the United States counsel against our contention. He admitted that the Russians and the Americans had from time immemorial occupied this part of the country and that there never had been a protest against it. I said that neither statement was correct. That the occupation had not been from time immemorial and that there had been a protest in 1888.

Hon. Mr. SCOTT—I have the evidence of what I stated before me. Alaska was ceded to the United States in 1867. In that

year a United States revenue cutter sailed up the Lynn canal and hoisted the flag of the United States at Chilkat and formally took possession of the country in the name of the United States.

Hon. Mr. FERGUSON—Where is that statement from ?

Hon. Mr. SCOTT—I have it here in a book which was published in 1871.

Hon. Mr. FERGUSON—Was that evidence submitted to the tribunal ?

Hon. Mr. SCOTT—Oh, yes. It will be seen there was no doubt about the fact. In 1868 the United States army officers visited the head of Lynn canal and assumed control, visited the Indians there and received their submission and exercised authority over them. This was repeated in 1870 and subsequent years.

Hon Mr FERGUSON—That is from a United States authority.

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—At a much later date they hoisted a flag beyond the height of land.

Hon. Mr. SCOTT—I know. We never recognized that, but they took possession of the head of Lynn canal in 1867 and we made no protest against it.

Hon. Sir MACKENZIE BOWELL—You did when they crossed the height of land.

Hon. Mr. SCOTT—Yes, both governments did. This report says a school was established near Dyea. In 1885 another school was established under the United States bureau at the same place, and later the United States government established post offices at Pyramid Harbour and other places, so Sir Wilfrid Laurier, in making the statement that they had had possession of it, did not in any way weaken the Canadian case, because it was an undoubted fact.

Hon. Mr. FERGUSON—He denied that there was any protest.

Hon. Mr. SCOTT—Why would you protest a matter where the proof against your protest was so clear and undeniable.

Hon. Mr. FERGUSON—It was the matter of his veracity in denying that there was a protest. As a matter of fact, a protest was made in 1888.

Hon. Mr. SCOTT—Suppressing a fact may be very close to lying. and I do not think it is wise policy, particularly in diplomacy, ever to be a party to suppressing a fact which the other party must be aware of. You weaken your case. The hon. gentleman says we were to blame for agreeing to submit this question of the Alaska boundary to a packed jury. I am quite aware of the fact that the Americans were allowed to name officials who were entirely outside the qualifications that were understood to be attached to them. They were to be impartial jurists of repute. When we agreed to that, we naturally concluded that judges of the Supreme Court would have been selected. When we found that Senator Lodge and Senator Turner had been named we had their speeches, which appeared in the Canadian papers only a few months before that, and knew that they were committed to certain views, and we made a protest as strong as the English language is capable of affirming, but our protest was turned down just as former protests had been turned down before, and as the imperial government had shown themselves absolutely callous and indifferent when Canadian questions were affected having the United States for the claimant on the other side. I think I pointed out in a former debate in this House that owing to just that feeling, a desire to conciliate the United States and through having a very slight appreciation of the value of Canadian territory we lost Oregon and Wisconsin and a good part of Illinois which were given away without a protest. They formed no part of the thirteen colonies at the time of the rebellion in '76. In recent years we lost a large portion of New Brunswick just in the same way. There is a tongue of United States territory running up between New Brunswick and Quebec all through English diplomacy sacrificing Canada on the altar of friendship to the United States. But that that has been the feeling of other statesmen than Sir Wilfrid Laurier I shall be able to show. I think Sir John Macdonald shared that feeling:

Hon. Sir MACKENZIE BOWELL—What feeling?

Hon. Mr. SCOTT—That Canadian interests were invariably sacrificed when United States interests conflicted with them, and

that is why Sir Wilfrid Laurier, Mr. Blake and Mr. Mills spoke out boldly and said that in all matters affecting Canadian interests negotiations should be carried on by the Canadian government and Canadians alone should sit on the tribunal representing Canada, that if you had Englishmen on it they were sure to yield to the United States. I have here before me letters written by Sir John Macdonald, from Washington, in 1871, at the time of the treaty of Washington, addressed to Sir Charles Tupper. In one of these letters in March of that year he says :

I am greatly disappointed at the course taken by the British commissioners. They seem to have only one thing in their minds, that is to go home to England with a treaty in their pockets settling everything, no matter at what cost to Canada.

That is pretty strong language. He continues :—

The effect which must be produced upon the public mind in Canada by a declaration from both parties in the imperial parliament against our course will greatly prejudice the idea of British connection, as British protection will have proved itself a farce.

That is the opinion of the leader of the Conservative government after a good many years' experience. Again he says :

I do not like to look at the consequence, but we are so clearly in the right that we must throw the responsibility on England.

Sir John Macdonald said that Canadian interests were entirely neglected in the Washington treaty. We spent $60,000,000 on the St. Lawrence canals and we gave the free use of those canals to the United States and they gave us no equivalent. They promised us the equivalent, but we never obtained it. Specifically they named the canal at the Sault. We had not one then ourselves. That was the purpose. When we wanted to send the volunteers to the Northwest they refused to allow them to pass through the canal, and our predecessors had to construct a canal in order that Canada might be independent of them.

Hon. Sir MACKENZIE BOWELL—We did not have the Sault canal at that time. The building of the Sault canal was the result of their action in refusing to give us the use of their canal.

Hon. Mr. SCOTT—That is exactly what I said.

Hon. Sir MACKENZIE BOWELL—No.

Hon. Mr. SCOTT—Yes. The hon. gentleman misunderstood me. What I said was that they were to give us the use of their canal, but afterwards when we had to send volunteers to the Northwest they refused to allow them to pass through the Sault canal, and we had to build one for ourselves.

Hon. Sir MACKENZIE BOWELL—But they gave us the use of the canal which belonged to the United States for all commercial purposes. That was considered quite different. They might be justified in that case, although it was unfriendly.

Hon. Mr. SCOTT—Showing the drift of Sir John Macdonald's mind, I quote from another part of the letter which makes it clear that he had no confidence whatever in any British statesman forming one of the commission on any subject in which the United States and Canada were interested. He refers to Sir Edward Thornton, and thinks we would have done very well with two Canadians. He said :

I may say that acquaintance with Sir Edward Thornton has raised him a good deal in my opinion; he is not a strong man, but he is a straightforward painstaking person who desires to do his duty, and who with two Canadians at his elbow instead of an English cabinet minister and a foreign office man like Lord Tenterden, would do good service for the Dominion.

He singles him out as a man who could be trusted, and he says he could not trust an English cabinet minister or a foreign office man. I think that all this confirms the wise attitude Sir Wilfrid Laurier has taken, and the government behind him, and the attitude taken by Mr. Blake and Mr. Mills that where Canadian interests are concerned we should have charge of the negotiation and should have the appointment of those who represent Canada on the commission. I want to revert now to the unfortunate scene that took place in England when our two commissioners were obliged to turn down the Lord Chief Justice of England and show that he had betrayed—perhaps that is a strong word—that he had left them. He surrendered his view, because his view had over and over again been expressed, that where the line of division was, the four islands referred to were either on one side or the other, and it was perfectly clear they were on the south side of the canal. Instead of deciding that way,

without any consultation with his colleagues he divides the islands giving two to each country. The point I make is that my hon. friend had no right to censure the government for their action where they were absolutely powerless, and where they had made such a determined protest as they did in objecting to the two United States gentlemen that were named on that commission.

I do not propose to make any comments on the changes that have been decided on in connection with the agreement with the Grand Trunk Railway. My hon. friend said he would reserve his remarks till another time, when hon. gentlemen become familiar with the details of the agreement; but I will just refer to the observations he made on the paragraph of the speech from the Throne, in which he animadverted upon what he thought was a different policy last session from what it is during the present session. He said last year that we were in a great hurry to have the road built, and that this year we seemed to be taking it more leisurely. I do not know that there is any difference in the views or feelings of the government this year or last year. We are anxious to see the railway built. We know that it is an utter impossibility for it to be built in less than a given number of years—certainly not less than six or seven years. The prairie section will be built no doubt.

Hon. Mr. FERGUSON—And the mountain section.

Hon. Mr. SCOTT—I do not know. The Grand Trunk Railway will build it as soon as they can, but the country between the prairie section and Moncton has to be thoroughly surveyed, and it must take a very considerable time to make the surveys to ascertain exactly where the line should be located.

Hon. Mr. FERGUSON—The extension of time has no reference to the eastern section, but to the western section.

Hon. Mr. SCOTT—I am quite aware of that, but my hon. friend called attention to the fact that last year we seemed to be in a hurry to build the whole line, and this year we were going to take it leisurely. The latin motto *festina lente* will have to apply in this case. We would like to proceed as rapidly as possible. It is impossible to go rapidly in a terra incognita. We must have first a survey. Our desire is to find the easiest grade and the best country in which to locate, and it is idle to talk about opinions given by this man and that man as to where the line will be located until final surveys are made and approved of.

A very large section of the country has to be surveyed. We know in a general way that a good line can be found. But we want the best line, and what that paragraph of the speech pointed to was that long before we could build the road, the necessity for it would have been apparent to the people of Canada and that therefore despatch was an important element. I should like just to call attention to that. Look forward to the next eight years before the road will be completed. It will scarcely be in good running order before that time. What will be the conditions in that western country? As Sir Sandford Fleming has pointed out, we are dependent altogether at the present time for our connection with the great west upon one through line of railway; that line of railway is along the frontier, and skirts Lake Superior for some considerable distance, liable at any time to be destroyed. As a director of the Canadian Pacific Railway, Sir Sandford's opinion ought to be worth a good deal. His view was that it was an absolute necessity that another transcontinental road should be built, and built just as soon as possible. Look forward to the time when that road will be completed! What population will there be in that western country? There will be two millions of people at least in Manitoba and the Territories. According to Mr. Roblin's statement, or the statement attributed to him, the grain produced in six years from this district would be equal to six hundred or seven hundred million bushels. Cut it in two and it is still a very large quantity and it will be an absolute impossibility to move it with the ordinary facilities in use to-day. It could not possibly be brought down by Lake Superior and be carried east within the six or eight weeks of navigation in the fall of the year, and therefore it is of the highest importance that there should be a railway with easy grades running from the prairie coun-

try to our own ports; otherwise, unless that is done, the probability is that long before that road is finished we will see one half the grain of Manitoba and the Territories passing through the United States to American ports, simply because there will not be the facilities for getting that grain out through our own ports. Therefore the undertaking is not commenced an hour too soon, and it should be hurried to completion just as rapidly as possible. The hon. gentleman commented a good deal on the extravagance of the government and what we were coming too, but I think he will have the satisfaction of knowing when the fiscal year terminates, instead of applying $7,000,000 in reduction of the present debt, that the amount so applied will be at least double and that the public debt will be reduced by at least $14,000,000; he will find that while that road is being built the revenue of this country will be swelling up. Before the eight years have expired instead of being $60,000,000 it will be $85,000,000, and, therefore, the resources of the country will in no degree be taxed by the construction of the road. That condition will probably be realized and I think the universal feeling in the country is that that road should be pushed to completion as rapidly as possible.

Hon. Sir MACKENZIE BOWELL—I have to regret that I was not able to be present yesterday when the debate upon the motion to adopt the address took place, not because I could have added anything to the remarks made by my hon. friend from Marshfield. On the contrary I am quite willing to concede that he could deal with the important public questions much better than I could. We all know the assiduity with which he applies himself to every question affecting the interests of this country, and the readiness with which he can express his opinions upon all occasions. My only regret was that I had not the advantage of listening to the whole of the remarks of the hon. Secretary of State. I must compliment him however on what I have heard him state to-day, the moderate tone that he has adopted and the ingenious manner in which he has met the charges made by the hon. senator from Marshfield. The deductions that he has drawn from many points to which he referred will strike members of the Senate who have given any attention to these questions not only as peculiar but of rather an extraordinary character. Now, before saying more, referring to the speech from the Throne itself not having my hon. friend's remarks before me, I do not know how far he dealt with what he considered the omissions. I remember hearing my old leader Sir John A. Macdonald say upon one occasion that the speech from the Throne which was presented was of a very lenten character. If such were the fact in those days I do not know what he would say were he here to comment upon the present speech which has been presented to us. There is nothing in it except two or three points, to lay certain papers before parliament and to deal with an amended agreement that has been entered into with the Grand Trunk Railway, and a Militia Bill. I intend to adopt the course that has suggested itself as being the best in reference to the Grand Trunk agreement on the present occasion; that is, not to discuss it until the terms of that agreement are fully before us, although we know sufficient of it to understand that great concessions have been made both as to the time of construction and also from a monetary standpoint to the Grand Trunk Pacific operations and to the Grand Trunk Railway itself. We remember how vociferously and how earnestly an appeal for the adoption or the ratification of the first agreement was made, not only by the premier but by the Secretary of State, and by other gentlemen who supported the proposition at the last session of parliament. It does not appear, however that the terms of that agreement met with the approval of the shareholders and those who are most deeply interested in the Grand Trunk Railway itself, though their manager in Canada, Mr. Hays, may have been more sanguine of what the result of the adoption of that scheme would be to the Grand Trunk Railway itself, other than and outside of the interests which were to accrue to the Grand Trunk Pacific Company. The fact is that when you look at the whole scheme you will find that though there were ostensibly two companies, the responsibility rested upon the Grand Trunk Railway itself, and that they were to be the security to the country

for the building and maintenance of this railway. I think that upon a close investigation and reading of the amended scheme that the Grand Trunk Railway Company are to a very great extent relieved from the responsibility; and they are relieved, from it in a manner which, from a pecuniary standpoint, will be in their interest and not in the interest of the country. However this is a point which can be established very well when the matter is thoroughly investigated and the figures are laid before parliament and the people, for their ratification.

It does seem to me, however, as the government had prepared themselves for a general election, that it would have been well for them and in the interests of the country had they submitted this great question to the people before the modifications were made. Why they did not pursue what I think they intended to pursue, and it was generally understood that they would pursue, is quite evident and apparent to the most obtuse intellect in the country. They saw that if they appealed to the electorate they would have to meet the charge that they had entered into arrangements with the Grand Trunk Pacific Railway which the Grand Trunk Railway shareholders would not ratify, and that consequently the matter would remain open and subject to any amendments which might be forced upon them by that company in case they were returned to power. Now, notwithstanding the fact that we were told that they had such an admirable bargain, and that the country was perfectly secure and safe in the arrangement which had been entered into with the Grand Trunk Pacific Company and with the Grand Trunk Railway as their endorsers, for such they really were, they have been forced—I think I may use the expression without prejudice at all—they have been forced by the Grand Trunk Railway shareholders and the Grand Trunk Pacific Company to recede from the position which they had taken and have lessened the security which they claimed the country had for the fulfilment of the agreement on the part of the Grand Trunk Railway, and that the country at the present moment has less security for the prosecution of and the building of the road. They told us before that urgency was absolutely necessary. The premier told the parliament that they could not wait. The country was being subjected to a loss of trade which should accrue to Canada itself by the trade being diverted to the United States. The hon. gentleman tells us to-night that we have only one outlet. It is true we may have one outlet by railway but we have two great corporations now in full operation to bring out the output of the Northwest, that is the Canadian Pacific and the Canadian Northern, and the latter road is proving itself to be of as great benefit to the people of the Northwest and the rest of Canada in sending to market the output of Manitoba and the great Northwest as even the Canadian Pacific Railway itself. It has as easy grades from Manitoba to the head of Lake Superior as the Canadian Pacific. It has another advantage; it is running at the present moment into the very heart of that grain growing portion of the Northwest and Manitoba. It supplies the eastern portion of Manitoba which was not supplied in the past with transportation facilities, and in addition to that, it will be the outlet of a large portion of the produce of Northern Dakota and of Northern Minnesota through the corner of which it runs. You may say that that is not our object in building a road to facilitate the output of the northern states of the Republic. While that is true, it is none the less important for the carrying trade of this country and none the less important for the interest of our shippers that in the making of the great lakes and the St. Lawrence to Quebec the highway of the great west that we secure as much of the United States traffic as it is possible to secure. Every bushel of grain that is diverted from the southern ports of the United States to the St. Lawrence adds just so much to the wealth of our carrying trade and country. Why is it we are fighting for it? It is to prevent the trade of Canada as a whole going to the southern ports and to divert that which has been in the habit of going there, to the northern ports of the St. Lawrence. I shall not deal with that question just now further than to say, I hope in the new arrangement which has been made, that the ideas which suggested themselves to the Grand Trunk Railway people when they first asked for a charter may be adopted and carried out. That is, instead of running their road

to Winnipeg and through the fertile portion of Manitoba and that portion of the Northwest that is now served by the Canadian Pacific Railway and by the Canadian Northern, that they will go still further to the north and open up that vast territory which has been described by the then Sir Donald Smith, at present Lord Strathcona, and more especially by a gentleman who has some knowledge of the matter, to whom my hon. friend referred a few minutes ago, Sir Sandford Fleming. His treatise upon the character of that country lays down this important fact, that north of the Saskatchewan is the real fertile belt of the Northwest Territories and not that which lies to the south which is now being served by the two railways. I repeat what I stated when discussing this question at the last session of parliament; I should like to give my hearty support to any scheme—and mind you the scheme to which I am referring was the scheme which Mr. Hays first inaugurated and which he desired to have adopted—to build from North Bay, running to the north of Lake Winnipeg, thence north of the north Saskatchewan, west to Edmonton and thence to the Pacific. Remember, hon. gentlemen, I am speaking of a matter of which I have some knowledge personally. I do not say it boastingly, but I think I have seen as much of that Northwest Territory as most white men outside of the Hudson Bay people themselves. I have driven by wagons and buckboards on the southern frontier from Deloraine to Fort McLeod and rode on horse back to the Columbia river, and I have gone to Edmonton and driven from Edmonton all the way down for five or six hundred miles north of the Saskatchewan and south of the Saskatchewan until we reach Prince Albert, and that was in the fall of the year, when one had a very good opportunity of forming an opinion and coming to a correct conclusion as to what the effect of a railway through that portion of the country might be. I am not finding fault with the amount of money that the government proposes to guarantee for the construction of that section of road. I think my hon. friend from Portage la Prairie who is now listening to me, will confirm what I say, that that portion of the country is not so level that a railway can be built as easily or as cheaply as in the northern portion of the Northwest Territories. It is what may be called a rolling prairie, rather than a flat prairie most of the way. There are portions of it, however, which are quite flat and which are of a similar character to the country lying south of it. What I should like to see would be a road built as I have indicated, which was the original intention of the Grand Trunk Railway until they were forced, either by the government, and the government forced by the maritime people, to adopt another system. If that road can be secured, if the country is of such a character as to justify the building of a road to Quebec, so much the better. I have always advocated that, speaking for myself, and I should liked to have seen that plan adopted rather than the scheme which has been propounded, assisting the company who have a road to St. John and to Roberval, in going on and constructing that road until they reached the prairie province. Instead of doing that, the government have taken upon themselves the enormous responsibility of building the road themselves, and at the same time guaranteeing and giving bonuses of millions of money to this same company to which I have referred to extend their road almost in the same direction. This is a question which will come up in the future, and whatever may be the result—I have no doubt that the result will be the ratification of the new terms into which they have entered—whatever the result, I do hope provision will be made for opening up a portion of the country which is not to be served by the scheme at present proposed by the government. The result will be that by the time this road is built and open for traffic, if the predictions of the hon. Secretary of State are fulfilled, they will have to build another road north of the Saskatchewan, which would not be necessary if the proposed route was to the north of the north Saskatchewan. The two present transcontinental roads, one of which is built, and the other being built—and I have no doubt the Canadian Northern will be completed at a very early period, and, with the branches that are being constructed through every portion of that country, as they become settled and developed, they will be quite sufficient for some years to come—at least for those portions of the country, and then you would

have the other, which would supply what is necessary now in view of settlement and to bring out the great products that will result from the construction of that road. There are many other thoughts connected with this point which will deserve some consideration at our hands when the question comes before us in the future. One idea suggests another, and I must, before leaving this matter, congratulate my hon. friend upon the optimistic views which have been expressed by him. I cannot help contrasting them with the pessimistic views with which he and his friends regarded the action of the late government when they determined to build the Canadian Pacific Railway. Who does not remember the sneering and the condemnations which were hurled at Sir Charles Tupper when he made predictions similar to those which my hon. friend has made to-day ?

Hon. Mr. WATSON—Times have changed. Good times now.

Hon. Sir MACKENZIE BOWELL—I have heard that expression before, and if my hon. friend had added to that not only the condemnations that were hurled at Sir Charles Tupper for his predictions, if his memory is good—and I think it is tolerably good—he will remember that at that period times were good ; he will also remember that a similar era of prosperity followed the advent of the Conservative party in 1878, although I admit not to so great a volume as it has followed the advent of the present government, and consequently there were good times then. What we had to meet was the utterances of the friends of those with whom my hon. friend opposite is associated, in not only condemning the country, but declaring that it was inferior to Kansas and the other western states of the United States. They were told that it was a barren, unproductive country, and that the tide of immigration was going to Kansas and to the Dakotas, and so it was to a great extent. People were induced in a great measure to go to the neighbouring country by the utterances of the hon. gentleman's leaders. He knows as well as I do that in the land advertising sheets issued by the Northern Pacific Railway Company and other United States railway companies who had lands for settlement, extracts from the speeches of Mr. Blake and other Liberal leaders in this country, accompanied by their photos, were distributed to show European immigrants and people in the United States, who were not permanently settled in that country, that the western states were infinitely superior to our Northwest.

That is what we had to contend with at that time, and unfortunately there happened at the same time two or three years of severe drought. In some years the harvest did not yield as much grain as was used for seed, and that did much to discourage settlement and lead hundreds of our people to cross the border to Dakota. I am surprised when I hear hon. gentlemen compare the present prosperity of that country with its condition during the period to which I have referred. For the last three or four years there have been magnificent crops in the Northwest. Was the hon. gentleman's government the cause of that ? Had not Providence something to do with it ? And did not the great yield of grain induce people to leave the over-crowded portions of Europe and make their homes in our fertile prairies ? Had there been droughts instead of good harvests ; had the yield been small during the last few years would there have been any of that prosperity to which the attention of the House has been called ? There are reasons which I could give why the effects resulting from these droughts are not as likely to occur again, but I shall not occupy the time of the House in stating them. The hon. gentleman's remarks were intended, as they usually are, to be a side wind to divert the speaker from his subject and lead one, myself in particular, who has had some responsibility for what was done at that period, to make some little digression in order to explain why these things have occurred. The government had just as much to do with the prosperity of that country as the man in the moon. The mover of the address (Mr. Kerr) referred in very glowing terms, if I am to take a short report of his speech in the newspapers, to the prosperity of the country and the causes which have led to it. These he said were the Diamond jubilee, the coronation ceremonies, and the aid given by Canada in the late war in South Africa, the credit for

which he gave to the leader of the government. I frankly admit that circumstances in the history of the country have led to a recognition of Canada that she might not otherwise and would not for many years have obtained. The personality of the premier, I must confess, would have much to do in making an impression in England. But when the hon. gentleman talks about that adding to the immigration, I repeat the results which have followed the good harvests rather than the appearance of our handsome premier and his oily tongue——

Hon. Mr. KERR (Toronto)—And eloquent tongue.

Hon. Sir MACKENZIE BOWELL—Yes, his oily and eloquent tongue had very much more to do with it. I am not prepared to admit that the government is entitled to the slightest credit for the action of the Canadian people in connection with the war in South Africa. Not a step was taken—and no one knows it better than the hon. gentlemen who are listening to me—by the government until they were forced by public opinion to do so. Take the interview with Sir Wilfrid Laurier in the 'Globe' and look at the dates at which every colony of the empire offered to assist, and you will find that Canada, though the most important portion of the British empire outside of the United Kingdom, was the very last to offer aid in the South African struggle. This seems to have been forgotten. But there can be no question as to the policy pursued by the Conservative party, because, before any movement was made by the government, Sir Charles Tupper who was then leader of the Conservative party, wired from Nova Scotia to Sir Wilfrid Laurier his assurance of the support of the whole party in any action that the government might take to raise a force to aid the British arms in that unfortunate struggle. That is a matter of history, and yet we are constantly told the contrary by intelligent men, like my hon. friend opposite who should know better, but who seems to give utterance to sentences of that kind for party purposes. If he will look at the facts he will find that Queensland made its offer to the British government on the 11th July, 1899. Victoria followed the next day, the Malay States on the 17th; Lagos on the 18th; New South Wales on the 21st; Hong Kong on the 21st; New Zealand on the 22nd of July; West Australia on the 5th October, Tasmania on the 9th, South Australia on the 13th and Canada, poor Canada, comes last on the list, on the 14th of October.

Hon. Mr. KERR—The last shall be first.

Hon. Sir MACKENZIE BOWELL—I have heard it said that a certain old gentleman, who is supposed to have horns, was in the habit, when he wanted to accomplish anything, to quote scripture. I would not like to say that of my hon. friend, but I will say this, that though Canada was the last to make an offer, no colony did more after the offer was accepted, than Canada did to maintain her credit in the battle field and bring victory to the British arms. It is a matter of which, as a Canadian, I am proud. It has done more to cement a kindly feeling between the old country and the new than any Laurier government that ever existed. I have taken my information about these offers from the correspondence between Canada and the colonial office.

The hon. Secretary of State made an extraordinary statement, if he is correctly reported in the press, that he believed that if this country had never adopted a protective policy, that is, had free trade existed in 1878 and continued until this time, the country would be more prosperous than it is to-day. That is a most extraordinary statement to make. How many industries would we have had in this country had that policy been pursued? To prove his argument the hon. gentleman referred to the immense works now being conducted in Hamilton by a United States combination. Does any one suppose that the twenty-eight acres of land would have been purchased, and works to employ 1,000 men established at Hamilton had there been no protective policy? I am speaking of what I know, because I rented the building to the McCormicks, one of the largest manufacturing companies in the United States, in my own town, and I said to the agent: 'Why do you not come to Canada and manufacture?' He replied: 'As long as you have only a 20 per cent duty we can compete with you,' but they find now that it is necessary to come and manufac-

ture here to be in a position to compete with our manufacturers. The hon. gentleman gives that as evidence of the prosperity of the country. So it is, but it is also evidence of the correctness of the policy of the Conservative party in which respect they dare not interfere with it. Had they interfered with it our own manufactures would have been closed up and that industry would not have been established in Canada. In connection with this, the hon. gentleman objected to a statement made by my hon. friend here that there was an enormous increase in the public expenditure, and how did he explain that? According to the published report of his speech he said, what nonsense that is; that money was a surplus which we had over the ordinary expenditure. It would be exceedingly interesting to ask how he could have that surplus except by taxation, and if they got that surplus by taxation, then the people paid the money, and they were 'fleeced,' to use their own expression, to the extent of that surplus. If there had been no surplus they could not have spent it but would have run in debt. The illustration the hon. Secretary of State has given is the best justification of the Conservative policy that has ever been uttered in this chamber. Let me tell the hon. gentleman from Toronto (Mr. Kerr) who moved the adoption of the address and who eulogized the premier and the government and their policy as the cause of the good feeling in England to-day towards Canada, that the inauguration of all that, was the colonial conference which was held here. That conference drew the attention of the empire and of the whole world to Canada as it had never been drawn previous to that. There was an extraordinary historic event connected with that which is unparalleled in the history of colonial governments, and that is the fact that Canada suggested that conference. Canada invited the imperial government to send a delegate to this country and become a party to that conference, a conference which had in view closer union between the colonial and the mother country, and the development of trade not only with the colonies but of a preferential character with England herself. All the former conferences that had been held were suggested by the British government and they invited the colonies to participate in them. In this case Canada took the initiative. I remember well when the suggestion was made to extend an invitation to the colonial office to send a representative the late Sir John Thompson, who was then premier, had grave doubts as to the results, and he almost laughed at the idea of their accepting it; but notwithstanding it was an unprecedented request on the part of a colony, the late Secretary of State for the colonies, who was, I hesitate not to say, the best that ever held the office in England, and, who took more interest in the development of the colonies and in the attempt to draw together the outlying portions of the empire to the mother country, creating a feeling of unity that we were one instead of being separate, than any other man who ever ruled the destiny of the colonies through the colonial office, at once accepted the proposition which had been made. What followed I hesitate not to say since that period are the results which the government in its simplicity, and, shall I say egotism, lay claim to. History will, when we have passed away, mention these facts and convey the correct conclusions to which I believe I have called your attention.

My hon. friend who has seconded the motion said very little and what he did say was very nicely and courteously stated. He supported the railway, as we might expect him to do. He did not refer to preferential trade nor did he refer to other very important matters which I think should have had a place in the speech from the Throne, but on which perhaps the hon. Secretary of State could give us a little information. I noticed in reading the reports of the debate in the lower House that the premier stated that measures are to be introduced in reference to the granting of further powers and concessions in the way of provincial autonomy to the Northwest Territories. Whether that scheme has been devised yet or not I do not know. There is a slight intimation also about the tariff. These are important matters; why were they not referred to in the speech? Have the government come to the conclusion that they must accede to the demand of the Northwest Territories, growing rapidly as they are, and that they fear the results which

will follow another election, and that they are going back on their record in the past and granting self-government to the Territories. What is to be done? Are we to have this information, or are we to be treated as we were at the last session of parliament—nothing of any consequence promised in the address and then, after five or six months battling on the floors of the two Houses have measures brought down involving the expenditure of millions of dollars, and the humble followers of the government asked to swallow them, as they did before, as readily as a child would a sugar plum. This is what we may expect. The government are in hopes that we are to have a very short session. In the speech, His Excellency is made to say that we ought to have one. In that respect I am with the government entirely; but if they are to pursue the same policy this year that they followed last year we may anticipate anything but a short session and have the pleasure of remaining here from snow-fall to snow-fall. Let us hope, however, that such will not be the case. There is little or nothing said either about the railway commission or about the fast Atlantic service.

The railway commission is studiously avoided as far as I could learn by the hon. Secretary of State in his remarks. Whether my hon. friend referred to it or not, I am not prepared to say, but I do think that this country has never been more astonished than it was on learning of the composition of the commission. That Mr. Blair is fitted for the position from talent, ability and experience I do not think any one will dispute—at least I am not prepared to dispute it, although his position is a very peculiar one. He left the government condemning its railway scheme as an outrageous one that should not be accepted by the country, and he denounced it in the most virulent—well perhaps that is too strong a word, but he denounced it in the strongest language that he could employ. Immediately after that he turned round and accepted the chairmanship of the commission, from whom? From those with whom he had been associated, from whom he had separated on a great question of the expenditure of public money, and of the construction of a railway, and then he accepts $10,000 a year and becomes their humble and obedient servant. The next thing we have is two gentlemen appointed as his associates who, as far as the world knows, have as little knowledge of the transportation question, of railway policy and railway traffic, as children unborn. Was it necessary in order to provide a place for the Speaker of the House of Commons that Mr. Bernier, the Minister of Inland Revenue, was selected commissioner? Is he a man that would be selected by the country to take a seat upon a railway commission? What knowledge has he about railway enterprises or of transportation that he should have been selected? We can understand why he was selected. It was very well known that when Mr. Préfontaine was taken into the cabinet, his rival for that position was Mr. Brodeur, and that he, not being able to secure it, the pressure being too great, and notwithstanding the statement of the 'Witness' which said that the Liberals looked with surprise at the fact of Mr. Préfontaine being called to the cabinet, he was taken in and Mr. Brodeur accepted the Speakership, and it was necessary to mollify that portion of the population, hence the Minister of Inland Revenue was asked to vacate his seat in order to make a vacancy for the Speaker of the Commons though as I have already said no one knows of any qualification which the ex-Minister of Inland Revenue had for the position which he occupies.

Then we have a very amiable gentleman, a man who has been a quiet agricultural success in the province of Ontario selected to fill this important position. What he knows about transportation, and what he knows of railway working, the difficulties in connection with railway traffic and steamboat traffic, would be a question that would puzzle a Philadelphia lawyer. Yet we have this commission that is to cost this country forty or fifty or $60,000 a year composed of one man who I think understands the duties he has to perform, with two others who have had no experience, and so far as the world knows know nothing about railways. The people of my own province, and I think the people of the other provinces, have marvelled at the course which has been pursued in connection with this commission, and can only look upon it as the result of political necessities and political

exigencies. May I ask my hon. friend, what has come of the fast Atlantic service? I remember—and history repeats itself in different ways—that when Sir Wilfrid Laurier was addressing the board of trade some years ago in the city of Toronto, with a great flourish of trumpets, he read to the commercial people of the western capital of Ontario a telegram just received by him, that $50,000 had been deposited by a company in England as a guarantee for carrying out the contract which they had made for the establishment of a fast line. That was received with eclat; cheers followed cheers. We all know what followed. I think last year or the year before we were asked to pay back that $50,000 and nothing more was ever done. We had an illustration of this same political dodging, given by my hon. friend last night, but from another direction. Just on the verge of the election in St. John, Mr. Hays—whom I would advise in the future to study Canadian politics a little more before he rushes into print or into politics—wired or wrote down to the mayor of St. John to secure him wharf accommodation for this road which is to be completed eight years hence. Is it not a marvellous thing that that should be done just on the eve of an election, and is it not equally marvellous that he should ask the mayor of St. John by telegraph or by letter, to secure him wharf accommodation in a portion of the city where the city owned no frontage?

Hon. Mr. ELLIS—The hon. gentleman from Marshfield made that statement, but it is quite incorrect, if the hon. gentleman will excuse me. The city of St. John owns quite a large frontage on the harbour on the east side, half a mile at the very least in a straight line from where my office is to a point below. Then they own 3,200 feet on the straight shore above.

Hon. Mr. DEVER—They own two new berths on the east side.

Hon. Mr. ELLIS—I do not refer to that at all. I am referring to the statement of the hon. gentleman from Prince Edward Island that the city of St. John owns no wharf property on the east side of the harbour. They own a large amount of property.

Hon. Sir MACKENZIE BOWELL.

Hon. Mr. FERGUSON—I made the statement on the strength of an article published in the St. John 'Sun,' that the city had no control of the frontage on the east side of the harbour.

Hon. Mr. DEVER—They ran their railroad round it.

Hon. Mr. FERGUSON—And that statement could not have been made without some authority. There may be an explanation that I do not know of, but that statement was made by the St. John 'Sun' in its comments on Mr. Hay's letter. I have not seen any contradiction of it.

Hon. Mr. ELLIS—The city of St. John owns 2,900 feet of wharfage in a straight line. That is more than half a mile, and it owns 3,200 feet on the straight shore, not so well built up perhaps as the others.

Hon. Sir MACKENZIE BOWELL—I am glad the hon. gentleman has made that explanation. That is only a question of fact as to the strip of land. It does not affect the point in the least to which I desire to call the attention of the House. So much the worse if they have land and frontage on the river and wharf accommodation to dispose of—so much the worse for the political effect which it was intended to produce by Mr. Hays in sending a telegram or letter at that particular time. What object could he have except to influence the electors of St. John, in sending a telegram or letter to the owners of property that they wanted to select certain portions of the property which they owned for their harbour and frontage accommodation. People are not in the habit of asking for concessions of that kind eight or ten years before they are required.

Hon. Mr. ELLIS—The Canadian Pacific Railway was making a demand for land at that time; it was just the time for the Grand Trunk also to make a demand.

Hon. Sir MACKENZIE BOWELL—Yes, but the Canadian Pacific Railway was built at that time, and the Canadian Pacific Railway acquired the properties on the west side of the river for certain purposes and acquired the right for the purpose of utilizing that frontage with the elevators which they erected at the time.

Hon. Mr. DEVER—They have not half the frontage.

Hon. Sir MACKENZIE BOWELL—I do not say they have. Supposing they only have ten feet of frontage, we are talking about what really exists and what they ask for, not how much they have got. Sir Wilfrid Laurier read a telegram at a certain time which was misleading because the deposit was made at the time for the purpose of showing the people of Toronto and the community that that which they were demanding was to be carried out, and as an evidence of that fact that deposit was made; and here, at the moment when voters are required in the city of St. John, Mr. Hays, the head of a great system like the Grand Trunk Railway, finds it convenient to write to them in order to assure them that they were to be the terminus of another outlet for the grain of the Northwest. It does not make a bit of difference from a political standpoint whether the city owns the land or not. If they did not have the land and Mr. Hays knew that, so much the worse; but if they owned the land he might have taken some other time to do it. The result of the election in St. John shows that the electors were not to be bought or influenced by tricks of that kind. My hon. friend gave as one of the reasons why the government candidate was beaten that the people of St. John did not vote. My hon. friend should know how far that is correct. If the friends of the Hon. Mr. Blair, who gave him between 900 and 1,000 majority a few years ago, refused to vote for their candidate to-day, it only shows that they had no confidence in the government. It is just possible that, like others I have known, while they would not for fear of being called turn-coats vote against the party they have been in the habit of supporting, they remained at home, but that is just as great a condemnation of the government as if they had gone and recorded their votes. The hon. gentleman is a little facetious upon that point. I give him credit for the manner in which he dealt with it. He says they carried many of the elections and we only carried four, but he forgot to tell the House that which they know, that they held those constituencies before and it was not a gain, that it was only a continuance of support in the same constituency that they had before with a reduced majority. He turns up his nose at the result of the election. Let him look at the result! The Conservative majority in those eight constituencies in 1900, when the elections took place did not reach three figures, while the majorities that elected the supporters of the government went over 1,000. If we look at the figures in this election we find that the difference between the voting is over 1,000 and the majority secured by the Liberals is reduced by 4,000. If that is a matter of congratulation for the hon. gentleman he is welcome to it, but I can easily understand the last expression to which he gave utterance, and that was, that he did not care particularly how much the majorities were reduced so long as they got their vote and continued in power, on the principle that one is as good as a thousand so far as the election is concerned. But it is not an evidence of the feeling of the people in the country, and if that kind of majority is to be reduced we will soon find after the elections that they may be in the same position as the Ontario government to-day. They have three of a majority in the House, with a majority of the vote polled in the province of nearly 7,000 in favour of the Conservatives. After the general elections it was between five and six thousand; now it is seven thousand. It is a position in which I do not think any government desires to be placed. I wish to refer later on to the position the hon. Secretary of State has taken in connection with the Alaskan boundary line and the attitude assumed by the premier upon that question, which is somewhat important, because I think my hon. friend is somewhat mistaken on one or two points. I wish to call his attention to the fact that if Dyea was in the possession of the United States for a number of years for the reasons which he has given, Skagway was equally in the same position because Skagway is just on the opposite side of the little peninsula that runs out into the Lynn canal. I move the adjournment of the debate.

It being 6 o'clock the Speaker left the Chair.

After Recess.

Hon. Mr. SCOTT—I should like to move the appointment of the Striking Committee.

The SPEAKER—I would call the hon. gentleman's attention to the fact that such a motion would be irregular before the adoption of the address.

Hon. Mr. SCOTT—I know in former years it has been done with the consent of the House. However, I will let it stand until to-morrow.

Hon. Sir MACKENZIE BOWELL—I think the Speaker is quite correct in the position he has taken, but the House will remember that I moved, seconded by the hon. gentleman from Marshfield, that the debate be adjourned. After some little discussion, the Speaker suggested that he would call it six o'clock, no one objected to that and he did call it six o'clock, and that left the proceedings of the Senate in the position of having a motion before it for the adjournment of the debate, which is the first motion to be taken up now. I desire respectfully that course be followed, and that my motion, made before six o'clock and not put from the Chair, be now put. I do not desire to go on now with the discussion, for the reason which I explained to the hon. gentleman a moment ago. I desire to refer briefly to the position taken by the Secretary of State with reference to the course pursued by the government in the matter of the appointments to the Alaska boundary commission, not to controvert what he said in reference to the protest which was made by the government against the selection of the United States commissioners, but to show that they acquiesced in other respects in the appointment of the commissioners when they might have objected. I would ask the Speaker, with the consent of my hon. friend, to put the motion to adjourn the debate.

Hon. Mr. SCOTT—If my hon. friend does not desire to go on this evening, I am sure the House will be quite willing to consent to an adjournment.

The motion was agreed to.

THE STRIKING COMMITTEE.

MOTION.

Hon. Mr. SCOTT moved :

That, pursuant to Rule 79, the following senators be appointed a Committee of Selection to nominate the senators to serve on the several standing committees during the present session, namely :—The Honourable Sir Mackenzie Bowell, Honourable Messieurs Templeman, Ferguson, Dandurand, Miller, Watson, Lougheed, Gibson, and the mover, and to report with all convenient speed the names of the senators so nominated.

Hon. Mr. LANDRY—Before the question is put, I would ask the hon. leader of this House if he would kindly change one of the names in the motion. I would suggest that the name of Sir Alphonse Pelletier be substituted for that of Senator Gibson.

Hon. Mr. GIBSON—What right has the hon. gentleman to ask me to withdraw from the committee ? I am not afraid to do my share of the work. I have just arrived, and it is the first time my name has been mentioned in connection with the committee.

Hon. Mr. LANDRY—I was just asking as a matter of courtesy, because there are three members from the province of Ontario on the committee, and I would ask for the province of Quebec a fair share. I have made my request as a matter of courtesy, in order that Quebec may be placed on a fair footing.

Hon. Mr. DEVER—How many have you now ?

Hon. Mr. LANDRY—We have only one.

Hon. Mr. DEVER—One Frenchman is as good as three Englishmen.

Hon. Mr. SCOTT—On a former occasion, when a controversy arose with respect to this committee, I stepped aside and asked my hon. friend to take my position, and he did so. I am quite ready on the present occasion to do the same. I have no doubt Sir Alphonse Pelletier will act instead of me.

Hon. Mr. McMULLEN—I would not like the leader of the House to be set aside for anybody. I think one representative from Ontario should step aside and let Quebec have one more on the Committee, but the government should have at least one member on the committee.

Hon. Mr. SCOTT—Senator Templeman is on that committee.

Hon. Mr. GIBSON—Is there any cast-iron rule as to the number of members on the committtee? Why not add Sir Alphonse Pelletier's name? I have no desire that Quebec should be deprived of any representation she is entitled to.

Hon. Mr. SCOTT—Unless the rule interferes I have no objection.

Hon. Mr. LANDRY—The rule says that the committee shall consist of nine members.

The motion was amended by substituting Sir Alphonse Pelletier for the Secretary of State.

Hon. Mr. LANDRY—I thank the hon. Secretary of State.

The motion was agreetd to.

A PROPOSED ADJOURNMENT.

NOTICE OF MOTION.

Hon. Mr. BEIQUE gave notice of a motion to adjourn until April fifth.

Hon. Sir MACKENZIE BOWELL—I know it is irregular to discuss a notice of motion but I should like to know if the government acquiesce in this motion? I have expressed my own views on the subject before. It is the government that should take the responsibility of motions of this kind. When I occupied the position now held by my hon. friend I always assumed that responsibility, and when motions were made by supporters of the government at the time I objected very strongly and told them that I would consult my colleagues, to ascertain if adjournments of that character could be acquiesced in without detriment to the public service, and I would so inform them. However, the government can pursue their own course in the matter. I desire to give expression to my own opinion. I think it is the duty of the government to assume the responsibility and to propose these adjournments when they deem them in the interest of the country.

Hon. Mr. SCOTT—The policy of the Senate in early years, before the advent of my hon. friend, was, in this chamber, an adjournment was usually proposed by a private member, but the government expressed its opinion on the subject. Of course, if they dissented the proposition dropped. When the motion comes up I shall be prepared to express an opinion. I am not prepared to say how I shall treat the motion when it comes up. I expect to be in a better position to express an opinion later on.

Hon. Mr. BEIQUEI gave notice in that spirit at the request of the hon. gentlemen from Delorimier.

Hon. Sir MACKENZIE BOWELL—The Minister for Adjournments.

Hon. Mr. BEIQUE—And also because I appreciate it as a notice of motion. The government may not be prepared to take the position now of declaring whether it will suit their purpose or not, and therefore it can be done more freely as a notice of motion. If the hon. Secretary of State were to give the notice himself he might consider himself committed to it. I have expressed to the hon. Secretary of State my intention to give this notice of motion and I shall be guided by the desire of the government.

Hon. Mr. McMULLEN—The Senate should act very carefully and prudently in the matter of adjournments. Last year we abused the power vested in us in this respect and made frequent and long adjournments. If you want to produce a feeling in the country that the Senate is not required and should be abolished—and that feeling has some existence already—continue making long adjournments and it will persuade the people that the Senate is rendering no service for what it costs the country.

The SPEAKER—I would call the hon. gentleman's attention to the fact that he is out of order. This is only a notice of motion.

THE TERMINUS OF THE GRAND TRUNK PACIFIC AT ST. JOHN.

Hon. Mr. FERGUSON—I wish to make a personal explanation with regard to a statement which I made yesterday in the House, and which was referred to by the leader of the opposition in his remarks this afternoon, and which has called forth a statement from my hon. friend from St. John (Hon. Mr. Ellis) which challenged the accuracy of the assertion which I made yesterday. Hon. gentlemen will remember that I mentioned two statements which had been made in St. John, one by Hon. Mr. Emmerson, that the Grand Trunk Pacific was to approach the harbour of St. John from the eastern side, coming via Chipman, following the Intercolonial Railway into St. John at the eastern side of the harbour, and another statement from Mr. Hays who had almost simultane-

ously written a letter to the mayor of St. John that he wanted a proportion of the harbour frontage assigned to the Grand Trunk Railway, indicating that they were also going to St. John. The main point which my hon. friend referred to was that I had said that the city of St. John had no frontage on the east side of the harbour at its disposal and therefore Mr. Hays letter must have meant that it was the intention of the Grand Trunk Railway to come in on the west side of the harbour which altogether contradicted Hon. Mr. Emmerson's statement that they were to come in from Chipman and Norton and then run on the Intercolonial and come in on the east side of the harbour. I have Mr. Hays letter before me, which I will read. It is addressed to Mayor White, dated Montreal, February 8th, 1904, and reads as follows :—

My Dear Sir,—Having regard to the plans of this company in connection with our Grand Trunk Pacific project, may I ask that in the contemplated arrangement between the city and the Canadian Pacific Railway company for utilizing property owned by the City of St. John, that provision shall be made in such arrangement reserving to the Grand Trunk Pacific Railway company the right of usage on the same terms ? You will agree with me that such reservation would only be fair and to the mutual advantage of both the city and the Railway company, that may hereafter desire the use of your terminals. It has doubtless already occurred to yourself and the council to safeguard in this matter any agreement entered into in behalf of the city, but in the protection of the interests I represent, I thought it only proper that I should address you on the subject, and I shall be pleased to learn of your concurrence in the propriety of making the reservation referred to.

My statement was, as I have just indicated, that this letter of Mr. Hays must have referred to obtaining frontage rights on the west side of the harbour because the city had no frontage at its disposal on the east side. My hon. friend says that statement is not correct, that they have frontage at their disposal on the east side of the harbour as well as on the west side. I find that statement is one that is open to some controversy. It will depend on what you will regard as city frontage on the east side. What is really the proper frontage on the east side, I am told on very good authority—I think my hon. friend really knows all about it—is held by large steamship companies under what are regarded as perpetual leases, and not always available. However the accuracy of my statement does not depend upon whether the city of St. John has frontage at its disposal on the east side, because it is plain from Mr. Hays letter that he was seeking to secure frontage privilege on the west side of the harbour. He says so practically in the letter, because he says in the arrangements that are going on with the Canadian Pacific Railway, which everybody knows has its terminals on the west side, and who were asking at that time for increased facilities on that side, that reservation should be made for the Grand Trunk Pacific. Therefore it is perfectly plain that Mr. Hays requested by this letter a reservation of space on the western side of the harbour just at the same time that Mr. Emmerson in his speech in the opera house said the Grand Trunk Pacific Company intended to come in altogether in another way and get access to the harbour on the eastern side.

Hon. Mr. ELLIS—I did not enter, nor do I now enter upon the discussion of what Mr. Emmerson said or did not say, but the statement of the hon. gentleman as it came to me was that the city owned no wharf property on the east side of the harbour, and I felt it my duty to obtain information, and to state to the House that the statement of the hon. gentleman was not correct. A portion of the property may be under lease for a short time, but it is not all under lease. A great deal of the McLeod property, as my hon. friend who goes to St. John occasionally must know, is not leased at all, and I think some of the leases are from year to year ; but I might say, so that the hon. gentleman may understand the matter just for a moment, that the Canadian Pacific Railway has considerable property there now or considerable rights.

Hon. Mr. FERGUSON—On the west side.

Hon. Mr. ELLIS—Yes. The Canadian Pacific Railway was demanding an extension of its rights and it was perhaps a natural thing for Mr. Hays to make the request for his road also. I do not know what motive moved Mr. Hays. I do not intend to speak of his motives, but in view of all the discussion which was going on in St. John it would be the most natural thing for any man largely interested in railways to address such a letter as Mr. Hays addressed to the council. Now

with regard to the east side and west side of the harbour there is a bridge across, and no man can make the statement absolutely, as the hon. gentleman makes it, that the Grand Trunk Pacific will not desire land on the west side of the harbour as well as on the east side. He would be an imprudent man who would rise and make such a statement as that. It is undoubtedly more convenient to get space on the east side, but there is a bridge across the harbour and it is no more trouble to get over there.

Hon. Mr. FERGUSON—We are only trying to get at the facts.

Hon. Mr. GIBSON—Order, order.

Hon. Mr. FERGUSON—My statement was that I thought from Mr. Hay's letter it was inferential that we could arrive at the conclusion that Mr. Hays was seeking to get harbour frontage on the west side; but I find his own letter shows it was on the west side he tried to get it.

Hon. Mr. ELLIS—Yes. Thre is a tremendous amount of space on the west side of the harbour. If the country develops as we expect it to do the Grand Trunk Railway will do well to get on both sides.

Hon. Mr. FERGUSON—I was speaking—

Hon. Mr. GIBSON—Order, order.

Hon Mr. FERGUSON—The hon. gentleman calls order when I am trying to say a word, but he did not call order when the hon. gentleman from St. John rose to speak in interruption just now.

Hon. Mr. GIBSON—He spoke in reply to the hon. gentleman from Marshfield.

Hon. Mr. FERGUSON—The hon. gentleman from St. John interrupted me when I was on my feet and the moment I commenced to reply to his interruption, I was called to order by the hon. gentleman from St. Catharines. There is nothing to be gained by this line of conduct; we do not usually treat each other in that way in this chamber. I simply wish to point out to the House that my statement that Mr. Hays' letter flew directly in the face of Mr. Emmerson's speech is proved, not by inference, but it is proved by Mr. Hays' own letter.

Hon. Mr. DEVER—I think it is hardly right to have such a discussion as this by men who do not understand the situation. With reference to Mr. Hays' letter, I do not suppose the House knows very accurately the harbour of St. John, and it is very reasonable to suppose that as the Canadian Pacific Railway were trying to acquire eight acres more land on the western side, Mr. Hays would say 'We do not know where we are going to land and I do not know where we will have to go. It is possible we may have to go to the west side, but to go to the west side because we have not room on the east side is all humbug. We have room for perhaps fifty ships on the east side in case the government will nationalize the harbour and make repairs and alterations. I will go further and point out that it is not fair to take the statements of opposition papers. The hon. gentleman quoted the St. John 'Sun.' We know that that paper cannot see anything right on the government side.

Hon. Mr. FURGUSON—I am quoting Mr. Hays' letter.

Hon. Mr. DEVER—The hon. gentleman quoted the St. John 'Sun' and I may say with reference to Mr. Emmerson that if you take all his statements you will be wholly astray, because at Moncton he said the road was going to terminate there, and at St. John he made another statement.

Hon. Mr. LANDRY—Hear, hear.

Hon. Mr. DEVER—As to the election the people of St. John are determined to have their rights. They acted according to their judgment, and they intend to do so, and I am satisfied, as long as we have such a man as Sir Wilfrid Laurier at the head of affairs, we will get our rights.

The Senate adjourned.

THE SENATE.

Ottawa, Wednesday, March 16, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

NEW SENATOR.

Hon. Dr. John Henry Wilson, of St. Thomas, was introduced and took his seat.

THE ADDRESS.

DEBATE RESUMED.

The Order of the Day being called :

Resuming the further adjourned debate on the consideration of His Excellency the Governor General's speech on the opening of the fourth session of the ninth parliament.

Hon. Sir MACKENZIE BOWELL said : At the time I moved the adjournment of the debate last night I was referring to some omissions which I thought I found in the address from the Throne, and I was led to refer to them from the fact that the premier, in the speech which he made in answer to the remarks of the hon. leader of the opposition in the House of Commons, intimated that it was the intention of the government to deal with the question of provincial autonomy, or in other words, to grant the Northwest Territories a government somewhat similar, as I understand it, to that enjoyed by the other provinces. There was another very important reference made by the hon. premier, and that was to the negotiations which had taken place and the probabilities of the introduction of some measure tending towards the bringing of Newfoundland into the Dominion. It struck me, as I think it did most members who have given their attention to this question, that two such important measures as these would have been referred to in the speech from the Throne. However, it appears that in the drafting of the address they referred to as few topics as possible, mentioning only two, leaving the country in ignorance, and the House, who should be taken into their confidence in matters of this kind, also in ignorance of what they proposed to do. Since the statement made by the premier I notice in to-day's paper two very important and somewhat significant paragraphs. In the items of news in the papers of yesterday and to-day we find the following statement :

The London 'Standard's' Paris correspondent writes that he is assured from authoritative sources that a solution of the Newfoundland question has been accepted in principle by both parties.

Another paragraph gives the following information :

Negotiations are proceeding actively between London and Paris for a settlement of outstanding differences between France and Great Britain, including the Newfoundland French shore fisheries.

Now, whether the fact of these negotiations having been proceeding between the British government and the French government led to the statement which was made by the premier I know not, but I presume the statement made by the premier was based upon facts alluded to in these paragraphs. I need scarcely say to the Senate that, providing terms can be arrived at, at all equitably, every one will rejoice to see the Dominion rounded off by the addition to the confederation of Newfoundland. I remember very well when this question was discussed when I was on the other side of the House. The Secretary of State at that time leading the opposition, somewhat dissented from the views which I then expressed. He was not an ardent admirer of the views which I then advanced, which are similar to those to which I have since given utterance. He then had grave doubts as to the advisability of bringing Newfoundland into the confederation. His opinion then might have been based—I do not know, because he did not give expression to the views—upon a fear that the difficulties which were constantly presenting themselves arising out of the French shore question might lead us into trouble and give us a good deal of vexation. These views were entertained by my late colleague Sir Adolphe Caron, for when he was one of a committee that waited upon a deputation from Newfoundland some years ago in Halifax, he gave expression to the same views I have mentioned now, and these may have been the reason why the hon. Secretary of State took the view he did on that occasion. Every one will rejoice if terms can be arranged between the British and the French governments to remove that constant source of irritation that has so long existed. I should like to see it go further. I should like to see not only Newfoundland brought into the confederacy, but also some arrangement by which either by exchange or purchase, the islands of St. Pierre and Miquelon should be incorporated in the Dominion. These islands are a constant menace to the trade of this country, and also to the United States. It is the very nest and home of the smuggling trade between the older countries of Europe and the colonies and the United States. Those who have been behind the customs door,

if I may so term it, who have had experience not only in this country, but in the United States, know the difficulties which are constantly presenting themselves, and if these islands could be acquired from France, a large amount of the cost would soon be repaid. I refer to this matter because of its great importance, and I reiterate it ought to have been a subject of sufficient importance to be mentioned in the speech from the Throne.

I understand that at the beginning of this debate my hon. friend from Marshfield, speaking of the extension of time to be granted for the construction of the western portion of the Grand Trunk Pacific Railway, called attention to the fact that the Grand Trunk Pacific Company were to be given eight years to do that which had been accomplished by the Canadian Pacific Railway Company in five years. To that statement the hon. Secretary of State took exception. If I understand the position taken by the hon. Senator from Marshfield, it was that from the time of the signing of the contract between the then government and the Canadian Pacific Railway Company to the completion of the road was five years, and not that all the work had been done within that time. On referring to the records upon that point, I find that there had been expended up to the time of the signing of the contract with the Canadian Pacific Railway Company, a sum of $13,580,000 on various works which had been in course of construction for some years before that. A large proportion, hundreds of thousands of dollars, had been squandered on what was called 'water stretches.' The opening up of a route by means of railways and water, rivers and lakes,—in other words the amphibious scheme which was attempted to be carried out by the Mackenzie government, of which my hon. friend opposite was a shining light. The actual expenditure upon the main line of the Pacific Railway up to the period of the signing of that contract was just $5,825,296. And the only portion of the work that was going on under the Mackenzie administration when Sir John Macdonald's government came into power in 1878, was that portion of the road from Port Arthur leading on to English Bay. The reports of the engineers, which I have under my hand, show this to be the fact. I myself travelled over that portion of the road in 1879 in a box car and on a hand car as far as English Bay, and that was the full extent of work that had been done, when the question was considered by the government in 1878, under the regime of Sir John Macdonald, they found the road in the state to which I have called the attention of the House. At that time the distance from Fort William to English River, was 113 miles, and the rails had been laid a portion of the way, but only about sixty miles of that section had been at all graded. The balance was not even graded, but the rails were laid as far as Cross Lake. I need not enter further into this question than to show that the statement made by my hon. friend from Marshfield was literally true. Now, if the Canadian Pacific Railway Company could enter into a contract at the time they did, though they were given ten years in which to complete the road, and could build it within five years from the time of the signing of the contract, surely there is no necessity under the present scheme of giving to the Grand Trunk Railway Company eight years to build a road, not from Moncton to the Pacific, but from Winnipeg via the Peace River Pass, or some other Northern pass, to the Pacific coast. That portion of the road is the easiest of construction. Many people suppose that the extension of time applies to the whole road; that is not correct. It is given for the construction of the road on the prairie section and through the mountain section, and if we are to take the report of the engineers there is no difficulty in going through the Peace River Pass and those other passes north of the Kicking Horse Pass, through which the Canadian Pacific Railway runs. Consequently, we may infer that there being no such engineering difficulties as were found on the Canadian Pacific Railway route, there is no reason why the Grand Trunk Pacific Company should not complete the work in the same length of time. Of course, it is for the government to explain and defend it when the question comes before the House.

Hon. Mr. SCOTT—My hon. friend entirely ignores all the surveys going on between 1871 and 1881.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman must have been reading his

newspaper and failed to catch what I said. I commenced my remarks by saying that the expenditure up to the time of signing the contract was thirteen millions, and that it consisted of surveys and other works, before the government of 1878 took office, and in the expenditures on the Pembina branch which had been built by the hon. gentleman's government.

The hon. gentleman said in my hearing, replying to a statement made by my hon. friend from Marshfield, that the government had reduced the debt of the country seven million dollars. Might I ask the hon. gentleman where he obtained those figures ?

Hon. Mr. SCOTT—In the 'Canada Gazette, I gave my authority.

Hon. Sir MACKENZIE BOWELL—The only documents we have laid upon the Table to which we can refer, is the report of the Finance Minister.

Hon. Mr. SCOTT—And the last 'Canada Gazette.'

Hon. Sir MACKENZIE BOWELL—The 'Canada Gazette' is an unrevised issue. It does not attempt to give the debt as wholly correct. However, turning to the last official document that we have before us, we find that the government have increased the debt of this country since they came into power by $13,331,647. Supposing the statement in the 'Gazette' to which he refers to be correct, is that seven million dollars a reduction of the debt as it stood in 1896 when they came into power, or is it a reduction of the increased debt to which I have referred ?

Hon. Mr. SCOTT—I have not the Public Accounts before me now, but I understand it was a reduction of the debt as it stood when we came into office. Last year there was a considerable surplus, and I think ten millions was applied to the debt. If my recollection serves me correctly, the increased debt at the end of the last financial year was three million dollars. There was a reduction then by the application of the surplus last year, of ten million dollars, bringing the debt down to $251,000,000. That would be seven million dollars less than the debt at the time we came into office.

Hon. Mr. FERGUSON—My hon. friend is professing to give us a statement which has not been brought here in a proper way.

Hon. GENTLEMEN—Order, order.

Hon. Mr. FERGUSON—I am in order. I have risen to a point of order. I say the Secretary of State is doing wrong when he is quoting from the public accounts to June last.

Hon. Mr. SCOTT—I was asked a question, and I have given the explanation. The hon. gentleman can take it or not just as he pleases. It just goes for what it is worth.

Hon. Mr. DANDURAND—Should not the hon. gentleman from Marshfield be very happy to know that there is a reduction of seven millions in the debt?

Hon. Mr. FERGUSON—That should not be introduced in the discussion.

Hon. Sir MACKENZIE BOWELL—The question asked by the hon. gentleman who has just resumed his seat, the hon. minister of adjournments, has nothing whatever to do with the subject, and I protest against this attempt to draw a red herring across the trail. If any one can possibly understand the explanation of the hon. Secretary of State, he has a much brighter intellect than I have. He has told us something about a reduction last year and he has told us about a reduction this year. Now, the Public Accounts published under the authority of the government show us what the net public debt of the country was every year since 1896, and that is the basis upon which my remarks are being made. What I do require to know from the Secretary of State is, whether the seven millions to which he refers was a reduction of the debt as the present government found it when they came into power, or whether it was a reduction of the debt to the extent of seven millions of dollars at the end of last year ? That is the question I asked. The answer made was something about three millions last year and three millions for the year before. What do the figures show ? They show that in 1896 the debt of the country was $258,497,-432, and, to be very accurate, 77 cents. It shows on the 13th June, 1902—which is the last we have before us—that it was $271,-829,098.62. Supposing the hon. gentleman's statement should be correct—and of course not having the figures before me I am not going to dispute it—then the increase in the debt was over $13,000,000. Take the seven millions from that and it still leaves an in-

crease of debt by the present government as it existed in 1896 of about six and a half millions. There are the figures. Any one can look at them for himself, and no amount of equivocation or muddling up the figures between the 'Canada Gazette' and last years deficit and this years deficit or surplus can change the fact or mislead the people. We know there have been large surpluses during the past few years, and what we have contended in this House is that that surplus, instead of being spent as it has been over and above the ordinary estimates, thus increasing the expenditure three, four or five millions per annum over the estimates, and which had to be revoted at the then coming parliament, that it should have been used in the reduction of the debt instead of spending it in the manner in which it was spent. We will be better able to deal with that question when we see the Finance Minister's report. There was another point to which my hon. friend called the attention of the House in which he eulogized the management of the post office and the management of the Department of the Interior, and as an evidence of the benefit of the policy of the government he instanced the immigration into the Northwest. What has the present Minister of the Interior done as far as policy was concerned, more than was done by the late government? I will tell you the difference. The great influx of population from the United States, the result of the magnificent harvests that were grown, and of drawing the attention of the people of the United States by agents from this country to the Northwest Territories, was not inaugurated by Mr. Sifton. That principle was not only adopted under the administration of Sir John Macdonal, but also Sir Charles Tupper's government and the government of which I was head. We had agents all through the western section of the United States, and we were condemned from Dan to Beersheba by those very gentlemen and by that very party for inaugurating a system of that kind. Now, if advertising of the good harvests will result in inducing British subjects who left the Northwest Teritories and had gone into the United States to return, bringing others of European extraction into our country, I rejoice at it as much as the government or any one possibly can; but it is somewhat amusing to hear gentlemen take credit to themselves for the result which followed the policy inaugurated by the late government. Then we are told that the post office has been a magnificent success. It is true the postage was reduced. In a country like ours I am not prepared to say that that was at all necessary. It was a bold stroke, I admit, and the fact that the country has grown, the development of the Northwest the discovery of gold in the Yukon Territory and the population which has flown into that country, have all given an impetus to correspondence that would not otherwise have taken place. But what do we learn when we investigate the accounts as they are presented to parliament and laid before the people? When Sir Adolphe Caron was Postmaster General, and when he had the large deficit to which the hon. Secretary of State called attention last night in his remarks, he was opening up the whole of that vast territory of Manitoba and the Northwest, hundreds, thousands and tens of thousands of miles. The expenditure had to be incurred, but the people were not there to give that return which is obtained at the present moment. But Sir Adolphe Caron, nor any member of his staff, nor the government, never thought of making a separate charge against the Northwest Territories for the expenditure which was incurred in extending the postal service through that vast section of the country. What did Mr. Mulock do? Just as soon as the heavy expense had to be incurred—I find no fault with it—in establishing postal communication with the mining district of British Columbia, and in the Yukon, he charged the cost up to the mounted police instead of to the post office, and the result was that while he showed a very small deficit at the time, if you add the expenditure which was incurred, and which was charged to the mounted police, paid for by the government, you will find that his deficit ran up to very large figures. You may go further than that, and as he has brought that matter up I shall take a little time to point out how the accounts were made. Turn to the Postmaster General's account for 1902.

Hon. Mr. SCOTT—Last year's report is distributed.

Hon. Sir MACKENZIE BOWELL—I know, but I am dealing with the whole question. I will come to that point later on. Hon. gentlemen will find that the Postmaster General's Report gives one sum, the Finance Department Report gives another sum, and the Auditor General gives still another sum, so that how we are to arrive at a conclusion as to the correct expenditure is somewhat difficult to ascertain. In making this comparison you will find if you turn to page 5, appendix A, a statement representing the expenditure to be $3,665,011 and revenue $2,964,014, showing a deficit of $700,997, while the Postmaster General's Report showed a deficit of only $501,000. Take another example. The Postmaster General represents that the deficit in 1898 was $47,602, but the Auditor General, on pages N—2 and N—60 of his report, gives these figures, as follows: expenditure, $3,826,496, and revenue, $3,527,809, or a deficit of $298,686 instead of $47,000. These would be called in ordinary parlance, in dealing with ordinary documents, a manipulation of figures. Then take 1900. The Postmaster General's Report shows a deficit of $461,661; the Auditor General, on pages F—2 and S—56 of his report, presents these figures, as follows: expenditure, $4,006,125; revenue, $3,204,772, a deficit of $801,353 instead of $461,000 as represented by the Postmaster General's Report. How that is to be explained I leave the hon. gentleman to tell us. In the next year the Postmaster General's Report shows a deficit of $416,184. Turning to the Auditor General's Report again we find the following figures: expenditure, $4,197,512, revenue $3,442,267, giving an actual deficit of $755,245, as against the reported deficit by the Postmaster General of $416,184. The same thing occurs precisely as in the other years, and in another year we have this startling statement: the Postmaster General's Report shows an expenditure of $4,000,790, while the revenue is $3,918,415, or a deficit of $182,375, against what was termed at that time to be a surplus of $5,000. Then the Public Accounts for the same time give these figures: expenditure, $4,023,636, and revenue, $3,918,481, or a deficit of $105,221 instead of a surplus of $5,000. The figures I am giving are for the same year by the Postmaster General, by the Finance Minister and by the Auditor General. Here is the Auditor General's Report: expenditure, $4,298,657; revenue, $3,918,415, or an actual deficit of $380,242. I leave the House and the country to judge how far and what dependence they can put upon the statement of the Postmaster General which enables my hon. friend the Secretary of State to eulogize him to the extent to which he does. We find that the three accounts do not agree, that while the Postmaster General claims a very small deficit or a small surplus, the Auditor General tells us that the deficit for the same year amounted to over $361,000. I leave these facts with the people to judge for themselves. I am not prepared to dispute what the hon. Secretary of State says about the report for the present year. I am not dealing with that at all—that is the year ending 30th of June last—for the simple reason that I have not taken the trouble to investigate, or, in other words, I have not had time. Having been from home some time, I was not prepared to meet this question, but the other figures have been proven to be correct in the past, and I have given them as an answer to the statement which has been made by the Secretary of State.

Hon. Mr. LANDRY—We have not the Auditor's Report yet?

Hon. Sir MACKENZIE BOWELL—No, and consequently we could not make the same comparisons that have been made in the past, and which I have laid before the Senate.

Hon. Mr. SCOTT—The difference is due to the Yukon and Atlin districts which were specially not included in the figures that I gave.

Hon. Sir MACKENZIE BOWELL—That is a point to which the hon. Secretary of State will remember I called attention. What I desire to impress upon the House, and what I think is a very important point, is that while the large deficit existed under the administration of the late Postmaster General, Sir Adolphe Caron, he made no distinction as to charging the expenditure of the Northwest Territories or the opening up of postal communication in British Columbia and in Manitoba. He charged it to the general expenditure of

the Post Office Department, while the present Postmaster General, Sir Wm. Mulock, divided the accounts and then claimed a small deficit or a small surplus by excluding what he termed all the extraordinary expenditure of the opening up of the Yukon Territory and that portion of British Columbia which lies in the mining district. I called attention to that in my opening remarks upon this question. My hon. friend the Secretary of State made, to my mind, a most extraordinary statement and laid down an extraordinary principle in his remarks last night to which I shall call the attention of the House for a very short time. In replying to the statement made by the hon. senator from Marshfield that the declaration had been made by the Premier and by his colleagues that no protest had ever been made by a former government against the occupation of certain portions of the disputed territory which the United States government claimed to be part of Alaska and their territory, and what we hold to be Canadian territory if we receive justice, he said in answer to the complaint of the hon. senator from Marshfield that no protest was made, that he thought it was a good stroke of diplomacy—I think that was the word he used—for the Premier and his colleagues not to make a protest under the circumstances. The effect of a protest he said would be to create a feeling of suspicion in the minds of the United States government, and it would do more harm than good. I think if he applies that principle to himself and his own neighbour he may take a different view. If his neighbour was encroaching upon a portion of his farm, he might consider that a protest would be very proper under the circumstances. I think if his neighbour was taking a portion of his land or fencing in a part of his property he would not only protest, but he would probably send the bailiff to resent it, but certainly the first act would be to make a protest. Then my hon. friend says that he, the hon. gentleman from Marshfield, was not correct in making the statement which he made. Let us look at the facts as they appear upon the record, and we will see how far the hon. gentleman was correct in the statement which he had made in reference particularly to that protest. We not only have the protest made by Sir John Macdonald upon that occasion, but we have the protest made subsequently —the protest signed by Lord Lansdowne, giving the opinion of Lord Salisbury, to the United States government protesting in the strongest terms against the occupation of that portion of the territory which we claim to be ours, and they go further and say that they do not consider it possible that the government is taking the position that it was represented they were taking in reference to that question. Then the Secretary of State poohpoohed the statement made by my hon. friend from Marshfield as to the admissions which had been made by Sir Wilfrid Laurier, and by the Minister of the Interior, in reference to the occupancy of that territory which we claimed to be ours. He said those admissions had no effect upon the commission appointed to consider the Alaskan boundary question. Now, I propose to place upon record shortly the utterances of these two gentlemen, and the position taken by Lord Salisbury in reference to the Clayton-Bulwer Treaty.

Hon. Mr. FERGUSON—By Lord Lansdowne.

Hon. Sir MACKENZIE BOWELL—It was concurred in by Lord Salisbury and that is why I mention his name. The facts are these as they appear upon the record :—

> Shortly after Lord Herschell intimated that the difficulties with regard to the question of the Alaskan boundry seemed insuperable, and he feared it might be necessary to break off the negotiations of which he hitherto had the charge. Upon this Lord Salisbury informed Mr. White that he did not see how His Majesty's government could sanction any convention for amending the Clayton-Bulwer treaty, as the opinion of this country would hardly support them in making a concession which would be wholly to the benefit of the United States at a time when they appeared to be so little inclined to a satisfactory settlement in regard to the Alaskan frontier.'

Reading between the lines as one would understand that despatch from the British government to Canada, and come to the conclusion that it was an intimation to our government to protest in the strongest possible manner, against the abrogation of the Clayton-Bulwer Treaty until the United States had consented to deal fairly and squarely with the Alaska Boundary Question. But what did Sir Wilfrid Laurier, as premier of this country, say in discussing this question ? He said that the abrogation of that treaty was a matter of no consequence to Canada. But that was not the

opinion of all his colleagues. The late Minister of Justice, the Hon. David Mills, made a distinct and positive statement that we in Canada were interested to a very great extent in that treaty because of the trade which was growing between Canada and those portions of the world which necessitated the maintenance of our right in that particular section of America. But whether it did or not, it was a lever which could have been used at the time for the purpose of enforcing a fair settlement of the Alaska Boundary Question from the United States. On the eleventh day of February, 1898, Mr. Sifton is reported in the 'Hansard' of the House of Commons as having made the following statements :

'Difficulties also arose in the White Pass behind the village of Skagway and at Chilkat Pass behind Dyea. I believe our contention is that Skagway and Dyea are really in Canadian territory, but as the United States have had undisputed possession of them for some time past, we are precluded from attempting to take possession of that Territory.

Seeing the effect which that might have upon any attempt to settle the question, Sir Charles Hibbert Tupper at once rose, and made this remark :

'May I be excused for saying that I do not think the hon. minister meant to say 'undisputed possession.

The Minister of the Interior replied :

There have been no protests made. It must be taken as undisputed when there has been no protest made against the occupation of that territory by the United States.

Many hon. gentlemen may remember that almost the same statement was made by the Minister of Justice, the late Hon. David Mills, in this House, and my hon. friend beside me (Hon. Mr. Ferguson) and myself, called the attention of the hon. gentleman to the admissions which he had made, and said we feared that it might have an effect in the final settlement of the question. But they were then defending themselves against the charge that they had made no protest, and in doing so, they sacrificed the interests of this country by declaring that no protest had ever been made. Sir Charles Hibbert Tupper again rose, in the Commons, and made this remark :

'A claim I suppose was made, and adhered to.'

The Minister of the Interior replied :

'There is nothing in the records to show that any protest has been made, an unfortunate thing for us, but it is a fact.'

Hon. Sir MACKENZIE BOWELL.

Now, the Minister of the Interior, admits that from his standpoint, as a protest had not been made, it was singularly unfortunate for Canada. However, the hon. Secretary of State thinks that that is a matter of no consequence whatever, and consequently could have no bearing upon the subject. You will find in 'Hansard,' pages 1277 and 1278 that iSr Wilfrid Laurier made the following statement on March 7th, 1899 :

'We had either to take the route by the Lynn canal and Dyea, or the route by the Stikeen river.

The advantages of the one had to be set against the disadvantages of the other, and vice versa. The advantages of the route by the Lynn canal, were that it was shorter and more direct than the route by the Stikeen river. But if he had adopted the route by the Lynn canal that is to say had chosen to build a railway from Dyea by the Chitka Pass up to the waters of the Yukon, we should have had to place the ocean terminus of the railway upon what is now American territory.'

That is Dyea which we have been claiming as belonging to us, and here is an actual admission by the premier of this country, that that portion of the country to which we were laying claim actually belonged to the United States. Then he says :

'I agree with the statement which has been made on the floor of this House in more than one occasion that Dyea, if the treaty is correctly interpreted is in Canadian Territory. It ought to be ; but the fact is, as my hon. friends know very well, even those who do not belong to the leading profession, that possession is nine points of the law.

Here is another important admission. He continues :

'and even though by the letter of the treaty Dyea is in Canadian Territory the fact remains that from time immemorial Dyea was in possession of the Russians, and in 1887 it passed into the hands of the Americans and it has been held in their hands ever since.'

Now I should like to know if a clearer admission could possibly be made by any person than was here made, that a portion of that country which we claimed, belonged to the United States and not to Canada. He goes on to say :

Now, I will not recriminate here ; this is not the time nor the occasion for doing so ; but so far as I am aware no protest has ever been entered against the occupation of Dyea by the American authorities ; and when the American authorities are in possession of that strip of territory on the sea which has Dyea as its harbour, succeeding the possession by the Russians from time immemorial, it becomes manifest to everybody that this moment we cannot dispute their possession, and that before their possession can be disputed the question must be determined by a settlement of the questions involved in the

treaty. Under such circumstances, Dyea was practically in American territory—at all events, in possession of the Americans ; and, therefore, we had undertaken to build a railway from Dyea to the Yukon country, we would have been placed at the mercy of the American authorities with regard to the bonding privilege. We would have been in this position, that though we had built a railway, the ocean terminus of that railway was not in our country, and we could not send a ton or a pound of goods over that railway unless we had the permission of the American authorities. * * * If we had built the railway by Dyea, when we came to Dyea we would have come to an American port, and according to the law of nations, we could not have entered a ton of merchandise or a pound of food without subjecting ourselves to the necessity of paying duty, if the Americans refused to bond the goods.'

That, I think, is a pretty clear corroboration of the statement made by my hon. friend from Marshfield, when he said that the Premier and the Minister of the Interior had virtually given away our case in the discussion which had been made in the House of Commons. If my hon. friend opposite were arguing this question from another standpoint, he would take a very different view from that which he has expressed in this debate. Was there a protest made ? Mr. Sifton says there was not, Sir Wilfrid Laurier says he had no knowledge of a protest having been made, and if there was no protest, Mr. Sifton adds, it was a sad calamity for this country, because by not entering the protest we tacitly admitted the right of the United States to take possession of the head of Lynn canal, hoist their flag and establish schools there. Now, let us look at the record and see how far the hon. gentleman's statement is correct on that point. On the 19th of June, 1888, Sir John Macdonald, then Premier of Canada, made this report :

Certain persons are about to receive a charter from the Alaskan authorities to construct a trail from Lynn canal by way of White Pass to the interior of Alaska. If our view of the case is correct, the entire route of this trail, as well as the trail by the Chilkoot Pass, is in Canadian territory. In view of the well-based contention on our part, that the heads of the larger inlets which penetrate that portion of Alaska which consists of the coast line from Mount St. Elias to Portland channel, and more particularly the head of Lynn canal, are within our territory, it would appear to be important to protest against the granting of any rights by the United States or Alaskan government at the heads of these inlets.

2. That I, as High Commissioner, transmitted this communication on August 1st, 1888, to the Colonial Office, and added a memorandum prepared by Major General D. R. Cameron. In concluding my letter of August 1st, 1888, to the Colonial Office, referring to this memorandum, I said :

I entirely concur in the great importance of protesting against the United States contention.

3. That Lord Salisbury, on August 1, 1888, transmitted to Sir L. West, a copy of all these papers, styling them, 'Relative to a rumour that a charter is about to be granted by the Alaskan authorities of the United States for certain privileges in that part of Alaska which is claimed by this country.

He concluded :

'I have to request that you will inform Mr. Bayard that this report has reached Her Majesty's government and that it is presumed to be unfounded as the territory in question is part of Her Majesty's domain.

4. That Sir L. West, on September 10, 1888, addressed Mr. Bayard as follows :—

'I have the honour to inform you that the Marquis of Salisbury has requested me to bring to your notice a rumour which has reached Her Majesty's government that a charter is about to be granted by the authorities of Alaska for certain privileges in a part of that country which is claimed by Great Britain.

'Her Majesty's government presume that this rumour is unfounded, as the territory in question is part of Her Majesty's dominions.'

In view of this fact and this record, is it not somewhat astonishing that the Premier of this country, backed by the Minister of the Interior, declared that no protest had ever been made ? In addition to this we find in the return which has been laid before parliament respecting the Alaskan boundary, that Lord Lansdowne used this language in a dispatch to Mr. Paikes, on the 18th of August, 1902 :

Attention must also be given to the message of the President of the United States transmitting these reports and maps of Dr. Dawson to Congress, and to the memorandum of his Secretary of State, which accompany them, in which Mr. Bayard expresses the opinion that these documents are 'of value as bearing upon a subject of great international importance, and should be put in shape for public information.'

It appears to His Majesty's government that the President thus publicly acquainted the people of the United States of Canada's claim to the heads of the inlets more than eight years before anything in the nature of settlement was begun at the head of the Lynn canal, for beyond a few trifling acts of occupation on the part of private individuals, at periods separated by considerable intervals of time, no settlement was attempted in those localities until the mining rush to the Klondike in the spring of 1897.'

In the face of these official documents, which were in the hands of the government at the time the declaration was made by the Premier and his colleague, and endorsed by the Secretary of State, yesterday, we have evidence that a protest was

made by Canada against the occupation by the United States of territory at the head of Lynn canal. I apologize to the House for having taken so much time in laying these facts before them, presuming that, no doubt, many of the hon. gentlemen are just as familiar with the question as I am myself, but in view of the position taken by the Secretary of State in his reply to my hon. friend from Marshfield, I thought it proper to put these quotations on record, in order to show that the government, of which I was a member, when Sir John Macdonald was Premier, and those who followed him took an active interest in the maintenance of Canada's right to that portion of territory at the head of Lynn canal. I do not know that it is necessary that I should enter into any discussion upon the award which was rendered by the commission. I agree with the Secretary of State in regretting exceedingly that Lord Alverstone took the course he did in that award, and I also share his regret that the whole question was not finally disposed of so that hereafter there may be no more trouble on the Alaskan boundary. My hon. friend says there are still 200 miles of the boundary in dispute, and in case rich mineral deposits should be discovered in that disputed territory, there may be a good deal of friction and unpleasantness. But when he talks of Canada making her own treaties, I lay down this principle, which I think every man in this country will accept, that so long as we are a part of the British empire, it is incompatible with our status as an integral part of the empire to claim the right to make our own treaties independent of the imperial authorities.

It is incompatible with the position that we occupy, and I do not think it at all necessary that we should have that power. The British government have given us the fullest possible rights in connection with that matter. Sir John Macdonald acted on behalf of Canada in the famous Washington treaty. My hon. friend read a letter from Sir John Macdonald making statements in which we all fully concur, and from what took place we would draw the same deductions, but whenever people do not get what they want they are sure to blame somebody else. Sir Charles Tupper, with the aid of Sir John Thompson represented Canada in the negotiations at a later period in Washington, when they came to a decision as to the terms of another treaty which was recommended by the President of the United States (Mr. Cleveland) to Congress for its adoption as being fair and equitable for both parties, but it was rejected by the United States Senate. Sir Charles Tupper on behalf of Canada did negotiate a commercial treaty with France in connection with the French ministry, but I am not prepared to say that that has been of any particular benefit to us. I never thought it was, and looking at the trade returns I am convinced that it was not the benefit to us that Sir Charles thought at the time it would be, and that many Canadians thought it would be, but whether it was to our advantage or not does not change the fact that the British government recognized the necessity for the appointment of a Canadian in the negotiation of any treaty which affects this country. The New York 'Sun' I think put the whole thing in a nutshell. In discussing the proposition for the right to negotiate our own treaties by Sir Wilfrid Laurier, it puts it in about half a dozen lines in this way: 'Supposing Canada had the right independent of Britain to effect a treaty what would follow? They would refuse to recognize the right of the United States to that portion of the Alaskan territory which we claim belongs to the United States.' All the United States would do would be to hoist the stars and stripes upon that territory and then would the Canadians come and knock it down or take it away from them; and if they did what would be their position? It seems to me the answer to that whole question is just in a nutshell, and yet that is really our position.

Hon. Mr. POIRIER—We would follow Mr. Gourley.

Hon. Mr. SCOTT—My hon. friend does not quite fairly state the case. The King would still make the treaty, but the persons who negotiated would be all Canadians.

Hon. Sir MACKENZIE BOWELL—If my hon. friend had permitted me to continue, I was just going to refer to that position taken by the Premier. I have his own words under my hand, but I am not going to read them. He says, as has been repeated by the hon. Secretary of State, that he did not

ask for the right, independent of Great Britain to negotiate our own treaties, but that we should negotiate treaties subject to ratification or disallowance by the British government. I should like to know what better position we would be in if we entered into negotiations with the United States in reference to this question and we had arranged a treaty which the British government considered to be detrimental to the interests of the empire, and then vetoed it, what would be our position then ? Would we go to war with England to enforce it ?

Hon. Mr. SCOTT—No.

Hon. Sir MACKENZIE BOWELL—Growl and grumble as we are doing now ?

Hon. Mr. SCOTT—Submit.

Hon. Sir MACKENZIE BOWELL—Just as the government are doing now. We had better submit, and with good grace, and we are more apt to get what is desired from the representative of the British government for the Canadian people. Twenty years ago Canada had no such right. During the administration of Sir John Macdonald's government, and during the time I had the honour of occupying a seat at the council, the British government made the concession that they would never negotiate any treaty which affected the colonies without the cooperation of the colonies either directly or indirectly, and where a treaty was entered into by the imperial authorities and the colonials, if I may so term them, or rather the British subjects living in Canada, or in any other portion of the empire, did not take a part, the whole treaty was submitted to them with a full year to declare whether they would accept the terms of that treaty and become a party to it or not. So that we were left in the fullest possible enjoyment of that autonomy which exists in the management of the affairs of this country. I think I am quite right in saying that a large number of treaties were effected with the minor powers both on the Pacific and in other portions of the world, and whilst I was Minister of Customs I always recommended the Council not to become a party to any of these treaties, and for this reason: if we became a party to those treaties it would debar us, if the necessity arose of negotiating with that country or any other country, as the favoured nation clauses did in the German and Belgian treaties, from acting upon our own responsibility, and in no case, in my recollection, except one, which was a very minor matter, did the Canadian government consent to become a party to the treaty. They had notified the imperial authorities that they declined to do so, and I think, if I remember correctly, the Secretary of State made the same statement last year or a year or two ago, when discussing this same question. Then he says we ought to have the appointment of the arbitrators. Well I should like to know if in this unfortunate commission, the Alaskan boundary, we did not have the selection of the arbitrators for Canada who considered this question ? Now, on urging upon the government not to reject the overtures, if such they may be called, to the terms of the United States in connection with what I think, and every Canadian and every public man in this country must think, the most unfair proposition which was made, to refuse to have a seventh man in connection with those treaties, so as to make a final settlement of the whole question, the imperial government urged upon the Canadian government to accept the terms and Lord Minto in reply to that said :—

'My ministers while still regretting that proposed tribunal will not be constituted so as to ensure certainty of a final decision being reached on the reference, will agree to accept the Treaty as contained in the draft submitted to them.'

I have already expressed the opinion that I regretted that they did that, that they did not reject it at once ; and I believe that is the opinion of ninety-nine out of every hundred Canadians. Then, in reference to the appointment of Canadian commissioners, we find this statement in the same despatch of Lord Minto, the present Governor General. The imperial government cabled to Lord Minto as follows :

'It is important that British half of Court, also appointment of British agent should be settled without delay. Hope therefore your responsible advisers will favour us with their views on these appointments as early as possible.'

What is Lord Minto's reply to this ? It reads as follows :

'As to the composition of tribunal, my ministers suggest Chief Justice of England and two Canadian judges, names to be telegraphed hereafter.'

Now, if anybody is responsible for Lord Alverstone being upon that commission it is the Canadian government, because they suggested his name along with two Canadians. The British government accepted their suggestion, and what more could we ask, I should like to know, than to have the very men appointed whom we named ? I frankly admit, with the Secretary of State, that the Canadian people and any one who had been asked the question : 'Have you any objection to the selection of the Chief Justice of England, a man occupying the highest position, from a legal standpoint, in the country. I think every one would have said no ; but we have no right, in the face of the record, to complain of the appointment of Lord Alverstone as one of the commissioners. We may complain of his decision, and we do complain ; and I say it here publicly, that no satisfactory explanation has been yet given to the Canadian people or to the English people, so far as I have been able to read, or to ascertain, as to the change of opinion and position taken by Lord Alverstone in reference to the allotment of those four islands at the mouth of the Portland canal. We have it upon record that he agreed with the Canadian contention, that if that was to have been the point of entrance to the Alaskan territories that the channel north of these four islands was the channel taken by Vancouver when he first visited that portion of the world, and that leads us to this conclusion, that the contention which has since been made that the channel was too shallow to be used is but a fallacy, used as a defence put up in order to justify the position taken by Lord Alverstone. But it appears he wanted to compromise this whole matter and make it as easy as possible, and without even consulting the Canadian portion of that commission—Hon. Mr. Jette, the Lieutenant Governor of Quebec, and Mr. Aylesworth, of Toronto—he simply changes his opinion, lays the document before these commissioners and asks them to sign it, without giving them any reason, or even arguing the question with them, as to why they should sign it, or why he had changed his opinion. That, I think, we have a right to complain of, and as it is the right of every Englishman and every British subject to grumble when he thinks he is badly treated, I think he has no right to complain if the Canadian people take exception to the decision come to by that hon. gentleman. There are other points to which I should like to call attention, but I feel that I have occupied the time of the House altogether too long. My only excuse is that these are important questions, affecting the vital interests of this country, not merely of a party, but of the whole country, and dealing with questions of such Dominion and national importance, we may be excused if we take a little more time when we are not otherwise pressed for business in discussing them and laying them not only before this House, but before the people. I have had a good deal to do during the last twenty odd years with these questions, both in power and out of power, and if I express strong opinions, it is because I feel it is in the interests of my country that we should give expression to them ; and depend upon it, there is no better mode of reaching public sentiment and of affecting the statesmen of the mother country than by openly expressing the opinions which we hold, not only of them as politicians, but of their actions as statesmen ; and so long as we retain that right of British subjects, let me hope that no matter what party the man belongs to he will have the manliness to express his views openly and freely. With my hon. friend. I congratulate the country on its prosperous condition at the present moment. I deny, however, that the whole merit is to be laid at the door of my hon. friend.

Hon. Mr. DANDURAND—The speech from the Throne spoke of Providence.

Hon. Sir MACKENZIE BOWELL—I wish the right hon. gentleman would not interrupt, though I like to hear his sweet voice. I do not give credit to the present government for the sunshine or the rainfalls which gave us such ample harvests in the great Northwest. I have this to say that in studying the history of the world and the history of the country, there are times of progress, there are times of success with individuals and times of prosperity in all countries, but the time will come just as sure as we are here to-day, when the reverse will be the case. When the Conservative government came into power in 1878, it was just at the turn of the tide. and we increased our surplus year after year for

fifteen or sixteen years, and then it began to turn, and I advise my hon. friends if they are to remain in power much longer, that they begin to prepare during the time of the increase in surpluses for the coming day of depression, and if they do that they will show wise statesmanship as every other government ought to do. I should like at some other time to discuss the question of taxation, the promises of the hon. gentlemen in the past and how they have fulfilled them, particularly in reference to the taxation of the people. That, however, I shall leave for another occasion. I shall resume my seat in the hope that I may some time in the future have an opportunity of congratulating the country on another and a better government. I may be excused for not being here when the debate began. I have been in parliament for 37 years, and this is the first time that I have been absent from the opening of parliament and the opening of the discussion upon the address, and under those circumstances I have no doubt my hon. friend the Secretary of State and more particularly my hon. friend to my right who had to open the debate, will excuse me for being absent.

Hon. Mr. KERR (Cobourg)—I hope I may be excused for offering a few remarks upon the resolution now before this House. It is a resolution that an address be presented to His Excellency for the gracious speech with which he was pleased to open the 4th session of the 9th parliament of the Dominion of Canada, a privilege which I probably shall not again have during His Excellency's administration of the affairs of this Dominion. I need hardly say that when I came to this House I passed in my own mind a mental resolution that I would endeavour to do a maximum amount of work and a minimum amount of speaking. Hitherto I think I can congratulate myself upon having been fairly successful in maintaining that resolution.

Hon. Mr. LANDRY—Hear, hear.

Hon. Mr. KERR—I need hardly say that I will yield to no Senator in this Chamber or no man outside of it in listening attentively and respectfully and effectively to the debates, and especially to the speeches of hon. gentlemen who happen to differ from me, because it is by their speeches that perhaps I learn most, as their views do not coincide with mine in every particular. The speech from the Throne contains five or six topics, every one important in itself, sufficiently important to occupy, if one could do so, a speech of an hour on every topic. I shall travel rapidly over nearly of them, dwelling, in passing, on two or three of them to enlarge upon them to a limited extent. I cannot pass over the first paragraph of the Speech. It is to express our thankfulness for the abundant harvest of last year. A kind Providence has given us in succession several grand harvests, and the result of these harvests has been to augment in no small measure the great prosperity which we enjoy to-day. I do not give credit to the present government for all this prosperity. I give them credit for what they are entitled to and no more. I do give them credit for wise and honest administration of our public affairs since they came to office. I think they are entitled to that—as much entitled to it, if not more than any government this country has ever had. But while I do not give all credit to the government, I do not give all credit, if there is some credit due, as I must suppose there is, to the party who preceded them in power, in the policy they inaugurated. The previous government are entitled to whatever credit they have fairly earned by the policy which they inaugurated. I think that policy is sometimes called the National Policy. I am, I trust, from intelligent preferences, largely a free trader. I am, from necessity, a moderate protectionist, because in the present mode of deriving our revenue we must have moderate protection or a revenue tariff. I believe there are hon. gentlemen in this House who are very familiar with the operation of the tariff, and this question of protection, who would like to see the tariff raised and the system of higher protection inaugurated. I am not in favour of that. I am utterly opposed to it. We must not forget that this country is composed of several provinces, and that what might be applicable and suitable to one would not be applicable and suitable to another. Many of our provinces would like the tariff as low as possible, almost free trade. Other provinces desire a high protective tariff. How in the world can any government administer the affairs

of this country if they make it entirely free trade or high protective tariff ? We must bear in mind that there must be concessions on the part of free traders, and concessions on the part of protectionists. Those who prefer free trade pure and simple must submit to moderate protection. Those who are in favour of high protection must come down and submit to more moderate protection. It will be impossible for any government, even if that government was composed of Solons, to administer the affairs of this country as they have been administered for the last six or seven years except by a compromise tariff—a compromise between an extreme tariff and too low a tariff. I am not going to give credit to high protection for the prosperity which this country enjoys. If it is entitled to some of the credit, I will give it cheerfully. Perhaps it is, but I shall give you a few of the reasons why I think neither this government nor their predecessors are entitled to all the credit for this prosperity. I will tell you what I think is the secret of our great prosperity. I have alluded to the good harvests of late years. I place them, under Providence, as the greatest factor in contributing to our prosperity. Then I give great credit to our educational system, to our public schools, our high schools and our colleges for the training of the human intellect, so that, to-day, every man, whether he is employed in manual labour, at the plough, or in the office, or at the bench, or in the factory, works with his intellect as he does with his hands, and better results follow his efforts. Another thing to which I shall allude is that there is greater sobriety in this country than there was in earlier stages of its history, and because of that greater degree of sobriety, many are able to accomplish more for the country. All these causes and a few more combined are the elements constituting our wonderful prosperity to-day.

Now, on the matter of immigration, no man of large intelligence can withhold his expression of appreciation and even of wonder, at the great influx of population into the Northwest within the last year or two. What is the cause of that? Immigration will always flow to a prosperous country. And although immigration to Manitoba and the Northwest is great now, I believe it is only yet in its infancy, and that within the next few years we shall see within those regions a settlement in numbers and character, such as we have not hitherto dreamed of.

There is a question of amendments to the Militia Act rendered necessary by the greatly increased militia force of Canada. Time was when I thought our expenditure, if not unnecessary, should be very moderate in that direction. I am bound to say, looking around me and seeing what is transpiring in the world, that my views on that question have very much changed. I shall be glad, as a humble member of this House, to give the most careful consideration to any measure that will come before us for increasing the efficiency of our militia force. It may never be necessary to call out the militia for the defence of the country, but I believe it would be following the dictates of prudence to have a thoroughly organized, equipped and efficient militia force in this country.

The Alaskan Boundary award has been referred to by the hon. gentleman from Marshfield and by the leader of the opposition in this House. I agree with them that it is a very important question, although it is very briefly mentioned in the speech from the Throne. According to my view, those few words embody a question quite as important as any other referred to in the speech. When the time comes and the papers are before us, I shall crave the liberty of saying something upon that subject. I may speak pretty plainly. I would not like to offend any one intentionally. I am sorry that the leader of the opposition is so ungenerous as to blame the government for the failure of our case. How could any man foresee that any one occupying the standing and mountain peak position of Chief Justice of England, would take the course which he saw fit to pursue in that matter ? I want to say now, and I should like if I could have every resident of Great Britain hear what I say—I am a Canadian through and through, and to use a phrase that the late right hon. Sir John Macdonald was wont to quote, 'A Canadian I was born, a Canadian I hope to die,' and it is because of my intense love for British institutions and for our connection with the empire that I say what I

do—we must have no more Alaskan boundary disasters. The sooner the authorities of Great Britain learn this lesson, which they seem not yet to have learned, that their policy should be to stand by their colonies, who are their true friends, rather than to try and conciliate doubtful friends, the better. There is an element across the line, not native to the country, but which controls affairs over there, that is not friendly to Great Britain, and we must not allow ourselves to be sacrificed whenever our friends across the border think they are entitled to a piece of our territory. There is nothing that I regard as more sacred than the protection of our territory. I do not complain of the loss of two little islands on our Pacific coast, but I do complain of the manner in which they were, without any reason, given to the United States. One of the speakers who has preceded me said that those islands fairly belonged to us. I have no doubt about that, and I agree with the gallant knight who said that he has not seen and cannot find any good reason for the course which the Lord Chief Justice of England took on that matter. Neither have I, for the very good reason I believe that there is no justification or excuse for it, and the less explanation they attempt the better. According to my view, the policy of Great Britain is to draw the veil over that transaction and try to better guard our interests in the future. I do not intend to offer any opinion—it would be presumptuous—as to how far we may or may not have power, or how far it would be judicious for us to claim power, to negotiate or initiate our own treaties. So long as our present relation to the empire continues—and I trust it will remain long after my day and for ever—it will be a difficult question to solve. The only way that we can solve it is by showing the British people, whom we love, that their true policy is to see that whatever has taken place in the past, Canadian interests shall be guarded in the future and not sacrificed.

Reference is made to an omission from the speech about the outlying province of Newfoundland. A government cannot put everything in the speech from the Throne, but I am free to confess that for years I have longed to see the time when that outlying province would join the union and form one of the happy family of provinces. What has transpired in connection with the Alaskan boundary award has increased my desire to see Newfoundland brought into the confederation. I want to see all our provinces united and welded together by that strongest of all ties—mutual interest and mutual affection.

I come now to the question of the Grand Trunk Pacific Railway scheme. I did not suppose that that question would be enlarged upon to the extent that it has been, because an opportunity will be afforded when the Bill comes before us for a full discussion of its merits; but as I felt it prudent to remain silent when that question was discussed at great length last session, and I may exercise similar prudence this session, I may say now what I have to say, although briefly and rapidly. As a member of this Senate and a Canadian anxious to see the highest results reached in our country, I am in thorough sympathy with that project. I do not intend to cast any reflection on those who hold a different view, but I should be sorry if in future years any of my sons, turning up the debates or the votes and proceedings of to-day should see that my vote was recorded against that measure. The money part of it is, to my mind, quite of secondary importance. It may be built for the amount mentioned by those who favour the scheme. I shall be surprised if it can be kept within those limits. The cost may go as high as the amount mentioned by the opponents of the scheme.

Hon. Mr. LANDRY—Mr. Blair, for instance.

Hon. Mr. KERR—The estimate of Mr. Blair, for whose judgment I have profound respect, but if it reaches the maximum figure mentioned in the debate, I am in favour of that expenditure to build the Transcontinental Railway. I just want, in these few remarks, to emphasize this fact; I have thought in listening to the debate here and elsewhere, that enough was not made of this point, that that road is intended to develop the northern zone of this country.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. KERR—I have heard a good deal of talk about a rival scheme. I have not thought it necessary to form an opinion

about that rival scheme, however good or wise it may be. I listened attentively to it as propounded by the leader of the opposition in another place, but after all it would not accomplish the purpose, because it would be a railway composed of existing railways largely, and that is not the idea at all. My notion of this railway is to send it back three, four, or, if the territory permit, five hundred miles north of any existing railway. I have long known this fact, as other hon. gentlemen have, that the Dominion of Canada has length; I have long thought and believed, and do believe to-day, that Canada has breadth as well as length, and I hope to see that road built, in order that the known area of this Dominion may be duplicated. I read in a prominent journal in the city of Toronto on my way down here a great objection urged against that road, that it was to be five hundred miles north of the Canadian Pacific Railway. Now, according to my mind, that was the best argument that could be used in favour of the construction of that road. When that road is built it is in the very nature of things that it will throw out its Briarean arms and gather in the riches from the north and the south, and not only carry the grain from Manitoba and the Northwest to the sea-board, but carry freights from the east to the west; and I look forward in imagination to the time when that road shall have been built and a line of ocean steamships traversing the ocean in connection with it, when, in fact, the earth will be girdled by the trade and commerce of this country by means of that new road, and the use of steam which will follow as a matter of course. I am sorry to hear so much stress laid upon the fact that it is to cost so much, because I can recollect the opposition that was offered on that ground to the construction of the Canadian Pacific Railway. Happily, I never did oppose the construction of that railway, but I thought it was costing this country too much. I do not argue that question now. All I say is that it is worth all it has cost, because of the way it has developed this country and increased its prosperity; but it is only fair that attention should be called, when the present government are censured for undertaking a large expenditure in connection with the Grand Trunk Pacific Railway, to the fact that the same hon. gentlemen—perhaps some of them are here, though I have no one in my mind in particular—voted for that very large expenditure, even to the extent of appropriating enough land and money to build the railway and then give it to a company to operate it. I am in favour of companies operating railways, because I think governments have enough other matters to attend to without undertaking the management of railways. We have not yet reached that stage in our civilization, when I think it would be safe for the government to build and operate railroads. I am only sorry that it is necessary for the government to build a part of this railway. They propose, as I understand it, to build and rent it to the Grand Trunk Pacific Company, and to forego the interest on the cost for a few years. I am not finding fault with the government who were responsible for the Canadian Pacific Railway, and I would not have the Canadian Pacific Railway authorities think that I am anything but friendly to that great work. I am thoroughly friendly. I wish it, from the bottom of my heart, a reverent and hearty God-speed, but I do believe that with the construction of this road where it is proposed to put it, seeing our immense resources and our vast undeveloped, rich and arable territory, that we would be culpable and derelict in our duty, if we did not use all our means to push that project through. I have said about as much as I intend to say on this subject, but there are a good many in doubt as to that scheme. Well, it is not to be wondered at. It is a big scheme. I like that conservative disposition—caution. Perhaps it is owing to my early influences that I am so conservative, but while I say that, I am bound to add that according to the way I see it, both Liberals and Conservatives ought to make common cause and treat this great project as a national question and not a party question. I have heard it said—I would not like to impute it to any man—that some objection arises from the fact that it is introduced by a Liberal government and that, forsooth, a Liberal government may get some benefit from it.

Hon. Mr. LANDRY—Oh, no.

Hon. Mr. KERR—I hope that is not the case, but whether it is or not I would vote for that scheme if I were the sole member

of this chamber when that position is taken, my faith in it is so strong. I cannot help it. Every great enterprise has had its doubting Thomases. I dare say there are doubting Thomases in this chamber. They are not confined, as we know from the history of the Canadian Pacific Railway, to any one political party. Doubting Thomases are to be found in all political parties, and every project has to meet with a certain amount of that doubt. When Columbus turned his prow towards the setting sun all Europe jeered at him and said he was a madman, and yet he unveiled to the old world this new world in which millions are now working out their social regeneration. I am bound to acknowledge there were doubting Thomases when the Canadian Pacific Railway project was before the House of Commons of which I was a humble member at the time; but the Canadian Pacific Railway was pushed through in spite of these doubting Thomases, and what is more, my faith is so strong that I verily believe this Grand Trunk Pacific scheme will be pushed through notwithstanding the non-support or opposition of doubting Thomases. We must have that railway. You ask me why I have such faith in that project?

Hon. Mr. LANDRY—No, we never asked that.

Hon. Mr. KERR—I will tell you why, if you do not ask it. Because I have faith in Canada. I have faith in her institutions. I have faith in her people, and I believe that in our brightest day-dream we have not yet seen or imagined the grand future that is before this country. I look back for some grounds of my faith. I will not go back farther than the union of Upper and Lower Canada, about which I will just read a line or two. I think it was in 1841 the first great step was taken towards consolidating this country. On that occasion the Governor General, Lord Sydenham, used these words :—

> Inhabitants of the province of Canada,—Henceforward may you be united in sentiment, as you are from this day in name. A part of the mighty empire of England, protected by her arms, admitted to all the benefits of trade as her citizens, your freedom guaranteed by her laws, and your rights supported by the sympathy of your fellow-subjects there, Canada enjoys a position unsurpassed by any country in the world. It is the first wish of the Queen to rule in the hearts of her subjects, and to feel that they are contented and prosperous under her mild and just sway. In your hands rests now your own fate. May the All-wise Disposer of events so ordain your acts that they may tend to the promotion of peace and happiness among you, and may He pour His blessing upon that union of which it is my pleasing duty this day to announce to you the completion.

That has been a union fraught with good, and with good results to the country, and as a lad at the time, and since, I have always felt that that was one of the bulwarks of our strength, and it has been my privilege as well as my duty from that hour to the present to do everything in my power to intensify and weld together that happy union which Lord Sydenham proclaimed. Another ground for my hope is that when the few far-seeing men, men who stood upon the mountain top and saw the view, proposed a federation of the four provinces, even they in their march of progress, met with doubting Thomases yet we all know to-day what a grand thing confederation has proved. In speaking upon one of these occasions, that peerless orator Thos. D'Arcy McGee, who was an advocate of that measure, spoke to the doubting Thomases as follows :—

> Now what needs this country—with a lake and river and seaward system sufficient to accommodate all its own and all its neighbour's commerce—what needs such a country for its future ? It needs a population sufficient in number, in spirit, and in capacity to become its masters : and this population need, as all civilized men, need, religious and civil liberty, unity, authority, free intercourse, commerce, security and law.. .. .. .. Analyse our aggregate population: we have more Saxons than Alfred had when he founded the English realm ; we have more Celts than Brien had when he put his heel on the neck of Odin. We have more Normans than William had when he marshalled his invading host along the strand of Fabaise. We speak the speeches of Shakespeare and Bossuet. We copy the constitution which Burke and Somers and Sidney and Sir Thomas More lived, or died to secure or save.. .. .. .. I see in the not remote distance one great nationality——

We have it to-day. The article continues :—

> —bound like the shield of Achilles by the blue rim of ocean. I see it quartered into many communities, each disposing of its internal affairs, but all bound together by free institutions, free intercourse and free commerce. I see within the round of that shield the peaks of the western mountains and the crests of the eastern waves, the winding Assiniboine, the five-fold lakes, the St. Lawrence, the Ottawa, the Saguenay, and the Bay of Minas. By all these flowing waters in all the valleys they fertilize, in all the cities they visit in their courses I see a generation of industrious, con-

tented, moral men, men free in name and in fact—men capable of maintaining in peace and in war a constitution worthy of such a country.

We are realizing the truth of that to-day, and before resuming my seat I feel more than I can express by a mere formal expression. I am sure that His Excellency the Governor General, when he returns to his home in England, will carry away a magnificent opinion of Canada. I am reminded that he will be in the position of an ambassador whom an eastern king, mentioned in ancient story, sent to imperial Rome in the days of her imperial splendour to report to his royal master, and on his return he reported that he had visited a city of kings where every man had as much happiness as he could contain. His Excellency will be able to make just as proud to report to our royal sovereign and he will be able to say that he has for six or seven years presided over the destinies of a country, a part of the British empire, where not only every man is a king, but every woman is a queen. And as an addendum to that report, His Excellency may be pleased to say that during the time of his administration he had the benefit and the advantage of constitutional advisers, statesmen who knew the seasons, when to take occasion by the hand and make the bounds of freedom wider yet.

Hon. Mr. BERNIER—I will detain the House for only two or three minutes. It is not with the view of discussing the various subjects mentioned in the speech from the Throne. This has been done by previous speakers. For years it has been my painful and somewhat ungrateful duty to call your attention to a question about which the present government is particularly at fault. I know very well it would be useless for me at the present moment to raise a debate on the Manitoba school question. The government has on many occasions, inside and outside of parliament, declared their absolute unwillingness to initiate any measure with a view to relieving the minority in Manitoba from the severe grievances which have been declared to be theirs by the proper authority in the land. Circumstances being so, I will say again that my intention is not to raise now a debate upon this subject. But useless as it may seem to be at the present time to raise my voice again with regard to this question, I am bound to put on record my yearly protest against the violation of the constitution, and against the spoliation which has been practiced at our expense in matters of education. The law is with us ; the tribunals of the empire and of Canada are with us ; justice is with us, and most assuredly it will not be to the credit of Canada fifty years hence, and it is not to-day to the credit of Canada, that an important and loyal section of the population of Canada have been so long deprived of their most cherished liberties. However, at this stage of the session, I merely desire to enter my protest once more against the existing circumstances, so that public opinion may not be misled, and in order also that in future years no one might be inclined to argue from our silence that the question is no more an issue in this country. It is fully alive yet, and we are still looking for redress.

The motion was agreed to.

The Senate adjourned.

THE SENATE.

Ottawa, Thursday, March 17, 1904.

The Speaker took the chair at 3 o'clock, p.m.

Prayers and routine proceedings.

AN ADJOURNMENT.

MOTION.

Hon. Mr. BEIQUE moved that when the Senate adjourns on Thursday, the 17th instant, or on Friday, the 18th instant, should its sittings be continued on that day, it do stand adjourned until Wednesday the 13th April next, at eight o'clock in the evening.

The motion was agreed to.

THE COMMITTEE ON SELECTION.

REPORT ADOPTED.

Hon. Mr. TEMPLEMAN moved the adoption of the report of the Committee on Selection, as follows :

The Senate,
Committee Room No. 2,
Thursday, March 17, 1904.

The Committee of Selection, appointed to nominate the Senators to serve on the several Standing Committees for the present Session, have the honour to report herewith the following lists of Senators selected by them to serve on each of the said Standing Committees, namely :—

JOINT COMMITTEE ON THE LIBRARY OF PARLIAMENT.

The Honourable the Speaker, and the Hon. Messrs. Baker, Béique, Boucherville, de, C.M.G., Drummond, Ferguson, Forget, Godbout, Gowan, C.M.G., Hingston, Sir Wm., Kt., McHugh, Pelletier, Sir Alphonse, K.C.M.G., Poirier, Scott, Thibaudeau (Rigaud), Thibaudeau (de la Vallière), Wood, Young.—18.

JOINT COMMITTEE ON THE PRINTING OF PARLIAMENT.

The Hon. Messrs. Aikins, Bernier, Carling, Sir John, K.C.M.G., Cloran, Bowell, Sir Mackenzie, K.C.M.G., Casgrain (de Lanaudière), Church, Dever, Dobson, Domville, Coffey, Ellis, Fiset, Gibson, Legris, Macdonald (P.E.I.), Mackay (Alma), MacKeen, Merner, Reid, Shehyn, Templeman, Watson.—24.

COMMITTEE ON STANDING ORDERS.

The Hon. Messrs. Béique, Carling, Sir John, K.C.M.G., Church, Macdonald (P.E.I.), Macdonald (Victoria), McKay (Truro), Tessier, Yeo, Young.—9.

COMMITTEE ON BANKING AND COMMERCE.

The Hon. Messrs. Bowell, Sir Mackenzie, K.C.M.G., Casgrain (Windsor), Cox, Drummond, Edwards, Ferguson, Forget, Fulford, Jones, Kerr (Cobourg), King, Lougheed, Macdonald (P.E.I.), Mackay (Alma), Mackeen, McDonald (Cape Breton), McGregor, McMillan, McSweeney, Miller, Mitchell, Perley, Shehyn, Sullivan, Thibaudeau (Rigaud), Thibaudeau (de la Vallière), Thompson, Wark, Wood, Yeo.—30.

COMMITTEE ON RAILWAYS, TELEGRAPHS AND HARBOURS.

The Hon. Messrs. Baird, Baker, Béique, Bolduc, Bowell, Sir Mackenzie, K.C.M.G., Sir John, K.C.M.G., Casgrain (de Lanaudière), Cox, David, Dandurand, Dever, Domville, Drummond, Ellis, Ferguson, Fiset, Frost, Gibson, Godbout, Jones, Kerr (Cobourg), Kerr (Toronto), King, Kirchhoffer, Landry, Lougheed, Lovitt, Macdonald (Victoria), Mackay (Alma), McDonald (Cape Breton), McHugh, McKay (Truro), McLaren, McMillan, McMullen, Miller, Owens, Pelletier, Sir Alphonse, K.C.M.G., Poirier, Scott, Templeman, Tessier, Vidal, Watson, Young.—45.

COMMITTEE ON MISCELLANEOUS PRIVATE BILLS.

The Hon. Messrs. Baird, Boucherville, de, C. M.G., Casgrain (Windsor), Church, Cloran, Dandurand, Dever, Dobson, Domville, Edwards, Fulford, Godbout, Hingston, Sir Wm., Kt., Kerr (Toronto), Landry, Legris, McGregor, McHugh, McSweeney, Merner, Montplaisir, Reid, Shehyn, Sullivan, Thibaudeau (Rigaud).—25.

COMMITTEE ON INTERNAL ECONOMY AND CONTINGENT ACCOUNTS.

The Hon. Messrs. Bernier, Bolduc, Casgrain (de Lanaudière), Fiset, Frost, Gibson, King, Landry, Lovitt, McDonald (Cape Breton), McLaren, McMullen, Miller, Montplaisir, Owens, Pelletier, Sir Alphonse, K.C.M.G., Perley, Robertson, Templeman, Thompson, Vidal, Watson, Wilson, Wood, Yeo.—25.

COMMITTEE ON DEBATES AND REPORTING.

The Hon. Messrs. Béique, Coffey, Bernier, Ellis, Mitchell, Poirier, Robertson, Tessier, Vidal. —9.

COMMITTEE ON DIVORCE.

The Hon. Messrs. Baker, Gowan, C.M.G., Kerr (Cobourg), Kirchhoffer, Lougheed, McMullen, Templeman, Wilson, Wood.—9.

COMMITTEE ON RESTAURANT.

The Hon. the Speaker, the Hon. Messrs. Bolduc, McKay (Truro), McMillan, McSweeney, Miller, Robertson.—7.

Your Committee beg leave to ask further instructions as to the Committee on Legislation referred to in the Order of the Senate made September 3, 1903, adopting a report of the Committee on Railways, Telegraphs and Harbours presented on August 27, 1903.

He said: I think that it is important that this report should be adopted to-day, in order that the committees should meet to-morrow morning to appoint the chairmen and organize before the House adjourns. I think there will be no objection to that course being taken now. The attention of the House might be directed to the last clause of the report, which some hon. gentlemen are more familiar with than I am. It will probably provoke some discussion, in order to finally settle this point, not necessarily to-day but it may be taken up after the adjournment. The committee are asking for further instructions as to the appointment of a committee on legislation, as referred to in the report of the Committee on Railways, recommending that such a course should be taken; that is that a committee on legislation should be appointed. It is within the recollection of the House that last year the question of the jurisdiction of the Dominion parliament in respect of legislation which was entirely or partially provincinal in its character, was raised in this House in the Railway Committee of this House and a sub-committee of the Railway Committee was appointed to consider that question. I think that my hon. friend from Montreal was chairman of that committee, and the report recommended the consideration of legislation of the character

referred to, that is, legislation of a provincial character by a committee on legislation. That report was presented and adopted in this House. The clerk of the striking committee this morning called our attention to it, and some hon. members in the committee took the ground that the action in this House had not been altogether complete, that there were some informalities, and the instructions were that we were not just in a position to appoint a committee on legislation. The matter has been referred back for instruction. If this report is adopted as a whole, I presume this point will be taken up again and determined at a future sitting of the House.

The motion was agreed to.

Hon. Mr. MILLER—I should like to understand the object of the recommendation with regard to the committee on legislation. I did not receive much consideration in the striking committee, and I hardly think it is a recommendation that should have been made to the House. I know when the subject was brought up in the striking committee, of naming a committee on legislation, I took occasion to say that I thought such a committee was a very extraordinary one, and that I did not believe a precedent could be found for it in any British legislature or in any legislature whatever with parliamentary institutions such as ours, and I am still of that opinion. I should like to see some precedent for such a committee connected with a legislative body. Why, every committee of parliament nearly is a committee on legislation. There is hardly a committee of parliament whose work may not at some time or other have reference to legislation, and most of them are chiefly for the purpose of initiating and regulating legislation. I can undertand that a large municipal or railway corporation might require a committee on legislation, because they have not legislative powers themselves, and may require a committee to initiate and look after legislation, but a legislative body having a committee on legislation appears to be an absurdity in terms. I was not present last session when this proposal was initiated in the railway committee, and carried through, I think, very irregularly, for when an important change is to be made in the rules of the House, rule sixteen prescribes the method by which it should be carried through. That rule was not complied with in this instance. A sub-committee of the Railway Committee made a report, and that report the Railway Committee recommended to the House and the recommendation was adopted, and on these two reports, as I understand it, it was presumed this committee on legislation,—so called, had been brought into existence. We all know, all who have had experience in the House at all events, that no change can be made in the standing orders of the House unless the senators are specially summoned for that purpose. When I found this extraordinary report on the minutes, I was somewhat surprised. A much more simple means can be adopted than by adding another standing committee to the committees of the House. It is not desirable to have more committees than the business of the House absolutely demands, and the fewer committees we can get along with the better. When I saw this report on the minutes, last session, I asked if it had gone through, and in what stage it was, and I found then that it had been simply reported from the Railway Committee and adopted by the House, but that rule 16 had not been complied with. When I found that that was the case, I intended to take an opportunity to make some remarks when the subject came up, and told one of the clerks that if it was moved further to let me know, because it amounted to nothing unless it was adopted under the 16th standing order of the House, which provides that a special meeting of the Senate must be summoned for any addition or alteration of our rules.

Hon. Mr. BEIQUE—The hon. gentleman from Richmond has started a discussion somewhat irregularly because the motion for the adoption of the report was carried.

Hon. Mr. MILLER—The rule says :—

16. No motion for making any order of the Senate a standing order can be adopted unless the senators in attendance on the session shall have been previously summoned to consider the same.

That important procedure was not attended to, and of course the action of last session drops to the ground. My hon. friend will perhaps proceed to carry out the object he has in view this session. He is perfectly

at liberty to do so, and I have no doubt that object, in which I sympathize with him to a large extent, may be accomplished in some other way, without creating an additional committee.

Hon. Mr. BEIQUE—I have not had occasion to refer this session to the Journals of the House, but my recollection is perfectly distinct to the effect that the members of the Senate were especially summoned to make it a permanent rule, and a discussion took place on the subject last session. I am perfectly sure it was made a permanent rule of this honourable House. The senators were specially summoned for the purpose. Now the hon. gentleman from Richmond has taken the ground that this rule is absurd and without precedent. I could cite precedents for it. For instance, in the Quebec legislature there is a committee on legislation, and I think I could cite other instances. It is merely a question of name. This honourable House has the same power to deal with all legislation, a railway Bill, a bank Bill or any other Bill. It is always legislation and the House refers the Bills, to special committees merely for the purpose of having the preliminary work done by a committee and reported before the House as a matter of convenience, in order that the matter may be considered with more thorough information. If the hon. member will read the report of the discussion which took place last session on the subject he will see that the rule of the House was amended for the purpose of providing for a committee on legislation. It was for a special purpose, to deal with Bills which contain a declaration that the work is to be a work for the general advantage of Canada, and the committee is instructed to inquire specially as to whether the declaration made is within the spirit of the constitution.

Hon. Mr. MILLER—Of course the records will speak for themselves. I was told by the clerk that the senators were not summoned.

Hon. Mr. SCOTT—I do not quite recollect what occurred last year. Certainly this is new to me. I should think that the last paragraph of the report is not necessary in view of the public notice we now give. The public notice should state whether it was intended that those words should be included, so that the attention of the committee is called to it. The rule provides :

When the application is for an Act of incorporation the name of the proposed company shall be stated, and if the works of any company incorporated or to be incorporated are to be declared to be for the general advantage of Canada, such intention shall be specifically mentioned in the notice, and the applicant shall cause a copy of such notice to be sent in a registered letter to the clerk of the municipality which may be specially affected by the construction or operation of such works, &c.

So I think attention having been called to it, that it is quite unnecessary we should further deal with it. I therefore move that that clause be dropped from the report.

Hon. Mr. BEIQUE—The hon. Secretary of State could not dispense with a permanent rule in that way. I am perfectly willing, if he desires, to enter into the discussion, but the reason which influenced the Senate last session in making this a permanent rule of the House still remains.

The SPEAKER—I may say there is nothing before the House, inasmuch as I declared the report adopted.

MUTUAL RESERVE FUND LIFE ASSOCIATION OF NEW YORK IN CANADA.

MOTION.

Notice of motion by the Hon. Mr. Domville being called :

That he will move for the appointment of a Select Committee of five to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, with power to send for papers, persons, telegrams and records, to employ clerical services, and with leave to report from time to time, the Committee to be composed of the honourable messieurs :—

Hon. Mr. SCOTT—I would request the hon. gentleman to let that motion stand.

Hon. Mr. DOMVILLE—I would prefer to proceed with it now.

Hon. Mr. SCOTT—It would be better to let it stand until after the adjournment.

Hon. Mr. DOMVILLE—I prefer to go on now.

Hon. Mr. SCOTT—This deals with one of the large insurance companies doing business in this country, and it is not fair to take up the matter now without giving the company an opportunity to be heard.

Hon. Mr. DOMVILLE—If I am within my rights I propose to go on with my motion now. It deals with what is claimed to be a strong company, and I should be only too willing to oblige the hon. Secretary of State in anything if it was to sink the opposition or hold up the government, but this is a matter that I brought up in the Senate last year. It was too late in the session to do anything then, and it is not right that this motion should stand over now. It is not right that we should trifle with the widows and orphans who are interested in twelve million dollars of insurance. I cannot see why the hon. Secretary of State should advocate the rights of a company who have been so prominently before the public.

Hon. Mr. SCOTT—I am not advocating their rights, but the hon. gentleman should know that no progress whatever can be made with his inquiry to-day. I am not blocking it in the slightest degree ; no progress whatever will be made by proceeding to-day.

Hon. Mr. DOMVILLE—As the representative of the widows and orphans in Canada and not a representative of a United States company, I want this to go on without delay. I am anxious to deal with it, because this is a serious matter. That company has very long arms it is said : they reach out everywhere, and I shall be able to show before I am through with this investigation that they have strong influence in Canada which has upheld them in their wrong-doing. If it is the judgment of the House, that this motion should not be made to-day, I shall very much regret it. As regards the names of the members who shall form the committee, that is unimportant to me ; I am willing to accept any gentlemen the House may choose.

Hon. Sir MACKENZIE BOWELL—I do not wish to interrupt the hon. gentleman, but in a matter of this great importance affecting, as the hon. Secretary of State says it does, a very important corporation, my hon. friend will accomplish more by accepting the suggestion of the leader of the House. Because the government, to a very great extent, must be responsible for the status of this company in Canada. They have to make thorough and full investigations and while I quite agree with the hon. gentleman that a matter of this kind should receive the fullest possible consideration, I think it would be better if he would accept the suggestion of the hon. Secretary of State, and let it stand until we meet after the adjournment, for the reason that he cannot obtain any advantage by moving this resolution till we meet again.

Hon. Mr. DOMVILLE—I am willing to accede to the request, but I want to say to this honourable House that there are more persons outside of it than there are in it. There are many looking to my action. I am not fighting for a company in the United States ; I am fighting for the rights of the people, and I have in my hand a copy of the letter which I wrote to the department here four months ago, and which they did not answer. I wrote a second time and a third time and no reply was sent to me in accordance with my request for information as to the state of affairs connected with this company. I want to be in a position so that I can fairly write to them, and ask them to postpone action, because I can then define their position and have their rights defined. Out of deference to the wishes of the hon. Secretary of State and the leader of the opposition, I shall be pleased to allow the motion to stand for the present.

The motion was allowed to stand.

SALARY OF THE USHER OF THE BLACK ROD.

MOTION.

Hon. Mr. WATSON—I wish to move, seconded by Hon. Sir Mackenzie Bowell, that in view of the extended adjournment, that the clerk of the Senate be authorized to pay Capt. E. B. Chambers, Usher of the Black Rod, a salary of $1,800 per annum. The salary is fixed by the appointment, but the pay of course comes out of the Senate funds and unless it is passed the salary could not be paid until after the adjournment.

The motion was agreed to.

A QUESTION OF PRIVILEGE.

Hon. Sir MACKENZIE BOWELL—It is not often that I call the attention of this House to any remarks that may be made by public speakers in reference to my-

self, and, I only do it now for fear that silence might lead others to the conclusion that the statements made by Capt. Read, a member of the Prince Edward Island legislature, in a speech made by him at a meeting during the St. Peter's election which has just closed, were true. It appears that in that province some action has been taken against two of the members of the local legislature for a violation of the Independence of Parliament Act. That is a matter of which I know nothing. They can settle it among themselves. But it is quite evident that Capt. Read has a very vivid imagination, and might possibly have been reading Baron Munchausen when he made the statement which I am about to read. He referred to the action of the House of Commons in 1875 and 1876, when he said that more than forty members of the Dominion House of Commons had been charged with a violation of the Independence of Parliament Act, including Sir Mackenzie Bowell and the great Sir John A. Macdonald. I was in parliament during that time and during the periods that I have had the honour of holding a seat in the House I have never had a charge of that kind made against me. I think it is just as well for the information of the people of Prince Edward Island, provided always they read what is stated in this House, to give that statement a flat denial and an uncompromising and unmitigated contradiction, both as far as it refers to myself and also to the late Sir John A. Macdonald. I need scarcely say to the House, because they are all acquainted with what was done in 1875 and 1876, that so far as the late Sir John Macdonald and myself are concerned there is no truth in the statement.

The Senate adjourned.

THE SENATE.

Ottawa, Friday, March 18, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

BILLS INTRODUCED.

Bill (A) An Act for the relief of James E. Taylor.—(Hon. Mr. Kerr, Cobourg).

Bill (B) An Act for the relief of Robert James Macduff Rogers.—(Hon. Mr. Kerr, Cobourg).

The Senate adjourned till Wednesday the 13th April, at eight o'clock in the evening.

THE SENATE.

Ottawa, Wednesday, April 13, 1904.

The SPEAKER took the Chair at Eight o'clock.

Prayers and routine proceedings.

CHRISTMAN DIVORCE BILL.

PETITION PRESENTED.

Hon. Mr. KERR (Toronto) presented the application of Annie Christman for a Bill of divorce. He said : This application was presented to the Senate on the first or second day after the session opened. On reference to all the newspapers it was found that at that time the notice was not complete. The notice is now complete, and it seems to me it is necessary to present the due proofs of the notice that was given. The fees were paid, and the receipt and certificate of the Clerk of the House have been read.

The application was laid on the table.

Hon. Mr. KERR (Toronto) presented a petition for the relief of Annie Christman.

APPOINTMENT OF J. B. JACKSON.

INQUIRY.

Hon. Sir MACKENZIE BOWELL inquired :

Whether a man by the name of J. B. Jackson, of Ingersoll, Ontario, has been appointed to any position in England or elsewhere, by the government of Canada, or any member of said government ?

If so, what are the duties assigned to him, and what salary or remuneration is he to receive for the performance of such services ?

Hon. Mr. SCOTT—J. B. Jackson, of Ingersoll, Ont., was appointed by Order in Council of date October 31st, 1903 (appointment to date from 1st November, 1903) commercial agent to Leeds and Hull, England.

His duties are to report monthly, or more frequently, if necessary, to the Department of Trade and Commerce upon all trade matters which may be of interest to Canadian exporters, and to use his best endeavour to further Canada's market in the district to

which he is assigned. These reports are published weekly and are sent to any business men in Canada desiring them.

Mr. Jackson's salary is $3,000 per annum, and office and contingent expenses.

The Senate adjourned.

THE SENATE.

Ottawa, Thursday, April 14, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

BILLS INTRODUCED.

Bill (C) An Act for the relief of Andrew William Mann.—(Hon. Mr. Kerr, Cobourg.)

Bill (D) An Act for the relief of Annie Christman.—(Hon. Mr. Kerr, Toronto.)

KING'S SHILLING LEGAL TENDER BILL.

FIRST READING.

Hon. Mr. DOMVILLE introduced Bill (E) An Act to make the King's Shilling Legal Tender. He said :

I do not think it is necessary to say very much about this Bill. I will briefly state my case. In the province of New Brunswick —and I suppose it is the same in the other provinces—five or six thousand immigrants are landing every week, and the first thing they want when they get on shore, is to buy something. They have English shillings in their pockets and our people will not accept them except at a discount of 20 per cent. What kind of impressions will they form of this country ? They are told that this is a great British colony with imperial ideas and that we are going to make a great nation ; but the first thing that happens when they land here is that they are charged 20 per cent discount on their silver coin. They see King Edward's head staring them in the face and yet our people will not take his money. We are living under the flag of imperialism and boasting of what we are going to do to fight for the empire and yet we will not take British money. We should compel our people when they sell a British immigrant a glass of whisky, or perhaps, if it is a woman, a glass of gin, to accept their shilling at par. I desire that these immigrants shall feel that they are at home in Canada, as we are part of the British empire, and I want King Edward's money to pass at its face value.

The Bill was read the first time.

Hon. Mr. DANDURAND—I wonder if this motion is in order ? Have we the right to initiate such legislation here ? Is this not a money Bill which should be initiated in the other House ?

Hon. Mr. LANDRY—It is a money Bill.

Hon. Mr. DOMVILLE moved that the Bill be read the second time 28th April next.

The motion was agreed to.

MUTUAL RESERVE LIFE ASSOCIATION.

MOTION.

Hon. Mr. DOMVILLE rose to—

Move for the appointment of a select committee of five to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, with power to send for papers, persons, telegrams and records, to employ clerical services, and with leave to report evidence from time to time.

He said: The motion is one which I am satisfied, will commend itself to every member of this House. Hon. gentlemen have passed through the early stages of being interested by outsiders and being interested in other ways, but I am satisfied from my own small experience in the Senate that there is not one of them who is not desirous of doing justice to the public at large. Last year, I moved to bring up this question, but it was very late in the session and I was asked to postpone the matter until this session, and I consented. I have no desire to press it unduly. I wanted to bury Caesar, not to praise him, and I was willing that the matter should stand over until this year. In the meanwhile I secured all the information I could get from the Finance Department. I dare say there are in this House some hon. gentlemen conversant with insurance who know better, perhaps, than I do, the merits of the case which I am about to present. I charge that the returns of this company have not been in accordance with the facts. That is a grave charge ; I know the respon-

sibility I take in making it. It is a strong company having plenty of means to attack those who incur its displeasure. I knew that I had placed myself in a position to be attacked by the whole press of Canada, but I had such unbounded confidence in the members of this House that I felt I could depend upon them to investigate the subject and, if I could make out my case, that they would do justice, not to myself merely, but to the widows and orphans of this country, whose interests are involved. We have nothing to do with whether this company is a Canadian or a foreign company ; it is doing business in Canada and the law of the Dominion affords it every protection and should also protect those who are in the hands of the company and subject to whatever policy they may adopt. I have a good many papers to read ; I do not want to trespass on the patience of the House unduly. I want to prove first of all that in England the Court of Appeal has decided that the company must make restitution—must pay back to the insured principal and interest at 4 per cent, and at the same time pay all charges. It may be argued that they have appealed to the House of Lords. We shall see what the decision is. There is a case to come before the Supreme Court on the twenty-seventh of this month. If the court of Appeal can give a similar decision as the judgment which I have here in my hands, then there certainly must be some grounds for my demand that parliament shall protect the policy-holders in this company who are interested to the extent of $12,000,000. After making these few remarks, I propose to ask the House to let me adjourn the debate until I procure necessary information for which I am moving to-day to prove my case. My charges are, first of all, that the report which this company has rendered to the government is not correct. I find from the return of the superintendent of insurance for last year, which I have in my hand, that they are doing business under license and have as deposit :

The Mutual Reserve Life (formerly the Mutual Reserve Fund Life Association), F. R. Harvey, chief agent, Toronto, amount of deposit with receiver general, par value, $265,067, accepted value, $242,922. Description of insurance business for which licensed, life, on the assessment plan, as to business prior to Aug. 11, 1899.

Then there is a note at the end of this government return to the following effect :

Mutual Reserve Life Insurance Company : In the case of this company the notice prescribed by section 42 A of the Insurance Act as amended having been filed in this office, the date named therein being Aug. 11, 1899, the insurance business carried on by the said company is subject to and regulated by the provisions of said section, provided the company shall not assure any annuity or endowment.

I shall prove to the House that this company is doing business in Canada and those are the terms on which they are doing it. In my complaint I say that their statement is not right. An eminent counsel in New York, General Tracy, ex-Secretary of State for the Navy, says, and I have it here over his own signature, that the whole course of the company is fraudulent ; that they have committed perjury and fraud and are indictable criminally. That is a pretty good authority. I hold in my hand his remonstrance. He says, 'they are doing wrong. and should be prosecuted criminally.' He says, 'Mr. Burnham, the president, is guilty of the crime of larceny, and both Mr. Morse and Mr. Moss and Mr. Burnham are guilty of conspiracy to defraud the company.' This is a celebrated case, and we should have the facts before us so that we can make up our minds without prejudice. I have the auditor's report where he resigned saying, 'I cannot stay with you.' The treasurer says, 'You are taking the company's money and putting it into the hands of Mr. Moss who is to make no returns except in his own time and way, and he can do what he likes.' He is taking the money of poor widows and orphans. This is a cheap company and the policy-holders are mostly people who could not afford to go into other more expensive companies, and when the insured die what happens ? This company will scale them. I know of a case, that of Mr. Pigeon, who was insured for $2,000. When he died they offered his widow $400. Finally they offered $1,600 to close it up, and I advised her to take it quickly, or she would get nothing, because Mr. Cameron, one of their leading men, so advised the public if they wanted to get anything. That is sufficient to show that the management in New York are taking our money for the purposes of a new company. The law says that the money obtained by assessments shall be used

only for paying claims; yet they run a new company in New York and appropriate our money for the purposes of that company and what satisfaction can our people get? I can understand that there are legal men who will argue 'You can go to the law courts.' But what can we do in our courts with a company whose head office is in the United States? They may say, 'Well you can drive them out of Canada.' They want nothing better.

It is a freeze out game right along. I shall produce all the compromised claims here. I have volumes of them—enough to keep the committee engaged for months. They will show that from start to finish it has been a case of—I won't use the word fraud, because it is not parliamentary, but I will say they have acted unwisely, and they injured every one connected with them in the past. Where are they to-day? They say they are a new company doing a new line of business. Who owns those assets, supposing their returns are complete, supposing they are correct, supposing there is nothing wrong with them? To whom does that money belong? Does it belong to the new men coming in? Does it belong to Mr. Moss who has $150,000 out of it? Does it belong to Mr. Burnham, who has the contract which he succeeded to when Mr. Harper died, by which he was to have a large amount of money out of it? What was that company instituted for? Was it instituted to make salaries out of it for these men? I am going to ask the government for this information. They are paying out millions of dollars to manage a company who have paid $2,200,000 in losses last year. Is that right? Canada must take its share of the responsibility. The Finance Department has licensed them to do business it is true. This company has long arms. I think last year they spent $70,000 for State inspections and other purposes. What for? In various states of the union the company are not allowed to do business. They are confined to a very few states. They are not allowed to conduct operations in the state of California. There is a report from the Insurance Department at San Francisco, dated 8th April, signed E. Marion Wolfe, which says:

> I do not allow them to do business. I have declined to issue license, they are sueing to compel me to grant them a certificate.

And what does the commissioner of Kentucky say? He says:

> It is no longer wise to allow the company to do business here. Their dealings were such as to impress the insurance commissioner that it was no longer wise to permit them to do business here.

I have reports also from the states where the company are doing business, and also the states where they are not doing business. There are in Canada a large number of people from whom they are drawing a large amount of money in the shape of premiums. They assess the policy-holders as they see fit. One policy, I think, had five extra assessments in a year, and one of these assessments was 50 per cent, and they take that money from Canada down to New York and vote it to themselves, and we suckers in Canada—yes, I say 'suckers' because that is the word—have no redress except to go to the law courts and what redress have we there? I do not propose to go into details. I want to place before the House sufficient, merely to show that I am not moving to persecute this company, but am acting solely in the interests of the people. I have letters from a number of people, and many members in this House have received letters showing that the time has arrived when parliament, higher than any court there is in Canada, should step in and say what shall be done to remedy this grievance. I think the facts I have advanced here will justify the committee being formed. In order to substantiate what I have said I shall bring before the committee gentlemen from New York to prove my case, and I shall bring men who are in the employ of the company who will place the facts before the committee. The Hon. Mr. Vrooman has stated 'Supposing the inspector came round and ascertained the state of affairs, what would he say? The figures will not hold water'. I have a letter showing that one of the officials was compelled at the point of a pistol to sign the report. He was their agent and had to do it. I will ask this honourable body to give me a small committee to go into the details. A large committee would not be of any use, because what is everybody's business is nobody's business, but I think if we can get some legal talent in the committee we can put a recommendation in proper shape so that this honourable body can take action

on it. I have to obtain some papers from the government which cannot be had to-day, and if it is in order I will move the adjournment of this debate.

The motion was agreed to.

IMPORTS OF ALUMINUM.

MOTION.

Hon. Mr. DOMVILLE moved—

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

Imports of aluminum in pigs or ingots into Canada.

Aluminum metal manufactured in any form.

Oxide of aluminum.

Alumina.

Quantities by weight—values.

Countries imported from, and ports of entry in Canada, and what countries the production of.

Exports of aluminum in pigs or ingots.

Aluminum metal manufactured in any form.

What countries exported to, and ports of shipment in Canada.

Quantities by weight—values.

For the years 1901, 1902, 1903.

Hon. Mr. SCOTT—There is objection to the motion going. I do not know that the information is available.

Hon. Mr. DOMVILLE—Whatever the department has in its possession.

Hon. Mr. SCOTT—Whatever we have will be brought down.

The motion was agreed to.

MUTUAL RESERVE LIFE ASSOCIATION.

MOTION.

Hon. Mr. DOMVILLE moved :

That an humble address be presented to His Excellency the Governor General ; praying that His Excellency will cause to be laid before the Senate a return showing, for the years 1891 to 1904, both inclusive, in detail, drawn off under seperate headings :—

1. Income in Canada.
2. Expenditure or disbursements in Canada, in detail.
3. Premium note account in Canada, in detail.
4. Miscellaneous in Canada, in detail.
5. Exhibit of policies in Canada, in detail.
6. Details of termination in Canada, in detail.
7. General business statement for years 1891 to 1904, both inclusive.

A. Income, in detail.

B. Disbursements, in detail.

C. Ledger assets, in detail.

D. Non-ledger assets, in detail.

E. Liabilities, in detail.

F. Exhibits of policies.

These to be drawn off under different headings as to the detail of each statement, and additions to be made, as far as it applies, to figures for the years named.

Company—Mutual Reserve Life Association, formerly known as the Mutual Reserve Fund Life Association.

Also, for the last return made by this company to the Insurance Department at Ottawa in the year 1904.

The motion was agreed to.

MUTUAL RESERVE LIFE ASSOCIATION.

MOTION.

Hon. Mr. DOMVILLE moved :

That an humble address be presented to His Excellency the Governor General ; praying that His Excellency will cause to be laid before the Senate a copy of all correspondence between the Department of Insurance at Ottawa and any of the policy-holders of the Mutual Reserve Fund Life Association, formerly the Mutual Reserve Fund Life Association.

Also, between this company and the Insurance Department at Ottawa, and any other correspondence relative to the affairs of this company.

For the years 1901, 1902, 1903, 1904.

Hon. Mr. SCOTT—There is no objection to this motion going but there is very voluminous correspondence and my learned friend asks for four years of it. I doubt if we will be able to get this return within some months, because I sent down to the Finance Department and inquired from Mr. Fitzgerald about both these returns and he says that it will take considerable time to prepare them. The details asked are very voluminous indeed and there must be a very great deal of material in the second one that can be of no earthly use. If the hon. gentleman could pick out what he wants, it would facilitate matters, because there must be a large amount of correspondence that really would have no value or bearing on the object he has in view ; therefore if he wants to obtain the return within a reasonable time I think that he had better see Mr. Fitzgerald and let him know what is wanted so as to hasten the work.

Hon. Mr. DOMVILLE—I accept the suggestion of the hon. Secretary of State. No doubt there is a lot I do not need and I will be only too glad to go down and pick out what I want.

The motion was agreed to.

PREFERENTIAL TRADE WITHIN THE EMPIRE.

Hon. Mr. FERGUSON—I wish to call the attention of the House and the members of

the government to a newspaper report of the speech delivered in London on the eighth of the present month by Mr. Preston, immigration commissioner for Canada in Great Britain. In reference to the question of preferential tariff within the empire I find that in the Ottawa 'Free Press' of that date, Mr. Preston is reported to have spoken as follows :

Mr. W. T. R. Preston, Canadian Immigration Commissioner, who was also present at the banquet, said he was not satisfied that preferential tariffs to the colonies and empire would result in Great Britain maintaining her commercial supremacy.

John Bull, continued Mr. Preston, was not sentimental and would not pay additional price for colonial products under the inspiration of patriotism of British products.

I call attention to these observations by an official of the government of Canada for the purpose of eliciting from my hon. friend the Secretary of State this information, whether Mr. Preston is speaking with the authority of the government of Canada in thus assailing the foundation of the campaign that Mr. Chamberlain is prosecuting in England on the question of preferential treatment of the colonies. Mr. Preston advises the British taxpayers against granting it because, he tells them, very wisely as he thinks, that it is doubtful whether England's commercial supremacy can be maintained if this preferential treatment is accorded to the colonies. I must say, awaiting any observation my hon. friend may make on the conduct of this government official in London, that, to my mind, it seems very strange indeed that Mr. Preston should take up the side of English free traders or the opponents of preference in the way in which he has done. I think it is very improper for him to do so, and supporting my opinion as to the impropriety of his conduct I will just read a few observations which I find in the same paper, the Ottawa 'Free Press' of to-day dealing with some remarks that Mr. Ames, of Montreal, has made on different public occasions in England when discussing this very same question. As is well known, Mr. Ames is taking the other side of the question and is trying to persuade the British public that it is in their interest to give the preference to the colonies. He says :

It is absolutely impossible for Canada to grant Great Britain any further preference in return to a free market for her grain in the United Kingdom while a tariff is raised against other nations. Mr. Ames, of course, holds no mandate to talk in this fashion, and it may be set down to some constitutional or mental defect that he is unable to see how unbecoming it is of him to indulge in rhetorical flights of such a character while he is in a measure vouched for by officials of the Canadian Immigration Department in London.

That is the opinion the 'Free Press' has of the conduct of Mr. Ames in taking what, I think I am safe in saying is the universal view held by the people of Canada with regard to this question ; but I find the government commissioner—and I suppose that he is one of those vouching for Mr. Ames' character and position—that is Mr. Preston, and I suppose Mr. Jackson also—these very high functionaries are responsible for Mr. Ames' bona fides, and that they are the persons herein referred to ; but that one of them has taken the other view and is urging in England a ground which I think will be held to be altogether at variance with the general opinion of the people of Canada.

Hon. Mr. SCOTT—I know nothing of the correctness of the observations made by Mr. Preston at some banquet, and I do not think anybody will be misled into assuming that the government of this country was in any degree responsible for the utterances reported in the press—not in the slightest degree. It is a subject that, no doubt, individuals have their opinions upon, and my hon. friend now refers to Mr. Ames as a champion going in opposition to Mr. Preston. Mr. Ames' championship amounts to this, according to the last report I saw, that Mr. Chamberlain's policy was not going to interfere with the fiscal arrangements in Canada ; in other words that they were going to look after the manufactures of Canada notwithstanding, so that my hon. friend will see how utterly absurd and inconsistent it is with one breath to favour British preference and in another breath to say that we shall not lower our tariff so far as Canadian manufactures are concerned.

Hon. Mr. FERGUSON—But I thought we had given a preference.

Hon. Mr. SCOTT—We have. I am not going to be led into a discussion of this subject. It is a wide one. My hon. friend knows the kick there is from the manufacturing industries against a British preference. Mr. Ames represents that preference.

Hon. Sir MACKENZIE BOWELL—I think my hon. friend puts too wide a construction on the utterances of Mr. Ames.

Hon. Mr. SCOTT—I have read his statement.

Hon. Sir MACKENZIE BOWELL—I have no doubt the hon. gentleman has read it or he would not have referred to it, but I think the interpretation put upon his language is a good deal broader than that gentleman intended to convey ; that is if I read his remarks correctly. But apart from that altogether, Mr. Ames is there as a private individual, and is speaking on behalf of himself and what he believes to be the opinion of many of the people in Canada. The other gentleman is a government official and his utterances carry with them a certain weight and a certain responsibility that a private individual, no matter whether he advocates the cause of the manufacturers or the extreme free traders, cannot possibly have. That is the object I think my hon. friend had in view, namely, to ascertain whether Mr. Preston was speaking on behalf of the government or whether he had any authority to make such a statement. That, I take it, would be the object of the hon. gentleman from Marshfield, and not the other as suggested by my hon. friend. I do not propose to be led into a discussion of this question at the present moment, but it must not be forgotten that the government has already given a preference, and a very large preference. A 33⅓ per cent difference in the duties on an article coming from the mother country having the benefit of the preferential tariff, is no small matter when compared with the full tariff rate upon the same article coming from a foreign country, and Mr. Ames' language may very properly be construed into meaning that he thought we had gone quite far enough until we got something in return. My own view upon that question in a very few words is that if we ever expect to obtain preferential trade between the mother country and the colonies we must be prepared to make certain concessions, perhaps in some respects further than we have made.

Hon. Mr. SCOTT—Hear, hear.

Hon. Sir MACKENZIE BOWELL—I might elaborate that idea but I do not propose to do so now. Every one knows that ever since I have been in public life I have been a very strong advocate of what is termed a protective policy. Whether right or wrong, the older I get the more I am convinced of the correctness of that policy in a country like this ; but, for the sake of knitting together and creating a stronger bond between the home government and ourselves I would be quite prepared to go a certain distance further, provided it did not destroy the industries of Canada. That is a problem, however, that might be found somewhat difficult to solve. It is a very serious question, and the more it is advocated and considered, the more it will be found to be necessary in order to accomplish the object to which I have referred and which the great mass of the people of this country desire. I should not have risen on this occasion, as the debate is a little out of order, had not my hon. friend placed a rather forced construction on the language uttered by Mr. Ames.

A PROPOSED ADJOURNMENT.

Hon. Mr. DANDURAND—I notice that the Orders of the Day indicate no work before us now and hardly any work for tomorrow, Friday, and nothing for several days. The suggestion was made when we last adjourned that if no material progress had been made by the House of Commons, we should not allow our people from the far east or far west to congregate here to attend a sitting at which we would adjourn for another period. I now give notice that when this House adjourns to-morrow it stand adjourned till Tuesday evening, the 3rd May, at 8 p.m.

Hon. Sir MACKENZIE BOWELL—It is not usual to discuss a notice of motion, but if I read correctly the reports of the proceedings in the House of Commons, a large number of Bills have passed there, and I should have thought in all probability they would be in the hands of the Speaker of this House now. I hold in my hands no less than twenty-four Bills which have passed the third reading in the House of Commons.

Hon. Mr. DANDURAND—Those Bills only represent three or four days work, and the session will last till the middle of June.

Hon. Mr. MACDONALD (B.C.)—There are eight Bills expected up to-day. They may not come this evening, but they will be here to-morrow, I do not see why the hon. gentleman undertakes to control the business of the House. It should be left to the Secretary of State and not to the hon. gentleman who is continually moving adjournments. It is open to him, if he likes, to go where he pleases at any time. But why should he try to control the whole Senate ?

Hon. Mr. DANDURAND—The hon. gentleman from Victoria may vote as he did on the last occasion, and he may put a notice on the paper and go away and leave the notice standing there till the close of the session.

Hon. Mr. MACDONALD (B.C.)— I will explain that at some future time.

Hon. Mr. CHURCH—I am opposed to the adjournment. It is not proper to discuss it, but it is due to the House that the hon. Secretary of State should be in a position to-morrow to let us know what work will be brought before us. If the necessary work has been done in the Commons and is ready to be put through the Senate, why should we have an adjournment, particularly as we have just met after a very long adjournment ? Let us do the work before us and do it well, and if nothing more is sent us from the Commons we can discuss the question of a short adjournment.

The Senate adjourned.

THE SENATE.

Ottawa, Friday, April 15, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

BILLS INTRODUCED.

Bill (F) An Act for the relief of Jennie Davidson Moore.—(Hon. Mr. Kerr, Cobourg.)

Bill (G) An Act to incorporate the Cedar Rapids Manufacturing and Power Company.—(Hon. Mr. Domville.)

Bill (No. 9) An Act to amend and revive the acts respecting the St. Clair and Erie Ship Canal Company.—(Hon. Mr. Lougheed.)

Bill (No. 11) An Act respecting the British Columbia Southern Railway Company.—(Hon. Mr. Lougheed.)

Bill (No. 12) An Act respecting the Montreal, Ottawa and Georgian Bay Canal Company.—(Hon. Mr. Young.)

Bill (No. 13) An Act respecting the Canadian Pacific Railway Company.—(Hon. Mr. Ferguson.)

Bill (No. 14) An Act respecting the Atlantic and Northwest Railway Company.—(Hon. Mr. Baker.)

Bill (No. 15) An Act respecting the Ottawa, Northern and Western Railway Company.—(Hon. Mr. Dandurand.)

Bill (No. 19) An Act respecting the Atlantic, Quebec and Western Railway Company.—(Hon. Mr. Dandurand.)

Bill (No. 21) An Act to incorporate the Pontiac and Interprovincial Railway Company.—(Hon. Mr. Edwards.)

AN ADJOURNMENT.

MOTION.

The order of the day being called :

That when the Senate adjourns to-day, the 15th instant, it do stand adjourned until Tuesday, the 3rd day of May next, at eight o'clock in the evening.

Hon. Mr. DANDURAND—I wish to amend this motion and I beg to move that for the remainder of the session when the Senate adjourns on Friday it do stand adjourned till the Monday evening following at 8 o'clock.

Hon. Mr. MILLER—I am not opposed to night sittings when there is any justification for them or when we have anything to do, but I am opposed to night sessions as the result of our having nothing to do. I do not think we should be compelled to come here at night when there is no business to be done. If the hon. gentleman would make the adjournment till 3 o'clock on Tuesday I would have no objection.

Hon. Mr. MACDONALD (B.C.)—This is not an amendment ; it is a new motion and cannot be put.

Hon. Mr. FERGUSON—There is only the objection that we from a distance always offer to adjourning over Monday. I think that we should devote ourselves to the work of the House and put it through thoroughly

and when we have completed our work that we should take a reasonably long adjournment so that we will all be benefited. We may find ourselves confronted with a lot of work on some Monday when we meet and will not be able to do it, and that will prevent a long adjournment. I am sorry the hon. gentleman from Richmond objects to meeting on Monday next at 8 o'clock. I would not see that serious objection to meeting on Monday at 8 o'clock because we could advance Bills a stage and push the work along just about as well as if we had met at 3 o'clock. I should have no objection to have this motion apply to the first Monday or to any particular Monday when we have no work to do. But I object to this general motion.

Hon. Mr. DANDURAND—The expression until otherwise ordered should satisfy the hon. gentleman.

Hon. Mr. SULLIVAN—The question is are we here for our own convenience or to do the public work. If we are here for the convenience of senators and the public business is subordinate to that, then we can adjourn if we like, but it is illegal in my opinion and highly improper to adjourn over one whole day. We are letting in the thin end of the wedge by adjourning till Monday night. We would later on perhaps make it Tuesday night, then Wednesday night and finally we would be adjourning for the whole week. I do not know about its legality but it will have a monstrous effect outside. It will be said the senators are studying their own convenience and that the public business is being subordinated to our own comfort.

Hon. Mr. BEIQUE—I suggest that the motion be made to apply only to Monday next, as there is nothing for Monday.

Hon. Mr. FERGUSON—I have no objection to make it apply to Monday.

Hon. Mr. MACDONALD (B.C.)—The motion on the order paper is that when the Senate adjourns to-day it do stand adjourned till the third day of May. The motion made by the hon. gentleman is not an amendment; it is entirely a new motion, and therefore cannot be put but for the purposes of this discussion. I do not care whether it is carried or not, but, as I suggested yesterday, all these matters should be taken in hand by the Secretary of State who leads this House. I cannot see why the hon. gentleman from DeLorimier continually makes these motions. What right has he to presume on the good nature of some of the hon. gentlemen in this House to carry these adjournments? Yesterday the hon. gentleman, when giving the notice of motion, threw across the floor of the House the statement that I had last session placed a motion on the order paper and had gone away without moving it. I did so, I admit. The remarks made by my hon. friend on the Transcontinental Railway Bill, I will not refer to now because it would be out of order, but when that measure comes before us I shall call attention to the language used by that hon. gentleman towards myself.

Hon. Mr. DANDURAND—Hear, hear.

Hon. Mr. MACDONALD (B.C.)—At present I merely ask the hon. gentleman what is the analogy between my going away without moving my resolution and the hon. gentleman moving the adjournments continually. I did not move an adjournment. I would not be mean enough to move an adjournment to put a few dollars in my own pocket. I have never on the floor of this House moved an adjournment yet and never will move an adjournment to put a few dollars in my pocket. The old members of this House never move adjournments. They have too much respect for themselves; too much respect for this branch of parliament; too much respect for the members of this House to impose on their good nature by doing anything of that kind to benefit their own pocket. Did the hon. gentleman follow my example at any time? Did he move adjournments without some personal cause? He knows the cause. Every member of this House knows why he moved an adjournment—from sordid motives nothing else—because it is open to him to absent himself whenever he likes without moving for an adjournment of the House. The hon. gentleman is acting from sordid motives nothing else.

Hon. GENTLEMEN—Order, order.

Hon. Mr. MACDONALD (B.C.)—I am perfectly in order. That is the object, because any member of this House can go to his business whenever he likes without requiring

an adjournment of the Senate. If the hon. gentleman could give valid reasons for his motion, I am sure we would all agree with him. If he could say he had some personal matters to attend to, and that he could not afford to lose a day we would all help him as well as we could. If he were to say that little Napoleon was going to school and needed new boots or a coat, or that Maria required the services of a better governess, we would sympathize with him, but it is an imposition on the House to ask for an adjournment without some valid reason and as long as I am a member of the Senate I shall oppose such motions. The leader of the House is the proper member to say when an adjournment should take place. As the hon. gentleman does not propose to move the motion of which he gave notice, I shall not detain the House. I came prepared with ten volumes of the Debates and was ready to give the hon. gentlemen some information on what has been said about adjournments in the Senate at different times, but as the notice on the paper is not to be put, I shall not inflict it on the House now. If there is nothing else to be done here at present but to hear prayers read, it may be just what the hon. gentleman from DeLorimier needs. They would elevate his views and give him a better idea as to his duties to the public. He could then tell the Senate that he did not move for an adjournment from sordid motives but solely in the public interest. The amendment proposed is a substantive motion and I shall vote against it.

Hon. Mr. CHURCH—Like my hon. friend from Victoria I am opposed to adjournments. If we are called upon to vote on the motion as it appears on the notice paper I shall vote against it. I agree with the hon. member from Victoria that the leader of the Senate should be in a position to submit to the House, a few days in advance, what we may expect to have brought before us for our consideration, but I can say this much in defence of the Secretary of State. He is often charged with remissness, as if he was not carrying on the public business of this country effectually. Last year when one of these adjournments was moved, the Secretary of State opposed it and had the support of the leader of the opposition, but in defiance of their expressed wishes the adjournment was carried by a majority of two.

In that case they were over-ruled. We have heard a great deal about reforming the Senate. When I was appointed to this House I supposed my duty was to come here at the opening of parliament and remain until prorogation. What has been my experience ? I come here at the opening, and after the debate on the address and the appointment of the committees there is nothing before the House. No Bills of importance are introduced here. Then there is an adjournment for three or four weeks. I do not impute motives to anybody, but actions speak louder than words. They show what the man means. Many members of this body live a long distance from Ottawa and a short adjournment is a mockery to them. They have scarcely time to get home before they have to prepare to return to the capital. The Senate was instituted in 1867. The government of that day was led by a great and honoured gentleman, Sir John Macdonald, a man who with all his faults did a good deal for his country, At that time the Senate was simply a registering body, to register the decrees of the House of Commons. When the Reform party came in, a large majority of the upper chamber was against them, and it was useless to attempt any reform then, but now the government have a working majority of their friends in the Senate and I, as a Liberal, and a supporter of this government say it is their duty to provide work for the Upper House early in the session. It is their duty to propound some reform in this regard. Many of the members of this chamber are still in the prime of life and quite competent to deal with any measures of importance which may be brought before them. Since I have had the honour of a seat in the Senate, I have seen many such measures dealt with in this chamber in a non-partisan way. I see no reason why we should not continue to work along in this way. I would ask the Secretary of State to consult with his colleagues and see if the public business cannot be divided more equally between the two chambers. Last year the Railway Bill containing three hundred and sixteen clauses came up here at the very last stage of the session. We laboured with that Bill conscientiously

and made a good many amendments to it—all I believe in the interest of the public. We had conferences with the other body and the measure was finally passed. Did that Bill receive the full discussion in this House that its importance merited ? I think not ; there was not time for it. Other important measures came up near the end of the session. Now, while the main responsibility rests with the members of the House of Commons who will have to defend their course here on the public platform, a certain measure of responsibility rests upon us. In reference to the question of adjournment pure and simple, when I go to Halifax, where I reside at present, I am asked : 'What good are you senators up there ?' What are you appointed for.' What can I say ? I reply that unless another system is devised, which will give us a fair amount of work early in the session, we have to adjourn. This subject comes up session after session, and it does not enhance the dignity of the Senate or increase its prestige in the country. Many people begin to believe that there is really no need for a second chamber. I have been long enough in politics in Nova Scotia and in the Dominion to know that there is a necessity for a second chamber if it is given an opportunity to do its share of work.

Hon. Mr. DANDURAND—I understand the point of order is well taken, and that I cannot present the motion as I have read it to the House. But in order to conform to the general wish expressed by my hon. colleagues I shall begin de novo and move the motion of which I have given notice, allowing a colleague to move an amendment changing the date of adjournment to Monday or Tuesday next as the House may desire. I therefore move my motion. I desire to say, not in answer to the hon. gentleman from Victoria, but to my hon. colleagues that they surely do not expect me to answer the childish talk that has fallen from the lips of the hon. gentleman from British Columbia.

Hon. Mr. BEIQUE moved in amendment :

That when this House adjourns to-day it do stand adjourned until Monday next at 8 o'clock p.m.

Hon. Mr. MILLER—I rise to a question of order. I would oppose any motion for a night's sitting when there is no necessity for it, and when there is no urgency of public business. It is simply to accommodate a few gentlemen who wish to go to their homes and leave the majority of senators here to do nothing and then oblige them to come here at night when there is nothing to be done. I say that there is not sufficient notice of this motion. There should be one intermediate day's notice.

The SPEAKER—I speak with a little hesitation ; but the rule with respect to notice is that when a resolution proposes to initiate a subject for a discussion, an intermediate day's notice is required ; but it has never been the practice to require an intermediate day's notice with respect to the ordinary business of the House, and the question whether the House shall adjourn till Monday at 3 o'clock or till a later day is not, to my mind, of such a character as to require an intermediate day's notice. So that with respect to the first motion, I do not think the point of order is well taken. Then the first motion being in order, the amendment is also in order.

Hon. Mr. MILLER—I take exception to the Speaker's ruling. I do not say that I should take the sense of the House upon it, but the first motion is one which I have always understood would require a clear day's notice. We have not a clear day's notice, because notice was only given yesterday, and it should have been given the day before in order to bring it within the rules of the House to-day. The matter is not of sufficient importance for me to appeal to the House against the decision of the chair. On the contrary, I would rather submit to an injustice than ask the ruling of the House against the chair. However, I am strongly of the opinion that I am right, and if the first motion is not in order, the amendment cannot be in order.

Hon. Mr. MACDONALD (B.C.)—I wish to call the attention of the hon. Speaker to the fact that the hon. gentleman from DeLorimier has dropped his first motion.

Hon. Mr. DANDURAND—No.

Hon. Mr. MACDONALD (B.C.)— I think this is trifling with the House. I do not see how the motion can be fairly put.

The amendment was declared carried.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

MOTION POSTPONED.

The order of the day being called :

That he will move for the appointment of a select committee of five to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, with power to send for papers, persons, telegrams and records, to employ clerical services, and with leave to report from time to time, the committee to be composed of the honourable messieurs. —(Hon. Mr. Domville.)

Hon. Mr. SCOTT—The department are preparing a Bill to submit to parliament making some changes in the insurance law. I suggest that my hon. friend should wait till he knows the provisions of this measure.

Hon. Mr. DOMVILLE—I have made up my mind to show up this company in the interests of the public. The government should have brought in that Bill long ago ; I wrote to them two years ago about it. I am not here to find fault with the government nor with the department, but I have been pressing this matter for two years. A gentleman from New York has been around Ottawa buttonholing the whole place. One would think we were here to be told what to do and not to act for ourselves ; but as the hon. Secretary of State desires me to postpone the motion till Tuesday, I shall do so.

The order of the day was allowed to stand till Tuesday.

NOTICES OF MOTION.

Hon. Mr. MILLER—The rule governing notice of motion is very clear as I read it. It states that one intermediate day's notice in writing must be given of all motions deemed special, and any motion is deemed special which initiates a subject of discussion. Has the motion on which His Honour the Speaker ruled not initiated discussion ? In fact have we not been debating it for half an hour. I never knew of a contrary ruling in my parliamentary experience. I appeal to the leader of the government of this House, and to the leader in the other House, where they are frequently called upon and are more particular with regard to usages than we are. There the leader of the government never makes a motion for an adjournment without giving a day's notice. You can search in vain for a case where the Prime Minister did not give the intermediate day's notice in moving for an adjournment. There are gentlemen in this House who have been members of the House of Commons and they will know whether I am right or not. In this House Sir A. Campbell always gave an intermediate day's notice and my hon. friend the Secretary of State always gave an intermediate day's notice, and it has always been with the permission of the House that a shorter notice has been allowed. I cannot submit to the ruling of the chair, although I should like to do so. I shall move against the ruling of the chair. I am anxious on all occasions to support the chair because if there is one thing more than another which distinguishes British legislative bodies from those of other countries, it is the respect that is paid to the rulings and decisions of the chair. Now that respect is not for the individual who may happen to occupy the chair, but it is for the principle of authority which he represents in the chair, which is so necessary to the maintenance and preservation of proper decorum in a deliberative assembly. That is why so much respect is paid to the rulings of the Speaker, and it is one of the reasons why I would hesitate a long while before I would move against the ruling of the chair even when I thought it was wrong ; but here I think it is clear that the Speaker, if he follows precedents, will tell the House that his ruling is not according to parliamentary usage.

Hon. Mr. POIRIER—We have had a ruling from the chair on that question and in my estimation it was a proper ruling. The rules of the House mention the word ' motion ' but not amendments to motions. If the construction placed by my hon. friend from Richmond was the right one, then it would be virtually impossible to make any amendments to these principal motions which require a day's notice. It is distinctly clear that an amendment can be moved to any motion that is regularly before the House. This main motion is regularly made after due notice and any amendment can be put to it, otherwise it would be impossible to proceed, because no amendment could be put. At all events the rules of our House

speak of main motions but not at all of amendments. Therefore I take it that the ruling of the hon. Speaker is the correct one, and the only ruling that is compatible with proceedings in this House or any other House.

Hon. Mr. GIBSON—I should like to say one word with regard to what has been discussed for the last half hour, and that is simply this; that all this unnecessary discussion which has taken place would be obviated if the leader of the House would move the adjournments from time to time.

Hon. Mr. FERGUSON—We have settled this question long ago. There is nothing before the House.

Hon. Mr. GIBSON—I am perfectly in order. I am not going to be dictated to by my hon. friend who always has a desire when I rise to make a point of order. I think it is much better for the leader of the House to move adjournments.

PRIVATE BILLS IN THE SENATE.

Hon. Mr. YOUNG—Very frequently in this House hon. members move the second reading of Bills, in the absence of other hon. members who have charge of them. It would be much more convenient that the name of the senator who has charge of a Bill should afterwards appear on the order paper. In order that there may be no confusion, if it is the wish of the House, the officers of the Senate might take it for granted that that is a rule of the House, and act accordingly.

Hon. Mr. SCOTT—I hope that that rule will be observed in future. I know a number of hon. gentlemen have felt aggrieved when, on account of their being absent from the chamber for a moment, other names have been substituted for theirs on the order paper.

Hon. Sir MACKENZIE BOWELL—I moved the second reading of Bills to-day, in the absence of the hon. gentleman from Calgary, but I have no desire at all that my name should appear on the order paper; and for that reason I remarked that I was making the motion in the absence of the hon. gentleman from Calgary. I think if the suggestion made by the hon. gentleman from Killarney can be carried out consistently with the rules of the House, it should be done.

Hon. Mr. FERGUSON—I should ask that the same course should be taken in reference to the motions for second reading which I made to-day in absence of the hon. gentleman from Bedford (Hon. Mr. Baker).

SECOND READINGS.

Bill (A) An Act for the relief of James E. Taylor.—(Hon. Mr. Kerr, Cobourg.)

Bill (B) An Act for the relief of Robert James McDuff Rodger.—(Hon. Mr. Kerr, Cobourg.)

The Senate adjourned.

THE SENATE.

Ottawa, Monday, April 18, 1904.

The SPEAKER took the Chair at Eight o'clock p.m.

Prayers and routine proceedings.

HOUSING OF IMMIGRANTS.

INQUIRY.

Hon. Mr. MACDONALD (B.C.) inquired:

What provision is made for immigrants arriving in Canada from Europe during the inclement seasons of winter and early spring—

1. As to housing until they acquire houses of their own?
2. As to food supply—for how long a time is food supplied?
3. Is provision made for placing them on suitable lands?
4. Is there an inspection of immigrants in Europe before embarking, as to age, health, and the possession of means to build houses, purchase farm implements, cattle and horses?
5. Generally, what steps are taken to prevent dangerous exposure and a scarcity of food, and to assist those without means to commence farming?

He said: In asking these questions I do not wish to invade the rights of other hon. gentlemen coming from the Northwest, but I am induced to ask these questions for reasons well known to the government and the House, as there are thousands of immigrants coming to our shores, many of them old men, women and children, and unless they have means of shelter found for them they will be in a very bad position indeed.

Along the Canadian Pacific Railway, all the way from Medicine Hat to Winnipeg, you see hundreds of men and women at the stations not knowing what to do or

where to go, many of them foreigners who cannot speak our language. No doubt many of these people have some money, but others, I suppose, have very little if any at all, and at this time of the year, owing to the inclemency of the winter and the ground being covered with snow, it would be quite impossible for them to go on their land. Even after they get on their land it will be almost eighteen months before they can derive any benefit or sustenance from the soil. They have to provide good shelter. They have to get implements and they have to get cattle to plough their land ; and it has to be done before the early spring. We do not know of course what instructions, or what advice the agents in Europe give to the immigrants leaving home, but if they have advised them to leave at any time, they should be told by the government not to do so because it is downright cruelty to get immigrants out here who have to endure months and months of cold weather with scanty food and poor shelter. They should be advised to leave for Canada not earlier than the 15th of April. I think hon. gentlemen from the Northwest will admit that that would be early enough to place immigrants on the soil. Steamship companies will take immigrants whenever they want to come. It is a business matter with them, and they will take them but there should be some means of restricting steamship companies from bringing immigrants to this country in inclement weather. Why not adopt the same system that has been adopted with regard to Chinese immigration—limit the number of people to the tonnage of the vessel. Something of the kind might have a salutary effect and it would reduce the number of immigrants coming out so early. I hope the government will be able to tell me that care is taken of these people on their arrival.

Hon. Mr. SCOTT—In answer to the hon. gentleman's question I am advised by the Department of the Interior that the following are proper replies to be given to his questions :—

1. Provision is made for immigrants arriving in Canada from Europe during the inclement seasons of winter and early spring by the maintenance by the government of halls and shelter, properly warmed, and with sleeping, cooking and other accommodations, at the ports of landing and at the chief distributing centres inland, such as Winnipeg, Regina, Calgary, Edmonton and various smaller places in the Northwest.
2. Immigrants are expected to furnish their own food, but in cases of necessity the departmental officers get authority to act as the circumstances may require in each case, in regard to supplying food.
3. Yes.
4. No.
5. As above. Employment is found for those desiring it, whereby they can earn the means to commence farming.

Hon. Mr. MACDONALD (B.C.)—Is there any inspection of the immigrants before they embark ?

Hon. Mr. SCOTT—No.

Hon. Mr. MACDONALD (B.C.)—I am glad to learn that the government take care of these poor people on their arrival in this country.

A CORRECTION.

Hon. Mr. SCOTT—Before the House rises I should like to make a correction of a statement which appeared in the papers of Saturday morning, in the answer given by me in response to the appeal made by the hon. gentleman from Rothesay (Hon. Mr. Domville) who is not in his place at present. I requested the hon. gentleman to postpone his motion for the appointment of a committee, as the department were preparing a Bill to make some changes in the insurance law. I got my information, not from the department, but from some parties who saw Mr. Fitzgerald on the subject, and from the information furnished them I thought something of the kind was to be done. I was not authorized officially to make the announcement, and I desire to make that correction in case anybody should be misled by what I said, more particularly the hon. gentleman from Rothesay. I understood that parties who were interested in the matter were here and had submitted a Bill and that it had been approved of, and I naturally supposed, if it was approved of, it would be introduced. I was told by the department that it had not been, and that it would not be introduced, and therefore my statement was not authorized.

A QUESTION OF ORDER.

The SPEAKER—It will be remembered by hon. gentlemen that on Friday afternoon I gave a ruling with respect to a motion

made by the hon. gentleman from DeLorimier. My conclusion was that the motion made by the hon. gentleman was in order. Exception was taken to my ruling by the hon. gentleman from Richmond; and I rather got the impression from what he said that he was anxious that I should look into the authorities, so that I might correct my mistake. I have since looked into the authorities to some little extent, and if it be the pleasure of the House I shall state briefly the result of my inquiry. The question is not a very difficult one; but, as a rule, questions of order do not come up very often in this House, and perhaps hon. gentlemen do not study our rules as much as the members of the other House study their rules. We are not very rigorous in the enforcement of rules here; hon. gentlemen are moderate and do not need to be controlled by rules. Although this question is not a very difficult one, it may be just as well to state the result of my inquiry. The rule which it was held put the motion of the hon. gentleman from DeLorimier (Hon. Mr. Dandurand) out of order was rule 13 of the Senate which reads as follows :—

One intermediate day's notice in writing must be given of all motions deemed special; and any motion is deemed special which initiates a subject of discussion.

Now there are numbers of motions connected with the business of the House which do sometimes lead to discussions, but these motions do not introduce new matter to the House. What my understanding of this rule has always been is that a motion deemed special was something which brought in a new subject for discussion, and I did not think that the rule applied to such matters as the time to which the House should stand adjourned. The hon. gentleman's opinion was different and he referred to the practice of the other House as sustaining his view. In that House the rules are more rigorously enforced than they are here; but even if we were governed by just the same rule as that which they have in the House of Commons his reference to the House of Commons was not justified. Rule 31 of the other House is as follows :—

Two day's notice shall be given of a motion for leave to present a Bill, resolution, or address, for the appointment of any committee or for the putting of a question.

But the rule goes on :—

But this rule shall not apply to Bills after their introduction or to private Bills or to the times of meeting or adjournment of the House.

So that on that particular point the hon. gentleman is not borne out by the rules of the other House. In the House of Commons, the motion made by the hon. gentleman from DeLorimier (Hon. Mr. Dandurand) would not have fallen under the 31st rule of that House, nor does it any more fall under the 13th rule of this House. I think we can find just what rule the motion made by the hon. gentleman from DeLorimier is governed by. Rule 3 of our House is as follows :—

The time for the ordinary meeting of the Senate is at three o'clock in the afternoon, unless some other time shall have previously been ordered.

And rule 7 says—and it is more to the point :—

When the Senate adjourns on Friday, unless otherwise ordered, it stands adjourned until the Monday following.

So that the motion of the hon. gentleman from DeLorimier was to modify and suspend rules 3 and 7. Now we have a rule of our House which deals with these motions, and that is rule 17 which provides:—

No motion to suspend, modify, or amend any rule, or part thereof——

Which was the motion of the hon. gentleman from DeLorimier.

—shall be in order except on one day's notice in writing specifying precisely the rule proposed to be suspended, modified or amended.

So, hon. gentlemen, the little study which I made of this subject has served to confirm me in the opinion which I expressed on Friday.

Hon. Mr. MILLER—I very much regret that I am not able to follow as accurately as I desired to do the remarks which have been made by His Honour the Speaker, and not with sufficient accuracy certainly to attempt on the spur of the moment to reply. I really thought under the circumstances however—and I think it would be no more than courtesy to me that the Speaker when he intended to select the present occasion, the first meeting of the Senate, to give his decision, should have given some notice of it in order that I might be prepared to sus-

tain the position I took before the House at our last meeting. As I have not been able to follow as accurately as it is necessary for me to do to answer opinions such as those expressed to the House, there is only one course open to me, which I will certainly adopt, and it is this ;—if the same motion is made again in the House, a motion similar to the one made by the hon. gentleman from Montreal, giving but one day's notice for an adjournment, I shall then raise the question in the House formally in order to have a decision upon it, and I think I shall be prepared to show that the position I took at the last meeting of the House is one sustained by the practice both of this House and of the House of Commons. I caught, however, one observation made by the hon. Speaker, which was that I was not correct in my quotation of the rule of the House of Commons. I quoted no rule of the House of Commons but I quoted the practice of the House of Commons—a very different thing. I referred to the invariable practice of the House of Commons, under the rules of that House, of giving an intermediate day's notice in all cases of an adjournment of that body, and I think I should be prepared to show, if that is disputed, that it is the case, and if the rule is not as strong in the House of Commons with regard to the intermediate day's notice as it is in this House, I think, that notwithstanding the practice has always been to give an intermediate day's notice, it makes my position even stronger than it was, as I did not, I repeat, quote any rule. Under the circumstances I will not detain the House now, but I give notice in order that hon. gentlemen may be prepared and may look into the question and may consult any authorities upon it if they desire to do so, that if a similar motion is at any time made of an adjournment without an intermediate day's notice I shall raise the question and have it decided by the House and the House must take the responsibility of altering the practice on this important matter. That is the only way for me to do. I did not do it on the last occasion for several reasons, some of which I did not state. In the first place I am very reluctant indeed to move against a decision of the chair. I think we are all interested in maintaining the principle of authority, which is represented by the chair as much as possible. And during the long period I have occupied a seat in this House, though frequently urged to do so, I have never once moved against the ruling of the chair, and I am reluctant to do it now. I was reluctant on the last occasion for several reasons. I doubted very much that the leader of the House would have been prepared to sustain the chair. It would have been an unpleasant thing for him to be compelled to vote against the ruling, and I doubt very much if the hon. gentleman to his right (Sir Alphonse Pelletier) who was himself at one time Speaker of the House, would sustain it, because my hon. friend had given a decision in accord with the view taken upon the occasion alluded to by His Honour the Speaker, but even apart from these things I should sooner submit to an injustice, if it was not a serious matter, or to an error in the ruling, than attempt to question the authority of the chair which is so important. We should all feel disposed to treat it with proper consideration and deference. As I remarked the other day, it is a principle which distinguished British legislative bodies from all foreign bodies—the respect which is invariably paid to the principle of authority represented by the chair in both Houses of parliament, and it is one of the reasons which governed me throughout a long political career, where I was not able to sustain the chair, at any rate not attempting to controvert its decisions when really no public good was to be subserved by doing so.

Hon. Sir MACKENZIE BOWELL—I think we should try and arrive at some distinctive decision, if I may so term it, as to what the rule really means. The whole difficulty has arisen in the past in reference to what constitutes an 'intervening day.' Though not a lawyer, I understand that in the courts of law—my hon. friend the Secretary of State will be able to correct me if I am wrong, an intervening day means a whole day between the day of notice and the day upon which you are to take the matter into consideration ; that is if we give notice in court today that you will proceed with a certain motion, and if there is to be an intervening day that would mean the day after the notice was given. I am under the impression that that is the interpretation given by the

judges to the words, 'an intervening day.' Now, in looking at these different rules—and I do not take this position for the purpose of combating the position taken by the hon. Speaker, but rather for the purpose of elucidating the meaning of the rules by which we are governed—I have upon many occasions acted upon the principle suggested to my hon. friend to the left. There have been some rulings of the Senate in which I did not concur. Perhaps I was wrong. I do not say I was right, but I certainly had strong convictions that the ruling of the chair was not in accordance with the rules of the House, but on the the principle laid down by my hon. friend, of having very great respect for the chair and from a long experience, I have come to the conclusion that the position occupied by the presiding officer either in this chamber or the House of Commons should be respected to the fullest possible extent. I find that rule 7, to which the hon. Speaker has referred, says :

> The Senate adjourns on Friday, unless otherwise ordered it stands adjourned until the Monday following.

What constitutes 'otherwise ordered ?' Would it be a motion of the Senate or would it be a motion in accordance with the rules laid down by the Senate. Rule 13 declares that if you desire to amend a rule—and that would be virtually amending rule 7—you must give a day's notice, and other proceedings must be taken in order to justify or modify that rule. I know the practice, as the hon. Speaker very properly says, has been otherwise. Rule 13 distinctly says that one intermediate day's notice in writing must be given of all motions deemed special. Is a motion to adjourn not a special motion ? One senator may rise and desire an adjournment of the House for a week or a month or two or three days as the case may be. Other members may not have had any intimation of what was to be proposed, and they may be decidedly opposed to it and consequently it must under those circumstances, to my mind, be considered special, and it certainly, being special, initiates a subject for discussion. The fact that we nearly always discuss these questions when a motion to adjourn is made, is evidence that a motion to adjourn for any length of time will, of necessity, create a discussion on the part of members who may be present, some of whom desire the adjournment for special reasons or for reasons which they think justify them in making the motion, and others may take a different view altogether. I must confess that I had not considered these rules very closely, but in looking at these three rules of the House we find that one rule provides that when we adjourn on Friday we stand adjourned to a certain date. If we change that we change the rule.

Hon. Mr. MACDONALD (B.C.)—It is a special rule.

Hon. Sir MACKENZIE BOWELL—It is a special rule laid down, and there are several rules which provide for the changing, altering or amending those rules. No. 17 provides how these rules may be changed. Then, if you refer to the 13th rule, it declares distinctly and positively how long a time shall elapse between the giving of a notice and the time for considering it, and if we can arrive at any positive decision as to what constitutes an intermediate day, then the difficulty is removed at once and would prevent the differences of opinion which have occurred in the past. I have no doubt differences will continue to occur until some authoritative decision is made upon this question, and as a Senator I should like very much when an opinion is given, the Speaker's decision should be put in writing and form part of the record of the proceedings of the House. I know last year that I made a special request that that should be done. Well it was not done. I find no particular fault with that, but I think in the interest of the proper government of the House, and in the interests of the Speaker himself, whoever he may be, that when his views are given—I take it for granted they are given after due and deliberate consideration—that there should be no objection on his part, and to my mind there cannot be any valid objection that the ruling should be placed on record, so that we may, when the question arises in the future, if it should arise, refer to the decision and the reasons which he has given. I am quite satisfied when occasions of that kind would arise that the Senate as a whole would acquiesce at once unless there was some flagrant abuse of the rules, and that I take it

for granted could not occur with any hon. gentleman occupying so important a position. I can only repeat, that I should urge that we come to a positive decision upon this question of an intermediate day, and from what I have learned in the courts of law I am very much inclined to agree with the hon. gentleman from Richmond that there must be a full day's notice in order to make the motion legal and proper.

Hon. Mr. BEIQUE—I rise with considerable diffidence to express my opinion on this question, especially as I cannot agree with the hon. gentleman from Richmond nor with the hon. leader of the opposition. It seems to me that it is not a special motion in the sense of the rule which has been read by the hon. Speaker of the House and for that reason no intermediate day is required, and I doubt very much if any notice is required. When the House rises every day it is the practice, and I take it, it has been the regular practice to move the adjournment of the House. Would it not be in order for any hon. gentleman in this House to then move in amendment that the House instead of adjourning till the following day to stand adjourned till a later day. And it seems to me that the best proof that no intermediate day's notice is required for a motion of that kind is that it is always open in the House of Commons as well as in this House for any hon. gentleman to move the adjournment of the House, it is a practice that is followed for allowing hon. gentlemen to bring up and discuss questions which could not be discussed otherwise. In the House of Commons is there any notice required for the adjournment of the House? Cannot we here move the adjournment of the House as well as they can in the Commons? Then, if I can move the adjournment of the House instead of moving that the House adjourns till to-morrow cannot I move that the House adjourn till a later date?

Hon. Mr. SCOTT—No.

Hon. Sir MACKENZIE BOWELL—No.

Hon. Mr. BEIQUE—I do not see any rule which bears on one question more than on the other—that is on the adjournment of the House till to-morrow nor on the adjournment of the House to a subsequent day. I think that the only rule which applied to this question is this rule which says that when the Senate adjourns it do stand adjourned till the following day at 3 o'clock, unless otherwise ordered by the House; and I think that when the adjournment is moved at the end of the sitting that it is open to any member of this House to move an amendment that the adjournment be had to a future day if it is deemed advisable and that no notice would be required.

Hon. Mr. CLORAN—With reference to the question raised, I have simply to say that this Senate has been in existence now for the past 37 years and if it takes 37 years to decide a question of adjournment I will have to live a long time before it decides very important questions. The rule for me in a matter of this kind is very simple. It is a matter of procedure and where opinions are divided on either side or among members on either side I am prepared to leave myself in the hands of the Speaker of the House. His interpretation of the rules ought to be accepted when there is a division of opinion among the members of the House. Why fight this out on Friday then adjourn till Monday and fight it out again perhaps to-morrow. I think the hon. Speaker ought to be supported in his decision in this chamber, and I have simply to say that as far as I am concerned in a small matter of this kind, it is a waste of time to be discussing here for an hour whether we should adjourn or should not adjourn, or whether we have a right to adjourn or a right not to adjourn. When the Speaker of this House has given his decision I think it ought to be accepted.

Hon. Mr. DANDURAND—I could quite understand that if the rule that we had to abide by stated that there would be an intervening day, that that would settle it. I do not suppose there could be two interpretations of the meaning of this section, but the question which presents perhaps a little more difficulty is, that one day's notice, which the hon. the Speaker states, is the rule which should apply to the decision of the question raised. We have the simple words, 'a day's notice shall be given.' When a member of this House gives notice at three or half past three, that he will move the next day a certain motion, twenty-four hours must lapse, between the notice of motion and the motion which he makes, and if it

is not a special matter, which is dealt with under another section, have we not there the day's notice that is meant by the rule ?

Hon. Mr. SULLIVAN—The word 'day' may mean a sitting of the House. If it means twenty-four hours the hon. gentleman is right, but I belive it means an intervening sitting.

Hon. Mr. DANDURAND—Then if we had two or three separate sittings of the House on the same day, we could move it within twelve hours, if the interpretation of the hon. gentleman from Kingston prevailed. The only argument I would bring in favour of a day being of one sitting to another, is that twenty-four hours would elapse and that the Senate would have received twenty-four hours' notice before the motion is put.

Hon. Sir MACKENZIE BOWELL—I want to take the opportunity to congratulate my hon. friend (Hon. Mr. Cloran) on his change of opinion. I am very glad to know that he has at last come to the conclusion that the Speaker's decision should be conclusive, and ought not for a moment be questioned. Last session my hon. friend opposite objected to a ruling of the Speaker, and appealed to the House to annul it. My hon. friend (Hon. Mr. Cloran) on that occasion held a very different view from that which he has expressed to-night.

Hon. Mr. CLORAN—That was on a matter of national importance.

Hon. Sir MACKENZIE BOWELL—It was a matter on which the hon. gentleman dissented from a ruling of the Speaker. I had the same respect for the Speaker then that I have now, and consequently, voted to sustain him. My hon. friend voted against him, and now he reads us a lecture as to the propriety of obeying the ruling of the Speaker, I did not object to the ruling ; I only stated what I thought the rule was. Let us define what an intervening day is, and the whole question is settled.

Hon. Mr. VIDAL—While I concur in the statement that the time spent in discussing this question is wasted, and does us no honour in the estimation of the country, I do take a different view from that expressed by the hon. gentleman from Richmond. I am quite aware that it is a very presumptuous thing for me to do such a thing. Having such perfect confidence in his judgment generally I could almost doubt my own judgment, but I do not think it requires a lawyer to interpret the rule. My opinion is that it is very plain and simple, and interpreting it by ordinary reasoning I come to a different conclusion. I dissent from the opinion of the hon. gentleman from Belleville (Sir Mackenzie Bowell) as to the 16th rule. He thinks that this alteration with reference to the adjournment would be an interference with the rule and that it would require a formal notice giving intimation of a desire to alter a rule of the House. Now this proposed alteration is not altering a rule of the House. The reference here to the rule of the House is making a change in a permanent order. This would not be making a change in a permanent order, because the very rule which prescribes it says : 'Except in a case where the House has ordered otherwise.' There is a provision in the very rule itself for an alteration being made and consequently it would not require a notice to be given making the formal statement that it was intended to make a permanent change in a standing rule of the House.

Hon. Mr. SULLIVAN—What about a day intervening ?

Hon. Mr. VIDAL—That is another matter altogether. That is the way I dispose of the argument which is founded on that 16th rule. Then, with reference to the 13th rule, that relates to motions deemed special. Who is to pass judgment whether a motion is special or not ?

Hon. Sir MACKENZIE BOWELL—Read the whole of the rule.

Hon. Mr. VIDAL—It is as follows :

> One intermediate day's notice in writing must be given of all motions deemed special ; and any motion deemed special which initiates a subject of discussion.

This House has been thirty-seven years in existence, and I suppose every session it has had this question up and never before has it been the subject of such a discussion.

Hon. Mr. MILLER—I recollect it occurring several times.

Hon. Mr. LANDRY—I raised it last year, and it was decided against me.

Hon. Mr. VIDAL—You cannot find any case where exception was taken, and any attempt to insist on the rule being enforced. For thirty-seven years such notices have been given without objection being taken. Who is to decide whether a notice is special ? Is not the Speaker of the House the only person who can give a decision ? He is the person in whose judgment it lies to determine whether a motion of this nature is special or not. I think the Speaker was quite right in exercising his judgment as he did, and if I had been in his place I would have been guided as he was, by what the House has been doing regularly all these years, and consequently I should have deemed this not to have been a special motion. I think the Speaker's view is quite correct, that the meaning of a special motion is where some new and important subject is going to be introduced.

Hon. Mr. POIRIER—All motions are subject to discussion.

Hon. Mr. VIDAL—I think the Speaker was quite right in deciding that the motion was in order, and the amendment was in order, and consequently that the whole procedure was in order, and I doubt if anything can be done to alter it unless a special alteration is made in the standing rule to say very distinctly that there must be an intervening day, or something of that kind. But we have got along very well for thirty seven years here, without finding it necessary to alter the rules and we may safely go on in the same way for the future.

Hon. Mr. SULLIVAN—I think a motion is special when it is a departure from anything that is ordinary. This motion to adjourn over until Tuesday, was an extraordinary one, and therefore it was special.

Hon. Mr. MILLER—Suppose it was proposed to adjourn for a month.

Hon. Mr. SULLIVAN—Now as to the interpretation of 'an intervening day' being an interval of twenty-four hours ; supposing it occurred in an early hour of a sitting which was prolonged until midnight, shall we count the twenty-four hours from the time of opening the session, or from the hour of midnight ? It must be an intervening day because there might be cases where the interval would not be twenty-four hours.

Hon. Mr. McMULLEN—I look upon this as an exceedingly important question. We should understand where we are. I was many years a member of the House of Commons, and in answer to my hon. friend from Montreal, I would say that a motion that this House do now adjourn always means that it shall adjourn to a fixed hour specified by the rules of the House. We have certain cast iron rules in the House of Commons as I presume we have here. You cannot override those rules without taking the steps which are specified in the rules. If you could, on a resolution, without due notice, move that this House adjourn for a week or a month, you might take a great many members of the House at a serious disadvantage, and it is not the intention of the rule that any member should be permitted to do that. If it is desired to move an adjournment longer than the rules of the House make provision for, then it is certainly necessary that notice should be given unless you get unanimous consent of the House. But where the House is not unanimous and an amendment is offered to the notice to adjourn, then you override a rule of the House and in order to do that you must follow the procedure provided for in the rules, and you cannot do it by a mere amendment to a motion.

Hon. Mr. LOUGHEED—Supposing the leader made a motion to adjourn to the following day, as is daily done, and an amendment was offered to that motion to adjourn to a different date, would it be necessary to give notice of that amendment?

Hon. Mr. McMULLEN—In that case notice is given of the intention to depart from the rule, and when that notice has been given, you can take advantage of it to move an amendment, but if the notice of the original motion has not been given you cannot do it.

Hon. Mr. MILLER—The question of whether notice should be given of an amendment to such a motion as that made by the hon. gentleman from DeLorimier was decided in a very able decision by Speaker Lacoste, now Chief Justice of Quebec, that such a notice was not requisite, that an amendment could be made to the original motion without any notice whatever.

Hon. Mr. LOUGHEED—The question now under consideration is precisely the one that my hon. friend from Richmond has mentioned. Then I say if it can be done in the one form it certainly is only logical and reasonable that it can be done in the other without notice. For instance it would be idle for the leader of the House to move day by day that the Senate shall adjourn to the following day if an amendment cannot be made to that motion? Consequently it must be the logical sequence, in my judgment at any rate, entirely irrespective of those rules, that if the leader of the House can move the adjournment say until the following day that it would be perfectly in order for some hon. members to move in amendment to that motion that the House do not adjourn to the following day, but adjourn to a more distant time. Consequently, it dispenses, in my judgment, entirely with the necessity of giving a notice of motion.

Hon. Mr. LANDRY—I desire to give the House the benefit of a quotation from Bourinot on motions for adjournment. At page 445 Bourinot says :—

> When any question is under the consideration of either House a motion to adjourn is always in order.

The rule says that a motion to adjourn shall always be in order, but a second motion to the same effect shall not be made until some intermediate proceeding shall have been had. On that point Bourinot says :—

> A motion on this point when made to supersede the question should be simply that the House do now adjourn, and it is not allowable to move an adjournment to a future day, or to propose an amendment to the question of adjournment.

Hon. Mr. LOUGHEED—That is a different question.

Hon. Mr. LANDRY—I am answering my hon. friend's observation that on a motion to adjourn an amendment may be made proposing a longer adjournment.

Hon. Mr. BEIQUE—No, I said it was not clear to my mind that the motion instead of being merely a motion that the House do now adjourn, is that the House adjourns to a further date.

Hon. Mr. LANDRY—There is a special rule which permits the moving of the adjournment of the House without fixing a date, and if that motion is carried the House adjourns till the next day, but here you have a fixed day intervening with the regular business of the House, because if the adjournment takes place on a motion to adjourn it stands adjourned till the following Monday; but if you fix another date I think we should have an intervening day's notice.

Hon. Mr. SCOTT—To my mind the whole subject is in a nutshell. The question is whether a motion to adjourn is a special motion. I do not think it can be called a special motion. This House certainly exercises that privilege fifteen, twenty or thirty times during a single session. You cannot call that a special motion which is exercised so freely by the House and is a motion for the convenience of the members of the House. It seems to me it would be perfectly idle to tie ourselves up, so long as this House has a day's notice that a motion would be brought forward. There was a notice yesterday that a motion would be placed on the order paper for to-day. It is not a subject which requires any gentleman to give a serious consideration to, whether it would be convenient for the members to adjourn at that particular time, and it seems to me to be tieing the House up unduly and unnecessarily. If the feeling is that if the House on Friday should adjourn until Monday evening, a day's notice of a motion of that kind should be given on the preceding Wednesday. I do not think it is ever done. I think the practice has been not to insist on the intermediate day's notice. I certainly could not regard a notice of adjournment as a special motion, particularly where they are given so frequently as they are in this chamber.

The Senate adjourned.

THE SENATE.

Ottawa, Tuesday, April 19, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

PROHIBITION OF IMPORTATION OF IMMORAL LITERATURE.

INQUIRY.

Hon. Mr. DAVID inquired :—

What practical means are taken by the customs authorities to prevent the introduction in this country of indecent and immoral literature, pictures and designs, and whether the government intend to amend the law on this subject ?

He said : The reason why I make this request is that I think we should protect our country against the introduction of immoral and indecent literature and pictures. I have seen in certain stores in Montreal, books and newspapers and pictures which I do not dare to describe. I would be ashamed to give simply an idea of what I have seen and read in Montreal in some of those depots where books and newspapers are sold, and I need not endeavour to show that such immoral books and pictures are a danger to the future of our country. I need not try to show how they attack the vitality and strength of a nation, a young nation which has a great future in store. We have the right to hope that we will become a great nation, but we need to conserve all our strength and all our vitality. I think the worst enemy of a young nation is immorality. If the announcement should be made that a foreign enemy threatened to invade our country, there would be a decisive movement throughout Canada to go to the frontier and defend our border. Well, I consider that one of the worst and most dangerous enemies of this country is immoral literature and pictures, and I wish to know what means the government is taking to prevent the importation of such books and pictures into our country ? There is no doubt the municipal authorities are specially charged with protecting society against that evil, but there is also no doubt that the government of a country is in the position, and it is its duty I am sure, to do its share in that good work, because no foreign literature of that nature can enter into the country without passing through the customs, and I want to know what means are taken by the customs authorities to seize such books at the frontier and prevent their importation into this country.

Hon. Mr. McMULLEN—I rise to endorse the sentiments which have been expressed by the hon. gentleman from Montreal. This question deserves the very serious and careful consideration of the government of this country. If there is any one thing more than another that is a standing disgrace to the United States, our close neighbour, it is the license that is given there for the sale of obscene literature and advertisements of all kinds. It is highly desirable that the Dominion should be protected from the overflow of these publications from the neighbouring country and the consequent demoralization of our people. I earnestly hope that the government will take some interest in this inquiry, and, if necessary they will amend the law to prevent the overflowing of pernicious literature and pictures into this country from the United States.

Hon. Mr. SCOTT—I warmly sympathize in the sentiments expressed by the hon. gentleman from Montreal, as I am quite sure every hon. gentleman in this chamber does ; but the difficulty in interpreting the law is to find a standard. All persons have not the same high moral standard of what is proper, right, decent and pure. The law has been made sufficiently strong to meet all cases. In giving an answer I will just refer to the law which, I think, was amended in some degree last session. The importation of the following articles is prohibited under item 636 of the customs tariff 1897, viz.:—

Schedule C.—Prohibited Goods.

636. 'Books, printed paper, drawings, paintings, prints, photographs or representations of any kind of a treasonable or seditious, or of an immoral or indecent character.'

Articles covered by the above provisions are subject to the usual examination by the customs appraiser at the port of entry, and if found to be prohibited are liable to seizure by any officer of customs and they may be forfeited or otherwise disposed of.

The question as to the amendment of the law on this subject is under consideration of the government.

It is very difficult indeed to impress the employees of a large department at every port of the country as to what should come within the purview of the language in the statute. I am quite sure that the Minister of Customs is at all times quite willing, where his attention is called to it, to impress on the officers that they have failed in their duty if they have permitted the introduction of literature and pictures that could be classed as immoral, impure and indecent. After all, it rests with the appraiser who makes the examination. It is often very difficult, where you have such a vast number of people to deal with, to impress them with the standard we ourselves may have. I am quite sure that the Minister of Customs, will be quite willing to assist in anyway within his power in minimizing or prohibiting altogether the importation of immoral literature and pictures into this country.

Hon. Mr. DAVID—I know the law, but how is the law to be put into operation ? The hon. Secretary of State speaks of the appraiser. I know what is going on in the great centres, especially in Montreal, and I ask myself would it not be practicable to have a proper officer in each of the large centres who would be the judge whether a book or a picture should be admitted into the country. If I am to judge by what I have seen in Montreal I have not a very high opinion of the appraisers who admit books, newspapers and pictures into this country which should be kept out of it. Would it not be possible to employ an officer capable of deciding what books and pictures should be admitted through the customs.

Hon. Mr. SCOTT—Of course it is impossible at the head office here to discover publications that ought to be forfeited and not allowed to go into circulation. The proper course for those who want to protect the public to pursue is to complain of any official who in their opinion has neglected his duty. Has any one in Montreal written to Mr. Paterson to say that so and so, whose duty it was to exclude impure literature, has allowed such literature to pass into the country ? To make general charges is no way to deal with the case. You must bring some individual case to the notice of the minister. The proper course would be to show that some officer has so small a sense of what his duty is, that he should be dismissed, but you cannot deal with such a complaint on a general allegation. It is quite impossible to do anything unless the evidence is produced before the department. I shall call the attention of Mr. Paterson to my hon. friend's observations.

Hon. Mr. DANDURAND—It would be hard for the purchaser of a book or periodical to denounce any special officer, because the purchaser of the book can have no idea at what port of entry the book was admitted. I agree with the hon. Secretary of State that there should be some of those exhibits sent to Ottawa to show that somebody has been remiss in his duty.

Hon. Mr. POIRIER—We have a law, but practically it is not enforced. We cannot attach too much importance to the question which has been brought up to-day. We have here petitions for temperance legislation. Ontario, good as it is, is still endeavouring to become more sober. We have had petitions from all parts of the Dominion to prohibit the sale of cigarettes. The use of cigarettes and of alcohol may be evils, but neither liquor, nor especially cigarettes can have as evil an effect on national character as immoral literature. We have a law on our statute-books now, but there is practically no application of it. Would it be possible for the government to do what is done in other countries, establish a bureau of censors, not only for literature but for theatricals ? I am not strict on those questions, but I believe that the youth of this country ought to be safe-guarded in every way and especially on questions of morality. There are officers in the land who probably would act as censors without remuneration. Would it not be possible to have such officers in the different provinces, whose duty it would be to send to the department any books or pictures which, in their judgment, should not be admitted into the country in order that they might be examined by the department ? If the department should decide that the publication should be excluded, then the government might take action on it. I unite my voice with that of the hon. gentleman from Montreal in urging the government to look into this question, and, if possible, to take some action in the matter because it is more important to exclude such

publications than to prohibit cigarette smoking or even the sale of intoxicating liquors.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

MOTION.

Hon. Mr. DOMVILLE rose to move :

For the appointment of a select committee of five to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, with power to send for papers, persons, telegrams and records, to employ clerical services, and with leave to report from time to time.

He said : The government, no doubt, have looked into this matter thoroughly, and I never doubted in my own mind that they would attempt in any way to defend the company, and I am pleased to see that the government have really abandoned them to the fate they deserve. I started with proving that the company was doing business in Canada, that they were licensed by the government and had made certain deposits and that they had done business to a certain extent. To what extent I am not able to show until the returns that I asked for come down, and I have no doubt I will get them very shortly, because I have a letter from the department saying they will prepare them. I will start by reading what must, I think, to all legal men in this house, be a document of some value. I want to show what the Supreme Court of England says in 'Foster vs. The Mutual Reserve Fund Life Association.' I need not give the date of the report here. It is in the Supreme Court of Judicature, Court of Appeal, before the Master of the Rolls, Lord Chief Justice Romer and Lord Justice Cozens-Hardy. I will not weary the House with reading all the case, but will simply quote a portion with the decision contained in the last few lines.

The suit was brought by a Mr. Foster, who claimed there had been misrepresentation and deceit on the part of the Mutual Reserve Fund Life Association, in their dealings with him, and excessive demands for premiums not warranted by their contract.

The plaintiff brought this action, claiming a declaration that the defendants are not entitled to make any mortuary call upon him exceeding the maximum rate payable according to his age at the date of entry. And, in the event of the court holding that his contention on this point is not correct, the plaintiff claimed to have the policy set aside on the ground of misrepresentation, and repayment, with interest, of all moneys paid under the policy. The defendants by their defence asserted that the assessments made on the new footing were authorized and denied the misrepresentation alleged. The plaintiff was the only witness called. He gave evidence to the effect we have stated as to what passed at the interview with Bridgman, and in the office, when the proposal was signed, and there was no cross-examination addressed to this part of his evidence. Mr. Justice Kekewich held in favour of the plaintiff that the defendants were not entitled to make any mortuary call upon the plaintiff exceeding the maximum rate payable at the date of entry. That being so, the case for the alternative relief sought by the plaintiff necessarily failed, and the action so far as it claimed recission was dismissed. Against this judgment both parties have appealed. During the course of the argument we felt grave doubt whether under this policy the 'maximum rate' is fixed once and for all by reference to the age at entry, or whether it increases from year to year by reference to the actual age at the date of assessment. Upon the whole, we have arrived at the conclusion that the latter view is correct, and that there is not sufficient in the policy, which in effect incorporates the constitution, to deprive the directors as against the plaintiff of the power which, as already stated they possess under the constitution. It follows that the judgment so far as it deals with the construction of the policy must be discharged. But this does not dispose of the case. We are clearly of opinion that the documents circulated by the company are tricky and misleading. 'Life insurance at about half the usual rates' was, to say the least, an inaccurate statement. Even if true in the first year, it would not be true in subsequent years, and the time would arrive when the rate would become so excessive that no sane man would care to keep the policy up. The policy granted to the plaintiff was not such a policy as was held out to him. It is wholly inconsistent with Bridgman's letter, which was supported by the accompanying documents. It differs essentially from the representations made to the plaintiff before and at the time when the proposal was signed, and upon which he acted.

This is not an action of deceit in which fraud on the part of the company's agents would have to be alleged and proved, but an action of recission, in which such fraud need not be alleged or proved. The result is that, in our opinion, the plaintiff is entitled to a judgment for a recision of the policy, and for a return of all moneys paid thereunder with interest at four per cent from the dates of payment respectively. The defendants must pay the costs of the action and of the appeal.

Now, nobody can say that I am seeking to injure people by the course I am taking, and I will show the House that all Canada is carefully watching this affair. I received a great many letters and one to-day from a lady—and we all respect the ladies highly—in which she says they are watching the Senate with the greatest anxiety as the only tribunal they can get any justice from, because they cannot get it as the law stands in the courts of justice. It is an unfortunate law. I do not suppose when it was framed that it was ever antici-

pated cases of this kind would turn up, and they have but one remedy; they have written me many letters, too voluminous to read to this House, that they are depending on the hon. gentlemen of the Senate to do justice to the widows and orphans. With that before us I think we have a very serious task, something to which we will have to give a great deal of consideration before we get through. Having shown you what the decision in England was, I will now show you what an officer of their own company says where they remonstrate with the president. They say to the president: 'You are dragging this company into the gutter, defrauding the people.' And they placed their case before Gen. Tracey. I shall read you what he says presently, but before they had gone even that distance they wrote over the signature of their vice president, a gentleman whom most of you in this House know, Mr. Wells, brother of the late Speaker of the legislature in Ontario, and another brother a minister of the Crown in British Columbia, and what does he say to the people? Under date September 20, 1898, he says:—

To the president of the company, Mr. Burnham.

It is perfectly obvious that a serious crisis is impending in the affairs of the Mutual Reserve Association, and I deem it my duty to fully and frankly explain my position to you and the public.

I will not read all the letter. I will take a portion of it. The letter proceeds:—

You were elected president in 1895. The business was then in a healthy condition, and it increased steadily from year to year. The insurance in force at the end of that year amounted to over $308,000,000 and the new business of the year ran approximately $60,000,000; to-day the insurance in force is less than $200,000,000—

And I shall be able when we get the papers from the government to show that the business is very little over $100,000,000 on the last return.

The letter proceeds:

—and the new business of the current year will be about one-half that of last year. There has also been a serious decrease in assets and surplus, and a large increase in the cost of management.

But ominous as are these figures and ominous the fact that while everything else has gone down the cost of management has gone up, they are overshadowed by lapses which during the last eight months exceeded $100,000,000. For this disastrous result you (Mr. Moss and Mr. Eldridge) are personally responsible.

Mr. Eldridge is an officer of the company, I think vice-president, I am not sure. Mr. Moss was a man to whom they gave a roving commission. He was to find them so much business and he was to have all the money he wanted, and in fact to do as he liked. Mr. Moss came from London to New York. He belongs to the Hebrew denomination. He was made the metropolitan agent and I am sure the new business he obtained as the metropolitan agent was neither profitable nor permanent, but he made it profitable to himself, and when the metropolitan contract was cancelled in 1897, he owed the association over $29,000, besides large sums due by him to his sub-agents earned by them, for which they are making demands on the association. I give you that quotation to show where Mr. Moss came in. The letter proceeds:—

Mr. Moss came from London to New York in 1895, and he was shortly afterward our metropolitan agent. I am quite sure that the new business which he obtained as metropolitan agent was neither profitable nor permanent. but he made it very profitable for himself, and when his metropolitan contract was cancelled in January, 1897, he owed the association over $29,000, apart from large sums due by him to his sub-agents for commissions earned by them and for which they are now making demands upon the association.

In June, 1896, you went to London and were informed, probably for the first time, that Mr. Moss had left that city for New York, heavily in debt and under a cloud, and that amongst other things our medical director, Dr. Strode, had lost through business transactions with him several thousand pounds. Whether Mr. Moss exposed himself to a criminal prosecution I express no opinion, but in September, 1896, I believe that a legal firm in New York was consulted as to extradition proceedings. I have this information recently from your brother, Mr. George Burnham, who probably gave it to you also. All this you kept to yourself and you proceeded with your eyes open to cultivate his acquaintance.

In September, 1896, you returned to London from the continent, and, having learned that Mr. Moss's difficulties could be compromised, you cabled him to go over, and shortly after his arrival you cabled the head office to honour his draft for £1,500, ($7,260.) Before closing this letter I will detail the circumstances under which you subsequently managed to make Mr. Moss a present of this $7,260 at the expense of the association.

You and Mr. Moss arrived together in New York on the 10th of October, 1896, and early in January following, as a result of your new and intimate relations, you devised a scheme, the principal features of which were: 1. That I should be sent to London, out of the way. 2. That Mr. Moss should be appointed general manager of the agency department in my place. 3. That Mr. Moss should have a contract extending over the United States, giving him an overriding commission of 20 per cent upon the

entire United States business, and a salary of $100 per week, ($5,200 per annum), and, 4, that he should receive weekly payments of $3,500 for the purpose of making advances to sub-agents. The contract also provided that the weekly payments should be paid to Mr. Moss personally, and remain so charged until they should be repaid by the commissions earned by him and his sub-agents, which together amounted to 85 per cent of the first year's premiums. For this contract Mr. Moss promised you a business for the first year of one hundred million dollars.

Now the premiums upon new business average about $20 per $1,000 of insurance. Upon one hundred millions of business, therefore, Moss's commission at 20 per cent would approximate $400,000. Upon this basis he could well afford to pay out of his commissions all the advances to sub-agents, say $158,000, and still have a surplus of $242,000.

I have said that the contract provided that Mr. Moss should be personally charged with the weekly advances of $3,500, which for the year would amount to $182,000. It is true that the personal liability of Mr. Moss for this sum was of no value per se, for he was as poor as a rat from a London dock and deeply in debt to the association already. But it was a check upon a careless expenditure of the trust fund, and the provision for deducting the advances from the commissions is a usual condition in such cases, and if honestly observed would have saved the association from serious loss. But within a few weeks after the execution of this contract you deliberately discharged Mr. Moss from his personal liability and you left him absolutely free to make ducks and drakes of and enormous sum of money, and this he proceeded to do in characteristic style, for at the end of the year the sub-agents owed the association $158,000, and Mr. Moss had his commissions in his pocket. In proof of this I will say that, in February, 1897, Mr. Cooper, the bookkeeper, as I am informed, in charge of Mr. Moss's account, drew up and presented to you for approval a statement charging, Mr. Moss with the weekly payments made to him during the preceding months, and also with the sub-agents' commissions, (amounting to about 65 per cent, which had been retained by them), and crediting him with 85 per cent. This statement was not only in strict conformity with the contract, but it was made according to the personal instructions given to Mr. Cooper by Mr. Moss himself, who, at that time, seemed to be satisfied with the contract as it stood.

It did not, however, suit you, and accordingly, for the offence of doing his plain and simple duty, you placed the Moss account in other hands and you transferred Mr. Cooper to another position where he would have no opportunity of repeating the offence of doing his duty. From that time to the termination of the contract in January, 1898, the weekly payments were charged to Mr. Moss and the advances to sub-agents were credited to him merely upon his memoranda, and as I am informed by the auditor, without a single voucher.

This unauthorized variation of the contract could only have one result. It not only relieved Mr. Moss from personal liability, but it permitted him to handle, as if it were his own, the trust fund which was deposited to his credit every week in the Chase National Bank, and he frequently drew cheques upon it for his own private purposes. In fact, the handling of this fund was so loose, so irregular, and so unbusinesslike, that the auditor remonstrated, and this is the only reply which he received from you through Mr. Underhill, your confidential secretary: 'Mr. Moss is not to be embarrassed by having his account checked up. He will account for the money received in his own way and in his own time.'

One cannot conceive a company's funds to the extent of $182,000 annually being placed in a bank to the sole credit of any person, no matter how respectable, with instructions to the auditor not to require vouchers or check his account, or 'embarrass' him in any way, but imagine a bank manager handing the combinations of his safe to a tramp and instructing his watchman not to 'embarrass' him or be otherwise too particular.

My daughters! But the revel was superb. Horses and carriages! Diamonds and pearls! Opera boxes and opera omnibuses! Spike driving in Central Park and all the pride and circumstances of extravagances.

The handling of this enormous fund by Mr. Moss took almost every form of irregularity. For instance, on the list of agents appeared the name of one George Joseph, to whom advances had been made by Mr. Moss amounting to $4,600. There was no contract on file with Mr. Joseph, and no applications for insurance were ever received from him. There was, in fact, no such agent. You now allege that the money was paid to Mr. Joseph for the purpose of compromising a claim by Lieut. Farrow against the association and for whom Mr. Joseph was acting as attorney. If this be true, it not only shows the vicious working of the Moss contract and its flexibility for improper purposes, but it shows on your own admission that you, the president, at least concurred in a falsification of the records.

The transfer of what are called the fifteen-year policies to a five-year plan not only cheated the mortuary fund of about $300,000, being one year's premiums on about $25,000,000, but it put approximately $60,000 into Mr. Moss's pocket. What right had you to treat the transfer business as new business under Mr. Moss's contract, and practically abstract this large amount out of the mortuary funds for the benefit of Mr. Moss? There seems to be no limit to his rapacity and to your pliability.

In this same category of irregularities is the Moss loan of £1,500 ($7,260), to which I have already alluded. This sum appeared on the books at Mr. Moss's debit for several months, and he frequently assured me that he had paid it back to you, and he claimed that the account should be rectified by you and that you had promised to do so. But, however, that may be, you disposed of the matter by simply ordering the amount to be charged to agency expenses 'for special services in agency department, outside of and apart from the metropolitan department in the last half of 1896.' You afterward explained to me that the services you referred to were rendered in London in September, 1896, and being interrogated by me as to the character of the services, you stated that he had introduced you to a Mr. Craig, whom he represented as a strong insurance writer, but you admitted that nothing came of this introduction. In fact, Mr. Moss was only a few days in London and was exclusively occupied with his own affairs. Subsequently, however, forgetting your own written order, and particularly the words

'outside and apart from the metropolitan department,' you changed your base, and now allege that the payment of $7,260 was a bonus for Mr. Moss's metropolitan business. Inasmuch as Mr. Moss received under his metropolitan contract a salary of $100 per week and a commission of 75 per cent, or 10 per cent in excess of that allowed to any other agent, and that he was in debt to the association under this contract $29,000, and inasumch as the association is still paying his sub-agents large sums which he owed them for commissions earned by them at that time, it is somewhat strange that a year or two after the cancellation of this contract it should occur to you in the face of your written order to justify this credit by calling it a bonus of exactly the same amount as his London draft of £1,500 turned into dollars and cents.

I feel a difficulty, moreover, in reconciling Mr. Moss's statement to me with your statement to me and with your present statement, all of which contradict each other.

One of the most distinguished lawyers of New York calls this transaction larceny.

The truth is, Sir, that for about two years Mr. Moss was the real president, and you were only a piece of mechanism in his hands. To suit his caprices you have violated rules, regulations, and by-laws. By way of illustration, I will remind you that upon one occasion Mr. Stevenson, having been furnished by you and the executive committee with certain rules and regulations for his guidance, and having been met by counter instructions from Mr. Moss, laid the case before you as to which he should obey. You replied: 'Obey Mr. Moss's orders whether they conflict with your instructions or not.'

In April, 1898, the auditor, Mr. J. S. Hoffecker, wrote you the following letter:

April 22, 1898.

F. A. Burnham, President:

Dear Sir,—I cannot conscientiously make the adjustments called for by the inclosed orders while the accounts involved are in their present condition. If such protest should terminate my connection with this association this letter will serve as my resignation.

I have always endeavoured to follow your early instructions to me, to 'act without fear or favour,' and in this instance feel that I am but strictly adhering to my duty. Yours truly,

(Signed) J. S. HOFFECKER,
Auditor of Accounts.

The 'adjustment' referred to arose out of a transaction with a Mr. Halsey, one of Mr. Moss's sub-agents under the metropolitan contract, who it appears owed the association $8,000 for advances, but claimed a credit of $3,000 for commissions earned by him, received by the association and paid to Mr. Moss. You directed the auditor to credit Mr. Halsey with $3,000 and charge it to Mr. Moss, and the auditor refused to do so, believing it to be a fraud on the association. You reiterated your order, and the above letter was the result, and instead of accepting his resignation you furnished Mr. Halsey with an unaudited account and carried out in this irregular way your purpose of practically making Mr. Moss a present of $3,000.

But so numerous were your violations of the rules and regulations, usually for Mr. Moss's benefit, and so flagrant were your dealings with him that the auditor could stand it no longer, and in July, 1898, wrote you the following letter:

F. A. Burnham, Esq., President:

Dear Sir,—I hereby tender my resignation, to take effect at once.

Our ideas of common honesty and integrity of management, which pledge us to the members of this association, are so radically different that, possessed as I am with the personal and positive knowledge of so many questionable transactions which have been approved by you, I cannot and will not be further connected with this association under your management. Yours truly,

(Signed) J. S. HOFFECKER,
Auditor of Accounts.

I am informed upon the best authority that no regular or complete account was ever kept in the books, as is kept with other agents, showing the commissions earned by Mr. Moss. They were paid upon his memoranda and verbal requisitions, and so your mandate to Mr. Stevenson was literally carried out, viz.: 'Obey Mr. Moss's orders whether they conflict with your instructions or not.'

I have recently seen copies of three cheques paid in this way and which are a mere indication of the magnitude of these irregular transactions. One, dated 13th April, 1897, for $15,000; one dated 13th July, 1897, for $15,000, and one dated 13th October, 1897, for $20,000. There were other similar cheques amounting to $32,000, aggregating altogether $82,000.

I am informed that if Mr. Moss's transactions with the association were honestly adjusted it would be found that $200,000 would not cover his indebtedness.

In writing this letter I am performing the most disagreeable task that I have ever performed. I have a mass of information before me from which I have selected only a few items as to which Mr. Moss and you are more or less connected. But there are other very serious matters which apparently concern yourself alone.

Up to the date of Mr. Harper's death he had a claim upon the association of $60,000 per annum for renewals under certain contracts made between himself and the association in its earlier days, and by his last will he released the association of one-third of this claim upon the condition that you should be elected his successor. You were accordingly elected, and of course the claim to the extent of one-third, or $20,000, per annum was thereby extinguished. Ordinarily an extinguished claim has no great marketable value, but you turned this one into gold by merely having your name placed upon the pay-roll for the required amount. You, therefore, got the presidency for which the legacy was given, and you got the legacy also. I respectfully suggest that you call this fund a secret service fund, and persuade Mr. Moss to come back and take charge of it.

This pay-roll must be a remarkable document, for no one is allowed to see it except the paymaster and yourself. On the 18th of July last I wrote you as follows:

'As I desire in my official capacity, as chairman of the executive committee, to inspect and verify the pay-roll each week, kindly instruct Mr. Butts to submit it to me. He informs me that his instructions are not to allow any one to see it without your order.'

Although I have been a director for several years and chairman of the executive committee, I am denied the right to see this document. I am now informed that it is used for all sorts of irregular purposes, and that under cover of regular salaries large payments are being made constantly which have not been properly authorized. I had a glimpse of its working upon one occasion when you and Mr. Eldridge and I met a few months ago to discuss a percentage reduction of our salaries, which was carried out. [This was a farce reduction of salaries, as it only lasted three weeks, except in the cases of Mr. Wells and Mr. Stevenson, who would not accept the increase.—Ed. Interview.] I supposed at the time, and you both led me to believe, that Mr. Eldridge's salary was $200 per week, and it was reduced on that basis, but afterward I learned that he was on the pay-roll in two places and that the reduction only affected about half of his salary.

Amongst others, as I am reliably informed, the name of one of your outside directors appears on the roll for a salary of $300 per week, although he has no duties to perform and no work to do, other than attend the weekly meetings of the board, for which he receives the usual allowance. The purpose for which this large salary, amounting to $15,000 per annum, is paid, has, I understand, never been communicated to the board or the executive committee, and has only recently been divulged by accident.

I do not know whether Mr. Miller's name is on the pay-roll or not, but I have reason to believe that he has been paid a salary of $500 per month for doing absolutely nothing.

By all accounts the pay-roll is an amusing document, but it is unfair to the rest of the directors that you should have all the fun to yourself.

If the pay-roll is fair and square it ought to be open for inspection by the chairman of the executive committee at all events.

Early in July, 1898, with the unanimous approval of the board, the executive committee met and resolved upon a general reduction in the salaries, my own salary being reduced by one-third. I do not know exactly how this plan was worked out, nor whether the reduced scale has been adhered to, and not having access to the pay-rolls do I know whether there were other incidents similar to that which occurred in the case of Mr. Eldridge, to which I have referred, but within a few weeks after the reductions were made the executive committee proposed against my protest to reinstate my salary to the extent of $50 per week. I then deemed it expedient to put my protest upon record, and wrote you the following letter:

New York, July 18, 1898.

F. A. Burnham, Esq., President.

My Dear Mr. Burnham :

Appreciating the action of the executive committee in increasing my remuneration by $50 per week, I cannot, in view of the present financial condition of the association, consistently accept of this increase.

The duty of the management is now plain. Every expenditure should be carefully weighed and where practicable cut down with a view of creating as large a surplus as possible from dues—income, and adding the same to our morturay funds, for the payment of death losses.

You will, therefore, if instructions have been given to the paymaster to add $50 per week to my salary, please countermand the same, as I cannot under any circumstances receive it.

I desire in my official capacity as chairman of the executive committee to inspect and verify the pay-roll each week, kindly instruct Mr. Butts to submit it to me. He informs me that his instructions are not to allow any one to see it without your order.

Yours respectfully,

J. D. WELLS,
Chairman Executive Committee.

During my absence in London, in July, 1897, to April, 1898, you conceived and put into force a plan nearly doubling the mortuary assessments of our older policy-holders. It was reported in London that this was done for the purpose of driving them out and selling the business to another corporation, but this was such a monstrous proposition that I declined to believe it. Apart from this, it was, in my judgment, a wanton, cruel, and unnecessary procedure. It made bitter enemies of our policy-holders. It utterly demoralized the agency staff. It strangled the new business, and it caused an avalanche of lapses.

Shortly after my return I interrogated you as to a circular which at the time of the last reapportionment of rates you had caused to be sent to the fifteen-year policy-holders, and which notified them that their rates would be further increased each year, and specified their future increasing rates up to the age of eighty years. I characterized this circular as ill-advised and idiotic from a business point of view. Its certain effect would be and has been to drive out the healthy and keep the unhealthy policy-holders. It was alarming, unnecessary, and, I believe, unconstitutional. It was a departure from our well-established principles as advocated and fought for by our late president, E. B. Harper, and it was exactly what our enemies wanted.

I stated my views to you and asked for an explanation, and you replied: 'We had an object in issuing that circular.'

I did not then understand the full significance of your reply, but I do now.

Upon the cancellation of Mr. Moss's contract and making of a new contract in January, 1898, it was agreed that all commissions on deferred or unpaid premiums on business secured under the cancelled contract should belong to the association. Mr. Vrooman, in his letter to you of June 25th, puts this matter clearly and forcibly, and refers to a menorandum indorsed at the time upon a voucher by Mr. Underhill, who in all cases represented you, in these words : 'All credits upon 1897 business revert to the association, and we assumed the agents' accounts.' However, in February, March, April and May, 1898, Mr. Moss presented claims for commissions on business secured under his cancelled contract of 1897, the premiums on which became due and were paid to the association in 1898, subsequent to such cancellation, and you paid him $7,421.88 in cash, although you assumed his sub-agents' accounts, for which he was personally liable, to the extent of $158,000, and although he was indebted to the association on other accounts to the extent of at least $40,000. Was this larceny or hypnotism?

I do not charge you with having been Mr. Moss's partner in the cash matters to which I have referred, but you are probably not aware of the extent to which public opinion is against

you upon this question, nor how pronounced it is among the employees of the association who surround you. This is caused partly by your extraordinary intimacy with Mr. Moss, whom you cannot even respect, partly by the sudden display of extravagance and swagger in which you both indulged, but mainly because you have submitted in silence for a year to the most persistent and specific charges of fraud that I ever saw in a newspaper. This newspaper boldly defies you to take legal proceedings, which I submit is your duty to do officially if not personally. It is widely distributed among our policy-holders, not only directly by the publishers, but by the agents of rival insurance companies, and has done incalculable injury to the association. Mr. Harper would not have delayed criminal proceedings one single hour.

Under your instructions Mr. Eldridge recently prepared and submitted to the board for adoption a plan for reducing the annual expenditure by $500,000, and it is obvious that the adoption of Mr. Eldridge's report by the board is an official admission that no increase of the assessment was necessary. If this reduction is possible now it was always possible.

Had you adopted the plan of economical management, which you now recommend, even two years ago ; had you not by your transfer plan cheated the mortuary fund of $300,000, and squandered at least much more upon Mr. Moss, you would have saved over $1,000,000, which was more than enough, saying nothing of the reserve fund, to meet all demands without resorting to the expedient of increasing the assessments.

If the association is to be saved it will not be under your administration. Nothing that you can do, nothing that you can say will restore public confidence. No one will believe that you have submitted to the humiliation that I have described ; that you have deliberately ignored the rules and regulations of the association ; that you have permitted with open eyes the demoralization of the agency department ; that you have compelled thousands of our policy-holders to abandon their policies, and that you have insulted the name and memory of your friend and benefactor all for the sake of your friend Mr. Moss.

Mr. Moss is an excellent confidant in many respects, but he lacks one indispensable qualification—he cannot keep his mouth shut.

While I firmly believe in the solvency of the association I am convinced that public confidence can only be restored by your resignation and by the election in your stead of a man with stainless name and a national reputation. I prefer Gen. James because, having resigned the first vice-presidency, his acceptance of the position of president would have a practical significance and do more to restore public confidence than the election of any other man. If under his administration a circular were issued promising reduced expenses, an honest organization I believe that confidence would be restored, and that some atonement would be made for the maladministration of the past three years.

You have doubtless been informed that criminal proceedings are imminent and have been temporarily delayed. Personally, I am averse to such extreme measures, although others insist upon them. My only desire is to save the association, and if that can be accomplished by your resignation I am, so far as I am concerned, willing to let by-gones be by-gones. But, inasmuch as I regard your remaining in office to mean the dissolution of the association sooner or later, I shall do my duty no matter what may be the consequences.

As to the general management, you have placed yourself in the hands of an able but unsuccessful actuary ; as to the management of details you placed yourself in the hands of a scheming adventurer ; in fact, you handicapped yourself right and left. You assumed toward almost everybody who approached you, particularly the agents, an arrogant manner, and you often personally insulted them. On one of those occasions you declared to Mr. Page of Baltimore, one of our oldest, most respectable, intelligent, and successful agents, that to be an agent of President Harper's time was detrimental to his future success, and this sentiment, controlled all your movements.

You and Mr. Moss forced several of our very best agents to give up their contracts, such men as Mr. Page, of Baltimore, Mr. Robison, of Omaha, Mr. Easton, of Cincinnati, Mr. Ludwig, of Erie, and Mr. Hay, of Charlestown, and I have had numerous letters from several other prominent agents who tell me that they only remain at their posts because they feel confident that there would soon be a change in the management. On the other hand, many of the agents employed by Mr. Moss, particularly in the transfer business, were unscrupulous, and most of the transfers were obtained by fraud and misrepresentation. He preferred agents of the Zucker type—Zucker, the great manufacturer of San Francisco, and the controller of the western coast, according to Mr. Moss, and to whom he gave a salary of $200 per week, ($10,000 per annum.) Mr. Zucker sent in no business, of course, but it was not until Mr. Cameron went to San Francisco and found him occupying a single small room in a back street and engaged in making puff balls for killing moths that his contract was cancelled. Nevertheless, Mr. Zucker, although expensive, was harmless and preferable to many of Mr. Moss's agents.

You have been tried and found wanting ; you have disorganized the whole agency organization ; you have squandered our resources ; you have needlessly and cruelly driven out thousands of the older members and terrified the rest ; you have depleted the mortuary fund to the extent of at least $300,000 in one transaction, and while you have diminished the surplus, the assets, the business in force, and the new business, by millions of dollars, you increased the cost of management last year by nearly a quarter of a million ; you have made the association a by-word and a laughing stock all over this continent ; you have had enough of it, and so have the policy-holders, and in the name of those who are left I ask you to resign.

Yours truly,

(Signed) J. D. WELLS.

Is not that a terrible indictment from one of their own men ? They submitted this question to General B. F. Tracy, I think he was secretary of the United States Navy and he is recognized to be one of the greatest lawyers in America. This is what he writes to the auditor :—

My Deas Sir,—In answer to the first question submitted in writing by you to me—namely, is

there a prima facie case for a criminal prosecution against Mr. Burnham or Mr. Moss or both of them, I have no hesitation in saying that, upon the facts submitted by you to me, both Mr. Burnham and Mr. Moss have committed acts which submit them to criminal prosecution.

The contract in 1897, referred to, must under the constitution and by-laws of the association be executed by the executive committee, and could not be made by the president alone. Any secret material change or modification of that contract after its execution by the proper officers of the association, as made by the substitution of, the middle sheet of that contract would amount to the crime of forgery committed by all parties participating in a fraudulent substitution of the sheet.

Referring to the bequest of E. B. Harper to the company and to the subsequent resolution by the board placing this request at the disposal of the president. 'To be used by him in the interest of the association,' if it shall appear that this money has been drawn by the president and appropriated for his own private use he is guilty of the crime of larceny.

Referring to the draft of 1,500 pounds drawn in favour of Moss's account and the subsequent direction of the president to have the amount of this draft credited to Moss and charged to 'Agency Expenses' for special services rendered by Mr. Moss during the last half of 1896, and if it shall appear as you state that Moss rendered no services and that no vouchers were ever presented for such services, and that this was but a fraudulent device to transfer to Moss the moneys of the corporation for which he had rendered no services, Mr. Burnham is guilty of the crime of larceny and both Burnham and Moss are guilty of conspiracy to defraud the company.

Upon the facts stated by you there is, in my judgment, abundant cause to petition the attorney general to institute a suit in the name of the people for the removal of Burnham on the ground of official misconduct, from office, both as trustee and as president of the association.

Yours very truly,

B. F. TRACY.

Now that is a pretty sweeping opinion to give and publish in the newspapers far and wide, yet we in Canada, with all the checks we have know nothing about it. I have been four years trying to prevent this company from robbing the people in Canada, but somehow our Lady of the Snows freezes up sometimes. Mr. Cameron of Toronto says that if anybody wants to take action he should do so at once before all the assets of the company are gone. Mr. Cameron was taken down there from Toronto, where he had been under secretary of the treasury. He was taken there at a large salary. He writes in one of those papers to the company that if the men that are interested want to get their money they cannot be too quick in sueing. But how are poor widows and orphans to successfully sue a company like that ? Take the case of a man who has saved year after year, hoping at his death to leave something for his widow and orphans. What position are such people in to sue a company ? Our law courts are all right and loyal men, and they will act as long as you have money to keep a law suit going, but no longer. I remember a case in Rothesay where two brothers Mickey and Billy Bradley quarrelled and resorted to litigation. When the trial took place Mickey turned up but Billy did not. The lawyers bowed to the judge and to one another, went into a room and came back and said the case was settled. The result was they got $300 from Billy. To raise it he had to mortgage his farm, and they finally got the whole of Billy's farm from Mickey. There was no money to go on with the suit, and so they settled the case. I will give you the statements of the Insurance Commissioner of the United States. He was asked to put the company into liquidation, but he says in his report, I cannot do it under the law ; it is not a stock company. If there are a hundred men who are willing to assess themselves all the time, how can you prevent them doing so ? So long as they can get assessments from the people we are not able to put them into insolvency. I wrote to the various commissioners in the United States asking them what they had to say about it, and I received this from the Hon. E. H. Dearth, insurance commissioner of the state of Minnesota. He says—and this will meet my case :

Of the regular ordinary assessment class of associations, which apparently is now undergoing a life and death struggle, is the Mutual Reserve Fund Life Association of New York City. Its sworn statement filed with this department, covering its business and financial affairs as of December 31, 1900, shows accumulated and unpaid death claims of an amount exceeding $1,800,000, which exceeds by more than one-half the total amount of claims paid during the entire year of 1900.

While they were assessing all those unfortunate people under the plea that they required the money, they were leaving those claims unpaid. How could any of the insured know what was going on in that office, when Mr. Burnham and vice-president Eldridge do not know what is going on ? There is nobody to tell the public that the company are not paying claims as

they mature, but they scale all the policies they can by representing that something was wrong with the risk and they have a clause in their articles of association which says that they are not bound to pay anybody until sixty days after they have accepted proof of claim. But they take a long time to accept proof of claim. They put up a contention that a man was not a good risk, or some other such contention, until claimants are glad to take anything they can get, and they scale them down to whatever they can force them to take for their claim. Having done that they require them to sign a letter saying how honourably they have been treated by the company, and this letter is published. The commissioner continues:—

In addition to this enormous accumulation of claims there were many thousands of dollars due for accrued and unpaid indebtedness, on account of expense, &c. As a result of this showing, and numerous ugly rumours concerning its management, which had persistently come to the attention of the department, I deemed it my duty, as a matter of safeguarding the interests of the present and prospective Minnesota policyholders to make a thorough investigation of its affairs previous to issuing its renewal license and the officers of the association were accordingly advised by the following letter, under date of March 20, 1901 :

Gentlemen,—In checking over your annual statement it is clear to be seen that your financial condition is anything but satisfactory. A company that has on its books accrued and unpaid losses in the sum of nearly $2,000,000—to be exact, $1,825,119—which amount is but little less, comparatively speaking than its total available cash assets, certainly has reason to feel very doubtful as to its future. In addition to this it appears that there is due for salaries, rents, and other incidental expenses nearly $61,-000.

I am frank to state that I am inclined to hesitate very much about granting a renewal license to your company for the transaction of business in Minnesota during the present year. Taking into consideration the actual financial showing as set forth in your sworn statement, together with the numerous ugly rumours that have come to this department as to the exact status of your financial affairs, it seems best in order that the interests of the policy-holders of this state should be fully protected that the renewal license of your company be held pending an investigation which I have under consideration of your company's affairs. I shall endeavour to visit the office of your company some time during the month of April for the purpose of entering upon the proposed investigation.

Yours very truly,

ELMER H. DEARTH,
Insurance Commissioner.

I have also a letter in my hand written by Lloyd Wilkinson, State Insurance Commissioner at Baltimore, which is as follows :—

Dear Sir,—For many months past this department has been receiving numerous complaints and inquiries as to the way and manner of your conducting business and as to the financial standing of your company. Some of these complaints we have thoroughly investigated, and the facts either admitted on your part or proved on the part of the complainants show such a state of affairs as renders it absolutely necessary, if we desire to protect the interest of policy-holders in this state, that I should notify you of my intention to refuse to issue a license to your company to do business in this state for the next year, unless your action in laying liens against the old policy-holders shall be reversed. Out of the numerous complaints made against your company I made a thorough investigation of the Buckman case.

.. ..

In my effort to learn all the facts that could bear upon the question and make the best showing possible for the company, I visited you in New York, talked freely with your counsel in this city and sought information in all directions. The report of the New York department is anything but a compliment to the company. From the beginning to the end it is simply a series of criticism upon its management. I did not order an examination of the company, because there were sufficient facts admitted to be true to justify me in refusing to renew your license.

I send you this notice in ample time for you to take any legal steps that you may deem desirable.

Very truly yours,
LLOYD WILKINSON,
State Insurance Commissioner.

Here is a paper which was placed in my hands this morning, sent from New York. It is called the 'Life Insurance Independent.' In it I find the following.

THE MUTUAL RESERVE LIFE INSURANCE COMPANY.

Marshall, Minn., Oct. 6, 1903.

To the Editor,—I have a prospect who carries a $2,000 policy in the Mutual Reserve Life of New York. He is 61 years old and pays about $60 a year. Would you consider it in any degree safe, or would you advise him to drop it at once and buy regular life insurance ?

————Dist. Agt.

———

We are in constant receipt of such inquiries as yours. As responding by mail is becoming wearisome, we trust that the following answer may serve for some time to come :

Judging from the premium paid, your client probably holds one of the old assessment policies which comprise the bulk of the company's business. If so, it is also probable that there is a reserve lien against the policy for a large amount, and that a further lien for extra mortality will be asserted after his death, leaving the beneficiary but a fraction of the face amount. In most cases such policies have been settled for from 35 to 50 per cent of the sum to which the beneficiaries supposed themselves entitled.

If your client is now insurable, we are constrained to advise him to seek protection in a sound and safe company without delay. If he is unable to secure insurance elsewhere, he must judge for himself whether it is advisable to hold on to what he has in this company, after considering the following facts :

OF DOUBTFUL SOLVENCY.

The financial condition of the company is such as to inspire little confidence in its solvency or permanence. Its last annual statement (Rhode Island Insurance Report, 1903, page 112) shows total admitted assets of $5,741,678.70, with net liabilities of $4,226,658.28, leaving a possible margin of $545,020.42. A brief glance at the character of some of those assets will indicate the precarious and doubtful nature of that surplus or margin of $515,020.

In the first place, the claim of over five millions of gross assets is essentially deceptive in that over two millions of this sum consists of reserve lien. These liens represent the amount which the policies against which they are charged will be scaled down at death. They are not genuine loans, do not represent a dollar of money ever held by the company or received by the policy-holder.

These liens, however, bear interest at 5 per cent, and the foregoing assets include interest due and accrued thereon to the amount of $90,-835. This makes almost one year's interest on the whole amount, and means that much of it is past due. This overdue interest is largely on policies that the holders have determined to abandon, and will therefore never be collected.

The book value company's estimate of the real estate included in the assets is put at $682,-448.04. Of this amount $483,660.50 is the company's valuation of what is known as the 'Mutual Reserve Building.' The company does not own this building nor the ground upon which it stands nor any part of either, this property belonging to the Wild Estate of Boston, Mass. It has simply a lease of the building (with about 30 years yet to run) upon which it pays a rental to the owners of $60,000 a year, and is held also for all taxes, repairs, insurance, &c. It is expected to recoup itself from rents by sub-letting, but so far there has been a deficit in nearly every year. It is extremely doubtful whether a level-headed business man could be found who would be willing to take the lease-hold off the company's hands as a gift, if he were obliged at the same time to become personally responsible for the ground rent, taxes, &c. This item was disallowed by the Massachusetts insurance department to the amount of $250,000.

Included in the assets also is the alleged 'market value of real estate over book values, $59,382.38.' As over 70 per cent of the alleged real estate consists of the said lease-hold, and as any valuation of real estate is at best only an estimate, you may judge for yourself as to the probable value of that item of $59,382.38.

A further item of assets consists of first year's premium notes, $40,114.79. Every insurance man knows that first year premium notes are not on the average worth 50 cents on the dollar, and they are rarely allowed as assets, even when a corresponding reserve is charged against them. As the Mutual Reserve is on a preliminary term basis, there is no reserve in the first year, so that this item of $40,114.79 simply represents the unsecured notes of Tom, Dick and Harry, generally irresponsible and who are pretty sure to become dissatisfied with their contracts before the notes come due, and to repudiate them accordingly.

Included in the list of assets is the sum of $832,594 'uncollected and deferred premiums.' This item is remarkbly large for a company with a total premium income of only $4,579,808.82, and indicates that a large part of these 'uncollected' premiums never will be collected. To illustrate the extraordinary disproportion of this item, compare it with other companies. Then New York Life for example, with a premium income more than 14 times that of the Mutual Reserve, had only 5½ times as much in deferred and uncollected premiums. The New England Mutual had a total premium income of $4,562,-764, or practically the same as that of the Mutual Reserve, while its deferred and uncollected premiums were only $558,491.32, a difference of $274,103. In addition to this the Mutual Reserve claims 'net premiums in transit' $137,-260, an item of extremely doubtful character and not found in the report of any other company so far as we have been able to discover. If allowed at all, it should be added to 'uncollected and deferred premiums,' making that item $969,854.

Look now at the list of assets of doubtful character as referred to above :

Interest on liens	$ 90,835 00
Valuation of leasehold	483,660 50
Alleged market value of real estate over book value	59,382 38
First year premium notes	40,114,79
Uncollected and deferred premiums	832,594 00
Net premiums in transit	137,260 00

It is impossible to escape the conviction that a considerable part of each of the above items is worthless, and that an honest examination of the company would throw out much more than enough to sweep away its supposed surplus of $515,020.42.

DILATORY SETTLEMENT OF DEATH CLAIMS.

It cannot be denied by the company or its friends that it is extremely given to delaying and resisting payment of death claims—far more so than any other company in the field. This charge we make without fear of even an attempt at refutation. The company's last annual statement shows total unpaid claims of $1,088,147.57, although the total amount paid for losses during the year was only $2,878,068.88. And it must not be overlooked that the unpaid claims do not include the face amount of the policies, as in the case of other companies, but the net amount after deducting liens. To illustrate : A policy of $1,000 having become a claim, with liens of say $350, the claim will be listed as an unpaid loss of only $650 ; yet that same claim when once settled will be entered in 'losses paid,' for the full face amount of $1,000. This is another respect in which the reserve lien system is a constant source of deception to the public. Unpaid or contested claims are reported at the net amount—the face of the policy less liens. Once the claim is settled it is reported at its face amount.

RAPID DECLINE OF THE COMPANY.

Nothing shows more clearly the dissatisfaction of those insured in the company and their want of confidence in the good faith of its management, and nothing indicates more forcibly the early dissolution of the organization than its rapid loss of membership. On December 31, 1896, the company had insurance in force to the

amount of $325,026,061. Since that date and up to December 31, 1902, it has written $211,068,976 more, making a total of $536,095,037. On December 31, 1902, it had in force $127,960,188, indicating a loss in six years of $408,135,849. In other words, it has lost over 74 per cent of the business which it had in force six years ago and what it has since written. The following table indicates the rapid disintegration that is taking place :

Year. Dec. 31,	New insurance written.	Insurance in force,	Loss from prev's. year.
1897..	$56,234,785	$301,567,101	$23,458,960
1898..	32,027,390	205,841,936	95,725,165
1899..	22,931,580	173,714,683	32,127,253
1900..	55,880,616	180,646,239	.....
1901..	21,648,365	155,358,627	25,287,612
1902..	22,346,240	127,960,188	27,398,439

In 1900, as per above table, there was an apparent gain of nearly $7,000,000 owing to the absorption in that year of the deteriorated risks of the defunct Northwestern Life Insurance Company, an insolvent assessment organization of Chicago. The business thus secured was stated by the company at the time to be about $60,000,000, but as much of it lapsed without paying another assessment, the net amount acquired was less than that, the whole business written during the year being placed at $55,880,616.

YOUR PLAIN DUTY.

Let me ask you now, does it seem to you that you would be justified in advising any man who is struggling to make provision for his wife and children to hazard all upon a company which gives so little promise of permanence, whose present solvency is a matter of such grave doubt, whose management is so remiss in settling with the widows and orphans of deceased members ? Why should a trust so sacred be placed in such hands when the man can have his choice of a number of old well established companies concerning whose permanence there cannot be the shadow of a doubt ?

UNDER THE OFFICIAL BAN.

No man can afford to take any chance in placing interests of such vast importance. A life insurance company which is in general disrepute with its own members, and which is condemned by even a single insurance department because of its financial condition or its failure to keep faith with its policy-holders, should not be trusted for a moment. State insurance departments are proverbially lenient in their treatment of concerns of doubtful solvency. Many department officials are merely subservient politicians, some have little latitude under the law beyond requiring the filing of an annual statement, some shirk their duty under cloak of 'courtesy' to the home department of the offending company, and some alas! are notoriously corrupt. Under such conditions, the refusal of a single state to license a company on account of its financial condition or its failure to keep faith with policy-holders should be a sufficient warning to any man to give that company a wide berth. Of some legal reserve organizations in the United States, many of them reorganized assessment companies like the Mutual Reserve, we know of but one that has been refused a license in any state for reasons stated above, and that one is the Mutual Reserve. Insolvent and illegal assessment companies are frequently under the ban, but only one legal reserve organization rests to-day under official condemnation.

The Mutual Reserve is at this time excluded for cause from the eight states of Minnesota, California, Colorado, Tennessee, Kentucky, New Hampshire, Vermont and Connecticut, and from the district of Columbia. It has at times in the recent past, for reasons affecting its financial condition or the integrity and good faith of its management—its failure to pay death claims in accordance with contract, &c.—been temporarily excluded from such states as Maryland, Nebraska, Wisconsin, Illinois, Indiana, Iowa and others. Its business in Kentucky is to-day in the hands of a receiver, and in Canada it is to be called upon to defend itself in a senatorial investigation against the charge of having made false returns to the government.

Is not the presumption clear that it would be unwise for any man to entrust the welfare of wife and children to this organization, when he can have the choice of so many that are above suspicion and beyond reproach? Is it not equally clear that you and I shall be remiss in our duty to others if we fail to warn those looking to us for advice, not to place their trust in such an institution as this?

Through the courtesy of some members of this House, I am allowed to proceed with this motion to-day. I was anxious earlier in the session to have placed this matter before the House in order that we might have time to think it over and that nothing unfair might be done. Out of deference to the hon. Secretary of State, I stayed my hand for the moment, but after his declaration yesterday the course is clear. The government, I am pleased to see, have abandoned the company because had the government been able to satisfy me, I should of course have bowed with deference to the ministers of the Crown who have had such large experience in the affairs of this country, and I should have considered what I would do.

Here we are protecting them, and there is only one term applicable to the assured ; they are a parcel of suckers. These men are getting our money and at the same time they are in the hands of a receiver in the state of Kentucky. Here is what the Hon. J. Martin, Q.C., wrote :—

George T. Eldridge,
Vice-president of the Mutual Reserve Life Insurance Company, New York.

Dear Sir,—Yours of the 17th inst. to hand. It seems to me that in connection with my policy I have been the victim of a deliberate swindle on your part. Your last letter admits that the deduction of $1,508.90 which you caused to be made in the face value of my policy as of the 23rd January, 1901, was made in pursuance of section 3, article 7 of your by-laws, which said section was amended at the meeting which took place on the 23rd of Janu-

ary, 1901. When I received notice of the proposed amendment I wrote you on the 21st of January, 1901, and I received your reply dated the 30th of January, 1901, in which you state in the clearest language that the proposed amendment could not in any way effect my policy.

The company write and say they could not affect his policy but put it on him nevertheless. The letter continues :—

I then received a letter from you stating that two days after I had written my said letter, and seven days before you had sent me said reply, my policy was charged up with said sum of $1,508.90. In your letter received to-day, dated February 17th, 1903, you state that notice was sent to the several policy-holders affected by the amount of the existing deficiency. No such notice was ever sent to me.

They got the money first before they let him know they were putting it on him. The letter continues :—

Since receiving your letter of January 30th, 1901, I have continued to pay the by-monthly assessments and also paid three additional assessments on the clear and distinct understanding and agreement that I had a policy good for $10,000 in case of my death. You now come along and inform me that if I had died at any time subsequent to the 23rd day of January, 1901, the said sum of $1,508.90 would have been deducted from my said policy.

The poor people do not know what these officials in New York will do to them. The letter proceeds :—

If you can give me any plainer instance of deliberate fraud and of obtaining money under false pretenses I would like to receive it from you.

If you or any of the other officers of this company who have been guilty of this plain deception upon me, will come into Canada I will prosecute you under our criminal laws, for obtaining money under false pretenses, and you will have the pleasure of putting in a considerable period of time in one of our jails or penitentiary.

If you had sent me notice of the proposed change or if in answer to my letter of the 21st of January, 1901, you had replied that the matter would be taken up later, and that I was liable to be charged with that sum or some other sum, I could then have had the option of continuing my payments, but you deliberately kept me in the dark and in fact expressly lied to me in your letter of January 30th, 1901, for the purpose, as far as I can see, of inducing me to continue my payments to your company on the assumption that my policy was intact.

I may say that I took this insurance from Mr. A. R. McNichol, a gentleman in whom I have always had the greatest of confidence as an honourable man. I am sending him to-day copies of your letters of January 30th, 1901, December 22nd, 1902, February 17th, 1903, and a copy of this letter.

I am well aware that the statements I am making in this letter charging you with deliberate crime are actionable, if not true, and in fact would subject me to a charge of criminal libel. I should be very much pleased indeed if you would take proceedings of that kind against me, so that I may be able to show to the public at large and more especially to your deluded policy-holders, the manner in which I have been treated.

What kind of a letter was that for a company to get ? There is a letter from James R. Young, insurance commissioner, dated April 12, 1904, in which he states :—

This company is not now doing business in this state. They left the state June 1st, 1899. They were not ruled out of the state, except that they were not willing to comply with the requirements of our law. Since that time they have not been licensed to do business in this state and have done no business legally; but have furnished over three-fourths of all the suits in this state commenced and prosecuted against insurance companies and associations. Their record in this state is not good.

Then a letter from E. Myron Wolfe, commissioner, San Francisco, reads as follows :

The Mutual Reserve Life Insurance Company applied for a certificate of authority as a legal reserve company, and I have declined to issue same. Suit has been brought by them against me, praying for a writ of mandate to be issued to compel me to grant them a certificate of authority, and also for $50,000 damages. This is now pending in the court.

Then a letter from the state of Kentucky reads as follows :—

The reason of the non-license of this company is on account of its existing conditions at the time of its changing from an assessment to a legal reserve life insurance company, and its treatment of its policy-holders in Kentucky and elsewhere was such as to impress the insurance commissioner of this state with the opinion that it was no longer wise for him to permit this concern to do business here.

In reading this I want to show the House that the statement in the newspaper is correct. It is not all balderdash. I am proving what is in the newspaper by letters received by me during this session of parliament from Lincoln, Nebraska. Mr. Pierce, insurance deputy there writes :—

Replying to your letter, will state that this company has been doing business in this state, but at the present time license is withheld on account of a protest which has been filed with this department against the company. The protest charges that the company has not dealt fairly with certain of its members in regard to their assessment. I cannot say when this protest will be heard.

Then the state commissioner of Louisiana writes :—

This company withdrew after controversy because of ruling of department requiring all patents to be stamped 'assessment plan.'

This will show that the question I am bringing up now is not at all new. It is a

matter that is known to all the insurance people in the world. Yet we in Canada are compelled to submit to the treatment we are receiving, and we can get no redress. I am not charging the government with making the law. I am not charging that the government can help the law. I am only saying the law exists on the statute-book in such a way that it is hard to get redress. Now, with all these statements, can hon. gentlemen be surprised at my taking the matter up ? These letters are written from different sections of the Dominion. Can hon. gentlemen be surprised at my taking up the case and coming to this House of Peers, as it is called, the head law makers of the country, to men of experience who are here to inquire into such matters ? Can it be said that I have no case, that I was simply trying to make a personal attack on these people, that there was nothing in it ? I have only started to place before hon. gentlemen enough evidence to justify the course I am taking and I have a good deal more to bring before the House. Having justified the line of action I have taken I will ask the House to adjourn the debate until the government brings down the information I have asked for, and which when placed in the hands of hon. gentlemen will show whether what I have said has any bearing on the question.

Hon. Mr. SULLIVAN—How far would the deposit which the company has made with the government go in paying the policies issued in this country ?

Hon. Mr. DOMVILLE—A very short distance, but I propose to suggest to this honourable House a remedy when we get down to that. I think I will be able to show we are paying $350,000 a year into the hands of this company. I am speaking in round figures. I think only $200,000 or $250,000 went to New York last year to the head office. I would suggest to the poor bleeding policy-holders that they put all the assessments in a bag here, and not send it over there to be spent in diamonds and brooches and such things.

Hon. Sir MACKENZIE BOWELL—I noticed in the commencement of the hon. gentleman's statement he said a case had been tried in England which led to a decision by the judges of the court there for the return of all the premiums and four per cent. He did not tell us the cause of action. We should know that.

Hon. Mr. DOMVILLE—It was an action for breach of contract. Foster had taken out a policy under certain terms, and there was gross misrepresentation on the part of the company, and the Court of Appeal so ruled, and ordered the company to pay back all the money they had received with four per cent, which is the legal rate of interest. I will move the adjournment of the debate until we get the return I have asked for.

Hon. Mr. KERR (Toronto)—We should not have this debate going on from day to day.

Hon. Mr. DOMVILLE—It is very important.

Hon. Mr. KERR (Toronto)—Yes, and that is just the reason why it should not be allowed to stand from day to day. Statements have been made which ought to be answered.

Hon. Mr. DOMVILLE—I should be very willing to fix Friday, so that there will be time to obtain the return. It is all important for the people of this country. There are twelve million dollars belonging to widows and orphans at stake.

Hon. Mr. KERR (Toronto)—I submit there should be a definite adjournment till a particular day, so that we would know when the matter was to come up ; otherwise the motion may never be reached.

Hon. Mr. DOMVILLE—I am informed the papers will be brought down by Friday.

Hon. Mr. KERR (Toronto)—If my hon. friend will consent to its standing till next week I would have no objection. Otherwise I should wish to say something on the motion to adjourn.

Hon. Mr. DOMVILLE—Then I will fix it for Monday.

The SPEAKER—Then it is understood that the debate will be adjourned till Monday next.

The motion was agreed to.

SECOND READINGS.

Bill (F) An Act to incorporate the Cedars Rapids Manufacturing and Power Company.—(Hon. Mr. Domville.)

Bill (9) An Act to revive and amend the Acts respecting the St. Clair and Erie Ship Canal Company.—(Hon. Mr. Lougheed.)

Bill (11) An Act respecting the British Columbia Southern Railway Company.—(Hon. Mr. Lougheed.)

Bill (13) An Act respecting the Canadian Pacific Railway Company.—(Hon. Mr. Dandurand.)

Bill (14) An Act respecting the Atlantic and Northwest Railway Company.—(Hon. Mr. Baker.)

Bill (15) An Act respecting the Ottawa, Northern and Western Railway Company.—(Hon. Mr. Dandurand.)

The Senate adjourned.

THE SENATE.

Ottawa, Wednesday, April 20, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

BILL INTRODUCED.

Bill (G) An Act for the relief of Jennie Davison Moore.—(Hon. Mr. Kerr, Cobourg.)

INSURANCE ACT AMENDMENT BILL.

FIRST READING.

Hon. Mr. KERR (Toronto) introduced Bill (H) An Act to amend the Insurance Act. He said: In moving the first reading of this Bill, perhaps it would be convenient that I should say a word or two by way of explanation. Under our law, as it stood at the time of the General Insurance Act, insurance companies were authorized to organize and were authorized to do business on what is known as the assessment plan, the plan about which we heard something yesterday. In 1885 one company, doing a large business on the other side of the line, took advantage of the provisions of the Act and became licensed by the then government to do business on the assessment plan. This assessment plan is after the fashion of the Mutual Insurance business. It means that assessments are to be made in proportion as holders of policies hold policies in amount and in proportion as the calls are payable in respect of their policies. Premiums are required for the maintenance of them and they shall contribute such sums as may be necessary to provide for losses arising through the death of members. It was supposed that by determining upon a certain proportion of calls that these sums would cover the amount of the death losses or would approximate it, and that so the amount which would be required, and which would be paid according to the systems that were adopted by all the companies on their obligations in respect of death losses, would be made. It will be apparent to hon. members that the efficiency of such a system would be dependent entirely upon the amount of assessments required in such cases, and if the amounts which were required to be paid were not sufficient, new assessments would have to be made. Under this plan the company which was referred to yesterday in another debate, to which I do not intend to refer, but which I mention now for the sake of convenience to impress it on the members' minds, made application and became licensed to carry on business on the assessment plan. In their case it appears that their expectation was that by doing a large volume of business, the percentage of cost and the percentage of losses would be less in proportion than they would be in the case of a small business, and so with a determination to push the company they succeeded in building up a very large business. So long as that business was increasing and growing it was not apparent that the estimates and plans on which they were working were fallacious. It was assumed, in other words, that as the business grew and assumed sufficient proportions the interest upon the investments and the small margin there might be and the reduction of the proportion of cost—these things combined would enable the company to charge less premiums than under the ordinary system of life insurance which it is well known

to everybody would be required. Now, acting on that, they established this business, which grew to very large proportions, some $360,000,000 was stated yesterday to be the amount of business they had at one time obtained. That continued until, unfortunately, differences arose in the management. These became accentuated so that one side of the management, if you may use that expression, was so antagonistic that the other had to give way. One of the gentlemen whose names were mentioned yesterday was vice-president of this particular company and a director. When the election came on he was dropped and ceased to be either a director or vice-president. As might naturally be expected, differences arose, and when those differences became public, the business of the company no longer increased. There was a stop, so to speak, in the growth of the volume of business, and it became apparent, as the business dropped, as specialists in life insurance had anticipated, that the system was not going to work without increased assessments. Large assessments would have been called for but for one reason or another they were not made. Ultimately assessments were called for, and these were so large in excess of what was anticipated that there was a great outcry about it, and so the business fell from $360,000,000 down to the figures which have been mentioned. I state this for the purpose of illustrating what is sought to be accomplished by this Bill. Under the provisions of the insurance law, as I say, the assessment plan was recognized. Then in 1899 an amendment was made in the law, at the request of the very company that was spoken of yesterday, to provide that such a company as that —but it was not special—could enter into what might be called the old line insurance business, and that it could, by serving a notice, start that new business, which was the old legitimate line business of life insurance, with fixed premiums of a standard called for, and required by the Act in cases of companies incorporated and licensed by the government of Canada to do business in that way. Then inasmuch as under the previous business that had been done by the company, reserves or sums representing reserve funds had been deposited with the government in amendment to the general law it was provided that in case a company would elect to go into the general business, the deposits which had been made with the government forming a reserve in respect to the assessment plan, should be kept separate and distinct from those which were paid in necessarily under the provisions of the law with reference to what I may call the level premium rate. So that in that way, under that provision, in the case of such a company as I am speaking of there would be two separate funds in the hands of the government; one applicable to and kept separate for and in respect of the assessment plan, and another kept separate and distinct for those that were in on the level premium plan—practically two companies carrying on business in that way so far as the deposits were concerned, but one company in its management.

Hon. Mr. DAVID—Does that mean that a deposit was made?

Hon. Mr. KERR (Toronto)—Yes. Under that plan the company has carried on in this country the level premium system, has made its deposit in the regular way with the government and left its deposit made under the assessment plan with the government. Under these circumstances the company having determined to abandon the assessment plan, the inevitable followed, which was that people who were insured dropped paying their assessments, and insured in other companies or insured on the other plan, and the result was that the assessment business fell down so that it represents, as was stated yesterday, somewhere in the neighbourhood of $8,000,000 on the assessment plan.

Hon. Mr. FERGUSON—In Canada?

Hon. Mr. KERR (Toronto)—Yes, and a much larger sum in the United States, although the great bulk of the business has been transferred to the other plan. Then the question arose, as will be apparent to anybody, if that was so, this being the residuum, so to speak, of the insurance business, the people who were remaining, the lives remaining, being less valuable from an insurance point of view, and more valuable as regards the parties themselves, because their life was more uncertain, probably could not get insurance in other companies, and so

paid their assessments, and these sums have been represented by deposits which have been made and which amount to some $228,000. But that business of course is of a different character from the new life insurance business. It is a residuum of the business on that plan. Under these circumstances, what is to be done? Because as these lives in the natural course would fall in, the residuum of funds would be resorted to in the ordinary course of business and the longer lives of the insured would have no provision—the funds would be absorbed and there would be no provision made in the shape of a reserve for them, so that the man who died soon in that case, might be the lucky one, as far as his heirs were concerned. It is the result, however, of a principle adopted, not by the company alone, but by different assessment companies, of trying to do business below cost.

Some people seem to think that insurance business is different from everything else, that it can be done below cost, so as a result of that this large business grew up, encouraged by the idea I spoke of before, encouraged by apparent success, and as long as the business was growing it looked as if it could be done at a profit, but the moment depression came it became apparent you could not do insurance business below cost at all. The idea was that of the old lady who represented she was selling everything she had in her establishment below cost, and when asked about it, she said yes, she made money, and when requested to explain how, she said 'Thank God I sells a great deal;' although she was selling below cost, by selling a great deal she fancied she was making money. That was the delusion under which many people insured in these assessment companies in the way I speak of. One other thing I wish to say and that is that only one company had availed itself of the provisions of the law of 1899 ; that is of giving notice of closing, so to speak, the assessment plan as to new business, and going into the new insurance on the level premium plan.

Hon. Mr. POIRIER—Which company is that?

Hon. Mr. KERR (Toronto)—That is the company referred to yesterday, the Mutual Reserve. That company, however, has gone into the level premium business, and is doing considerable insurance in Canada, and a very large business in the United States. Under the circumstances the question that is before us is, what is to be done with reference to the policies that still remain—the $8,000,000 of insurance still remaining on the assessment plan? It will be apparent that if the company is to continue this on its present system that there will require to be assessments made from time to time amounting to very large sums in order to provide for the residuum of business and the risks that are attending upon it; whereas on the other hand it might be that by making some change in the system and converting it from an assessment plan into a level premium business each one would bear his own share and contribute towards the amount of premium which ought to be payable in respect to the benefit which he would get. That benefit might be less than it was on its face supposed to be, but really be more than ever could be paid, because the assessments would so crowd people out that the business would absolutely come to an end in that way and loss to every one would be involved.

Hon. Sir MACKENZIE BOWELL—Have they abandoned the assessment system in the United States as well as in Canada?

Hon. Mr. KERR (Toronto)—Yes, their business very largely has been converted into the level premium business, as I am instructed. In this case the $8,000,000 of insurance which is remaining in Canada is the only part of the business which is entitled to resort to or get the benefit of the reserves in the hands of the government. It is the continuing policy-holders who are entitled to resort to that under any circumstances. Now, what is proposed as a means of dealing with this matter equitably and fairly is to convert all the present assessment business into a level premium business on some equitable plan that will not bear too hardly on those who are in it, and at the same time will at a minimum of cost give them the largest amount of insurance possibly available. With that object in view it is proposed that the law shall be amended, so as to provide that in the case of such a company—and there is only one company I may say at once, but the law

being a general law, must be amended in a general way—the holders of policies on the reserve plan shall have the option of coming in and taking a policy for an amount proportioned to either one plan or the other. The two plans which are suggested and the two options which are open to every policy-holder, are, first, that the policy-holder shall be entitled to a level premium plan policy for as large an amount as the average amount of assessment which he has paid over the course of time his policy has been running would now purchase for him on the level premium plan based on a table approved of by the government.

Hon. Sir MACKENZIE BOWELL—Would that system be based upon his age at the time of his insurance?

Hon. Mr. KERR (Toronto)—Yes.

Hon. Mr. DANDURAND—Not his present age, but his age at the time of entering the insurance company?

Hon. Mr. KERR (Toronto)—What it would now purchase for him, giving him credit in the respect of the reserve which is now in the hands of the government for him for his due share of what that would be as ascertained by actuarial tables, deducting only such a proportion as would be the minimum cost of carrying the business in respect of that.

Hon. Mr. McMILLAN—It does not mean a paid-up policy?

Hon. Mr. KERR (Toronto)—It does not mean a paid-up policy. In order to illustrate what I mean; if a man went in on the plan by which he agreed to pay assessments and had paid on an average one hundred dollars a year on assessments, he got a certain policy for that amount. He ought really to have paid in $150, say half as much more as he did pay on the level premium plan. Therefore, it was supposed he was carrying business on so much reduced rate. Now this would give him just the proportion of a policy instead of giving him one for the policy he supposed he was buying; he would get a policy assured on the level premium basis for the reduced amount, and he would be entitled to get in the shape of a bonus in addition added to his policy such a sum as his proportion of the present deposit in the hands of the government would give him. He would get, therefore, the full benefit of all that he has contributed towards that deposit and something more, and he would get the full benefit in the shape of a level premium policy for all the premiums which he had on the average paid. That is one of the options. The other option is that he should be entitled to keep his policy exactly as it is. Instead of reducing the amount of the policy which he would get, he would be entitled to keep his policy exactly as it is, and he should get credit for all the premiums which he has paid in the past in the shape of assessments, and that, as to the margin of difference between that which he has actually paid in the form of assessments and what he ought to have paid on the level premium plan, he should get credit for it and it should stand as a lien against his policy payable by him when the policy would mature—in that way deducted. Of course it is a charge on the policy, but it still gives him the benefit of keeping up the amount of insurance which he wanted to effect and carry in the first place, and he would require to pay no more premium in respect to the past, but it would be a charge—what he ought to have paid and has not paid would be a charge on his policy.

Hon. Sir MACKENZIE BOWELL—And would interest be payable on that?

Hon. Mr. KERR (Toronto)—Yes, at a low rate, and so in the future as to premiums, he would not be required to increase the premiums beyond what he has been paying, but he would be entitled to give credit in the same way. The option would be also given to him of paying up the premiums, if he did not want to take the new policy; he would have the option to do it, although it would not be compulsory either as to arrears in respect of the past or in respect to payments in the future. So that in this way he has two options; one of getting a level premium policy, a policy upon a sound basis, representing all the premiums that he has paid in the past and having no charge or obligation against his policy at all and only bound to pay in the future what he would have paid if he had insured on the level premium principle at the time he effected the insurance. The other plan is one by

which he is entitled, if he chooses, rather than do that, and some prefer it no doubt for other reasons—he can maintain the policy at the full amount that it was, get credit for what he ought to have paid and not be bound to pay it until the policy matures. So that in that way he would get the full benefit. In both cases he would be entitled to get the full benefit of his proportionate share of the deposit in the hands of the government, all of which would have to be worked out on actuarial plans and on plans which would be approved of by the superintendent of insurance.

Hon. Sir MACKENZIE BOWELL—Is there any provision to meet the case of an insurer who has failed to make the payments on account of the high assessments which had been imposed and he did not feel able to carry them on ?

Hon. Mr. KERR (Toronto)—It is impossible to do that by any plan yet suggested. It has been thought of and considered but no plan can be worked out.

Hon. Mr. SULLIVAN—Could we not get it in the paid-up policy ?

Hon. Mr. KERR (Toronto)—How could he get in the paid-up policy something he has never earned ? He has gone into a bad speculation and the money is gone.

Hon. Mr. FERGUSON—He could be reinstated by paying up the arrears.

Hon. Mr. KERR (Toronto)—No doubt that could be done. There are practically the three choices. While I have placed them under two groups there are really three choices, the choice of taking a policy for the amount represented by the premiums he has actually paid : there is the choice of maintaining his policy at the same rate as it stood when he made his application, and continuing a debtor to the company, only charged with the assessments which he ought to have paid, which have not been made against it and the third by paying up what those assessments would amount to and getting the insurance stipulated for on a sound and safe basis.

Hon. Sir MACKENZIE BOWELL—I think the proposition a very good one. I had in mind a case of this kind : a gentleman may have an insurance for $10,000. He had paid some three thousand cash to the company, and he found the assessments afterwards were so high that his means would not justify his continuing it. I think some provision, whether the hon. gentleman has made it or not, might be made to meet a case of that kind, either by giving the assured a paid-up policy equal to the amount he had paid, payable at his death, or any other time, or allowing it to continue on by making the payments.

Hon. Mr. KERR (Toronto)—One statement will show how impossible and fallacious such a thing would be, and that is this: There were $300,000,000 of insurance in this company, and all have been dropped but $80,000,000. In Canada there were $20,000,000 of insurance and $14,000,000, had been dropped. It is impossible to make $80,000,000 carry twenty, and therefore it is out of the question. The same thing occurs in every insurance company. There are many people who insure on the ordinary level premium plan, pay their premiums for a long number of years to tide them over some particular event, or intending to carry it on. A change of circumstances or other things intervene which prevent them or do not require them to continue the insurance and they drop it, and they drop every benefit there is arising from it. It must be borne in mind that this residuum of insurance is of a character that cannot be disturbed in any other way than some such plan as this, and it is this insurance which is entitled to the benefit of the whole of the deposit in the hands of the government, if they have continued and met their assessments. So that it is their money we are dealing with, and the only plan is to reserve to them their position to enable them to get something and to know exactly what it is that they are getting. Of course, if such a plan as has been suggested could be adopted, it would be a very good thing and would enable the company to revive all their old policies. It must be borne in mind that with reference to all the policies which have been dropped by the parties who hold them, because they do not pay their premium, that assessments were made and were understood to be made year by year to meet death losses, and these death losses having been paid, all their premiums have gone to pay

past losses and they have really no money or no interest. Their interest has ceased in the case of those who have dropped their policies in that way.

Hon. Mr. POIRIER—But they remain insured as long as they pay their premiums.

Hon. Mr. KERR (Toronto)—Yes, they get the benefit of it during that time certainly. I do not intend in anyway to intervene in the discussion or debate which was commenced and which is yet unfinished, but it is only fair to say, as I am dealing with the amendment of an Act, and which Act is one which will apply only to that company, that something should be said with reference to its right to come here and ask for legislation at your hands, or ask that the law should be so amended as to enable them to deal justly by the policies which are outstanding issued by that company ; and with that view it is that I wanted to say a word or two by way of reassuring the hon. members of this House. It is true, as I have pointed out before, that the trouble in this company arose through differences in the management. It is true some of those interested in that company at the time ceased to be connected with the company or to have a voice in its control, and these differences having arisen, the whole matter has been the subject of very large inquiry. As I have pointed out to you, the company carried on a very extensive business, not in every state of the union, but in most of the states of the union, in Great Britain and in other countries as well as in Canada. The charges which were made has been the subject of inquiry. They were referred to the insurance department. They were inquired into by the insurance department of the state of New York under the direction of the attorney general and the insurance commissioner, and after a full investigation of the matter there they were dealt with in a very short way by the Attorney General of the state in whose——

Hon. Mr. DOMVILLE—Might I rise to a point of order ? Yesterday afternoon this debate was adjourned to accommodate my hon. friend who is going away to New York or somewhere else. To-day, without any notice, without even extending to me the courtesy of telling me what he was going to do, he brings in a Bill and places his side of the story before the House before my side of the story has been heard by hon. gentlemen of this chamber. I ask the House if it is in order that I should be shut out of the debate and that my hon. friend should place the other side of the question before hon. members before I have completed mine ?

Hon. Mr. KERR (Toronto)—I might be permitted to say that I have no idea at all of intervening in that debate. When it comes on it will have to be spoken to. I was in perfect good faith in making the statement that I was intending to leave this afternoon, if my personal affairs are of any concern at all ; but the fire in Toronto has changed the plans of those who were going to meet me there and I am awaiting a telegram to know what to do. I have no desire to do anything improper in the matter, and I do not know that I am doing so in introducing a Bill to amend the law generally. I may add further, that this Bill has been submitted to the superintendent of insurance, and the whole principle of the Bill has his entire approval. It has been the subject of consideration with me and I took the trouble before I introduced the Bill to go and see him.

Hon. Mr. DOMVILLE—Did the hon. gentleman say he had no idea yesterday of bringing in the Bill ?

Hon. Mr. KERR (Toronto)—I did not say that.

Hon. Mr. DOMVILLE—What did the hon. gentleman say?

Hon. Mr. KERR (Toronto)—I said that before I introduced this Bill I took the trouble to see the superintendent of insurance personally, and ascertained that the principle of this measure met with his entire approval.

Hon. Mr. DOMVILLE—I am in the judgment of the House on the point of order.

Hon. Mr. KERR (Toronto)—Inasmuch as this is dealing with a particular case, without discussing the merits of the question under discussion in any way, I was simply going to read a short paragraph from the report——

Hon. Mr. DOMVILLE—I ask that the point of order be decided. Have I right to

raise the point of order and be heard, or has the hon. gentleman from Toronto a right to override me as he is now doing?

Hon. Mr. KERR (Toronto)—I was under the impression that we were both anxious to do the best we could for the policy-holders.

Hon. Mr. DOMVILLE—We are not in the same boat. As the hon. gentleman from Rothesay had not the courtesy to tell me what he was going to do, I will return him his letter in reference to the matter of the Mutual Reserve, so that they shall not say I kept it in my possession, or that it was stolen. I ask the hon. gentleman why he had not the courtesy to tell me what he proposed doing, and why he should have taken advantage of me in this way by introducing a Bill when the House has not heard my story, and cutting me off in that way? I say that he is acting for that company here.

Hon. Mr. SCOTT—I think the hon. Senator from Toronto is quite within his right. He is introducing a Bill in the chamber and is giving an explanation of the various clauses. The hon. gentlemen will have ample opportunity, not only to discuss this Bill, but to put himself right in reference to any transactions he may have had with the company, or any transactions they may have had with him.

Hon. Sir MACKENZIE BOWELL—If I understood the hon. gentleman from Rothesay, the point of order raised by him is not as the Hon. Secretary of State understands it. The hon. gentleman who introduced the Bill is quite correct, and I think it is a very proper course to pursue to explain the object of the Bill and its provisions in introducing it. But the objection of the hon. gentleman from Rothesay was that the hon. Senator from Toronto was about entering into a discussion in reply to the remarks made by the hon. gentleman from Rothesay yesterday, and that that would be opening up the debate on the motion which he made for a committee. That is the point, and not that he objected to the explanation of the hon. gentleman as to the provisions of his Bill. It was simply that he should not enter into a discussion in reply, either directly or indirectly, to the debate which took place yesterday. That is my interpretation of it.

Hon. Mr. DOMVILLE—That is exactly the objection I take.

Hon. Mr. KERR (Toronto)—I have no idea whatever of entering into the merits or demerits of the motion of the hon. gentleman who is asking to inquire into the affairs of this company. But, inasmuch as I felt it my duty to be candid to the House that my explanation of this Bill would apply, so far as I knew, to that company and that company alone, although it is in the form of an amendment to the general law, I thought it was fair and right that I should state something here in view of the inquiries which have been made on both sides of me with reference to the company. I wish to show how it stood in the eyes of those states where the company have changed from one plan to the other. That was all that was in my mind. If there is an idea that I am transgressing the rules I would rather abandon the statement than proceed; but because it happens to be incident to something which will come from that motion hereafter, I do not think I should be debarred from stating something pertinent to the present question. As to the memorandum handed me, I never saw the memo. before. I think it is from Mr. McMurchy, who is acting for the Mutual Reserve Company, and it seems to have been written yesterday. It states 'Mr. Domville was reading from a letter from Mr. Wells which never was delivered.' That is all that is in it. I am prepared to bow to the decision of the chair if I am out of order; if not, I simply wish to say I have in my hands a certified copy——

Hon. Mr. DOMVILLE—May I have the ruling of the Speaker?

The SPEAKER—If my ruling is asked for, I think the hon. gentleman from Toronto is within his right. He is simply making what he considers a necessary explanation at the first reading of a Bill. As a general thing such explanations are not made at the first reading. The second reading is the time when a long explanation takes place, but I do not think that the hon. gentleman from Toronto is out of order.

Hon. Mr. KERR (Toronto)—All I was going to trouble the House with was to read a report from the Attorney General of the state of New York, made in 1899, on an inquiry into charges preferred against this company. He refers to the report of the superintendent of insurance regarding his visitation and inspection of insurance companies:—

> Under date of May 31st, in giving to the policy-holders of the association the result of the examination of its condition and affairs then just completed, in the closing paragraph of my report, I stated, 'The result of the examinations shows that the association is solvent.' A study of the accompanying report of the chief examiner compels me now to make the same statement.
>
> The result of your examination demonstrating the solvency of the corporation, makes the question of determining whether or not the corporation has offended against any of the other provisions of the statute a most important and delicate one. I can conceive of no graver injury that could be done by the Attorney General to the members of a solvent corporation than that which would result from an action brought by the Attorney General against such corporation, unless it was perfectly manifest that the public interests involved could be protected in no other manner.

Then the state of Nebraska——

Hon. Mr. LANDRY—I rise to a point of order. The hon. gentleman is now discussing the merits of a company in the United States which has nothing to do with the Bill before the House. He has explained his Bill. If there are any other paragraphs in the Bill which he desires to explain, he is at liberty to do so, but he is now discussing a question which has nothing to do with the Bill and does not explain any of its paragraphs. I ask for the ruling of the chair.

Hon. Mr. KERR (Toronto)—I do not wish to introduce anything into this debate that can possibly be regarded as an interference with the order of discussion as we ought to carry it on, and although I do not agree with the objection, I shall refrain from saying anything further on the subject.

Hon. Mr. POIRIER—I think we are altering the usage of this House in discussing the Bill on the first reading.

The SPEAKER—In view of the question raised by the hon. gentleman from Stadacona (Hon. Mr. Landry), the hon. member from Toronto has decided not to proceed any further with the discussion. He simply asks that the Bill be read the first time.

The Bill was read the first time.

Hon. Mr. KERR (Toronto) moved that the Bill be read the second time on Tuesday next.

Hon. Mr. McMULLEN—I desire to say a word on the subject.

The SPEAKER—The hon. gentleman will have an opportunity on the second reading. There is no question before the House to be discussed.

Hon. Mr. McMULLEN—I think we should be permitted to reply to the statements which have been made. The hon. gentleman has taken the opportunity of presenting certain statements to the House on the introduction of this Bill, and it is but right that some of those statements should be answered here and now. He has said that these people found that the law of Canada was in such condition that they were at liberty to come and do business in the Dominion. Now that is not an accurate statement. They came to Canada and asked that the insurance law of this country should be altered to enable them to come and do business here, and they were opposed on that occasion by every old line company in Canada. Their application was fought in committee most bitterly and determinedly, the old line companies claiming that the charges made under the assessment system then proposed to be introduced were not sufficient to carry on the business lately, and the history of this company has proved that the arguments used by the old line companies were well founded. This company came first in 1884, and its application was refused. It came back in 1885 and the matter was fought out on the floors of the committee. After a very determined fight, the committee came to the conclusion they did —and I am sorry they did, because the condition of the things in Canada shows that it was a mistake to amend the insurance law, and enable the company to do business in Canada. They amended the law because they thought the old line companies had united to keep this company out of Canada. They thought the old line companies believed they had such a good thing that they did not want this company to come in and meet the

demands of those who were anxious to be insured at lower rates. These were the conditions under which this company was allowed to come into Canada.

Hon. Mr. POIRIER—I rise to a point of order. In my humble opinion, at the introduction of a Bill the utmost that can take place in the way of discussion is to give an explanation of its provisions. I am doubtful whether even that much can be permitted, but, certainly, no discussion can be entered into at the first reading of a Bill, yet my hon. friend is discussing it instead of waiting until the second reading. With the permission of the House I shall read from the new edition of Bourinot a reference to the subject :

> Introduction of Bills.—it is the right of every senator to bring in a Bill. Immediately after the Bill is presented it is read a first time and ordered to be printed.

In the House of Commons they do not discuss Bills at the first reading, but they can discuss the nature of a Bill in the two days' notice they have to give for the introduction of a Bill. At that stage they do, sometimes, although seldom, discuss the nature of a Bill to be proposed, but while the Bill is being read the first time it is very seldom if ever discussed. In this House no seconder is required at the introduction of a Bill. It is not a regular motion ; it is a matter of right. The introduction of the Bill does not involve a discussion ; it is immediately ordered to be printed, and prepared for the second reading. Therefore, I believe that a Bill should not be even explained at the first reading. I certainly take the stand that it may not be discussed at length as it is being discussed now. I shall read further from Bourinot—this has reference to the House of Commons :—

> When any Bill is presented by a member in pursuance of an order of the House, or shall be brought from the Senate, the question shall this Bill be read the first time, shall be decided without amendment or debate.
>
> When the Bill is presented it is not debatable or amendable.
>
> The general debate on the Bill takes place at the second reading, the printed Bill being then in the hands of all the members.

I therefore hold that the Bill cannot be discussed now.

Hon. Mr. DANDURAND—I do not intend to discuss now the contention of my hon. friend that we cannot debate a Bill that is introduced with certain explanatory remarks; but the first reading of this Bill has taken place, and we have now before us a motion to fix the date for the second reading. Last year this same question arose, and I wonder if at this stage we cannot enter into a discussion of the merits of the Bill.

Hon. Mr. FERGUSON—The hon. gentleman in introducing the Bill was perfectly right in making his explanation, and up to the time the Bill was read the first time it was open to any member to take part in the discussion. I took great pains to look up the references last year ; and I found instances where long discussions had taken place on the first reading of a Bill, and instances where a Bill had been defeated on the first reading. Such cases are not numerous, but they are to be found. It would have been quite competent for the hon. gentleman from Wellington to have risen at that stage and spoken, but a Bill having been read the first time, the motion before us is a formal one and is not open for discussion.

Hon. Sir MACKENZIE BOWELL—I have not the last edition of Bourinot in my hand, but he lays down the principle that I indicated a few moments ago. He says:

> It is usual on the introduction of a Bill on the motion for leave, to explain clearly and succinctly its main provisions.

That is just what my hon. friend did, and he was perfectly within his right if he had not gone beyond it. Bourinot continues:

> But it is not the practice to debate it.

Hon. Mr. POIRIER—On the motion to present the Bill, but not when the Bill is presented itself. That refers to the House of Commons.

Hon. Sir MACKENZIE BOWELL—I will read it again:

> It is usual on the introduction of a Bill on the motion for leave—

Hon. Mr. POIRIER—Yes.

Hon. Sir MACKENZIE BOWELL—I explained that it applied to the House of Commons, but otherwise it is precisely the practice of this House.

—to explain clearly and succinctly its main provisions, but it is not the practice to debate it at length.

But as my hon. friend says I have known instances in the House of Commons where Bills have not only been discussed on the first reading, but defeated. I have seen the six months hoist moved, and the Bill defeated at the first reading.

Hon. Mr. McMULLEN—I have no desire to further discuss the principles of this Bill or anything connected with it until the second reading, but in view of the statements made by the hon. gentleman who introduced the Bill, I thought it was hardly right to allow them to go unanswered or unchallenged. Therefore, on the motion to fix the second reading of the Bill I took the opportunity of saying what I have said. I shall reserve anything further I have to say until the second reading of the Bill.

The motion was agreed to.

THE FUEL QUESTION IN CANADA.

MOTION.

Hon. Mr. McMULLEN moved :

That an humble address be presented to His Excellency the Governor General ; praying that His Excellency will cause to be laid before the Senate a return of copies of geological or other reports in the hands of the government, bearing upon the question of coal or other fuel supply in the provinces of Quebec, Ontario or Manitoba, with the view of devising some measure of relief from our present position, that of absolute dependence on our American neighbours for our daily supply of fuel.

He said: I have considered it my duty to bring before this House a question of very great importance. Those who reside in Ontario and Quebec have during the last two years realized the great inconvenience we are suffering owing to the scarcity of fuel. For many years, from the settlement of our country down to a few years ago, our forests supplied ample fuel for our people. But the forests have been cleared away for the purpose of bringing the soil under cultivation, and for other reasons, and within the last two or three years our people have awakened to the fact that in depleting the forests they have deprived themselves very largely of a source from which they could draw supplies of fuel, and it has become absolutely necessary that the government and the people of Canada should seriously consider the whole situation. In the province of Ontario we are almost entirely dependent upon the coal mines of the United States, and as a result of the unfortunate strikes and combinations of the last few years the price of fuel, it is one of the great necessities of life, has been increasing from year to year, until in some cases in my own knowledge the people of Toronto, and some places west have been called upon to pay as high as $20 per ton for coal. We all remember the unfortunate strike in the United States that brought about that condition. Such strikes may again take place. Is there any possibility of making provision to protect the people of this country from the extortions to which they are subject from these strikes and combinations. We know that the eastern provinces of Canada, Nova Scotia, New Brunswick and Prince Edward Island are supplied from the great coal mines of Nova Scotia. These mines have been largely developed and their output is increasing every year. They will undoubtedly furnish a fairly all-round yearly supply as far west as Quebec and Montreal, but I do not know that the coal of Nova Scotia comes any further west than Montreal. From that point to, you may say, Winnipeg, the whole district has to be supplied with coal for all purposes from the United States. Now, under those circumstances the question of providing something to take the place of imported coal is exceedingly an important one. There has been very considerable investigation in Ontario and Quebec to ascertain if there are any coal deposits in those provinces that could be utilized. I understand lignite has been found in the neighbourhood of James' Bay. I do not know anything as to the quality of it, but a thorough and exhaustive investigation of these mines should be made to ascertain whether lignite is suitable for fuel or not. I earnestly hope that the construction of the Grand Trunk Pacific through the country north of us may develop some coal beds. It is unfortunate that we are in such a position that we are at any time liable to suffer extortion from combinations in the United States in the future as we have been in the past. Now there are four ways in which we can provide ourselves with the supply of fuel, in Ontario, Quebec and Manitoba, especially in Ontario. We could re-

forest a large section of our country, but that is a slow process, and it would be years before relief could be obtained in that way. We could secure very cheap transportation rates for coal from Nova Scotia to Ontario points. We can continue to be dependent, as we are now, upon mines in the United States for our supplies of fuel. But there is a fourth source; we have extensive peat beds in Quebec and Ontario from which admirable fuel could be produced if the government were to offer some encouragement to the industry. Attempts have been made in Ontario and Quebec to produce peat, but so far without much success. In European countries peat is largely produced even where coal mines exist. If it can be done in Germany, Sweden, Russia and other countries, why can it not be done in Ontario and Quebec, if the government will furnish a little encouragement to the industry in its infancy. The use of fuel in this country is increasing steadily. Last year Canada consumed 5,226,000 tons of coal mined in Canada, 17,500 tons of anthracite produced in the Northwest; imported bituminous coal 2,516,293 tons and anthracite 1,933,263 tons, and of coke 608,763 tons, making in all 10,301,943 tons. Out of that we exported 1,888,508 tons, which left a net consumption of coal in Canada of 8,413,405 tons. At $3 a ton it amounted to $25,240,265. The estimated consumption of wood in Canada during the same year was 8,846,000 cords, which at $1.75 per cord, represents a value of $14,548,528, or in all coal and wood used in Canada in one year amounted to $39,788,743.

Hon. Mr. FERGUSON—How does the hon. gentleman arrive at his estimate of the quantity of wood used for fuel?

Hon. Mr. McMULLEN—It is an estimate based on information gathered from sources which we believe to be the most reliable that could be found. The value of fuel imported from the United States amounted to about $20,000,000 for the coal and the cartage of it into the country. It is very unfortunate that in the settlement of the difficulty between Britain and the United States at the close of the war for independence when the boundaries were fixed that the whole country from the Ohio to the Mississippi which should properly have belonged to Canada and which to-day any commissioner who would give it reasonable consideration would admit should be a part of Canada was by the action of the British commissioner given away because he knew no better. I have no doubt it was done through sheer ignorance, but the result of it is that Ontario is left without any coal lands. Had we fortunately retained that portion which should belong to us, there is ample coal there for the purpose of supplying all the wants of the province and of the Dominion for hundreds of years, but we were deprived of it by that unfortunate decision. Now, then, to deal with the question of peat, there has been an estimate made as to the possible amount of peat that might be manufactured in this country. In Nova Scotia, Prince Edward Island and Cape Breton there is supposed to be 400,000,000 tons that could be produced. In Newfoundland there is also the same amount, 400,000,000 tons. In Quebec, it is supposed that there is material enough to produce 500,000,000 tons. In New Brunswick there is supposed to be material enough to produce 300,000,000 tons. In Ontario, the peat beds are estimated to contain 2,000,000,000 tons peat that could be turned into fuel. There is supposed to be the same quantity in Manitoba, and in British Columbia there are 200,000,000 tons. That is altogether 500,000,000,000 tons of peat which could be produced if the material was utilized, and the question is why should it not be utilized?

Hon. Mr. MACDONALD (B.C.)—What is the cost of producing it?

Hon. Mr. McMULLEN—I do not know. It is supposed that it could be produced for $2.50 or $3 a ton.

Hon. Mr. LANDRY—Two dollars.

Hon. Mr. McMULLEN—I have not been in communication with any gentlemen in the business, but I understand that is the estimate of the cost. That would be altogether about 13,500,000,000 tons of peat for which we have the material that could be produced if there was only some encouragement given to establish factories. I think we ought to do it. If this business could be put in a shape that it could make money and produce the fuel that is required, I think it would be an admirably good pur-

pose to which to turn the surplus revenue of this Dominion, if the government could do it, and in that way provide for the relief, to at least a limited extent, of the consumers in the province from which I come, instead of leaving them in the unfortunate condition in which they are to-day, relying absolutely and entirely upon the miners of the United States. That peat could be turned to admirable use for house fuel. When properly made, you could get no better fuel for domestic purposes. It is also admirable fuel for the factory, where it is well and properly made. It could be used in large quantities as coke for the smelters, for which purpose it is well adapted. I said before that Germany produced large amounts of peat. I repeat again that the year before last she produced 2,000,000 tons. Russia, Norway, Sweden, Denmark and Holland consume a very large amount of peat. They are all manufacturers and producers of peat. It is also largely used in Ireland. Why not in Canada. Nine companies in Ontario have struggled heroically in an effort to produce peat fuel for the public. One at Beaverton operates on a small scale. One at Newington, under a process similar to that used in Germany, represented by Dr. Spencer of Ottawa, bids to be a success if capital is forthcoming. Capitalists are afraid of investment owing to past failures ; hence the need of government aid for a period of years under the direction of a peat commissioner.

Capital is needed, and if assistance were given by the government—and I think it should be given—possibly this business might be put in proper shape. To give hon. gentlemen an idea of the enormous consumption of coal in this country, I will give the House the figures from the public record of what we have been doing. In 1898 we imported $3,510,000 of dutiable coal and $6,500,000 of free coal. In 1889 we imported $3,647,369 of dutiable coal, and $7,000,000 worth of free coal. In 1900 we imported $4,500,000 of dutiable coal, and $7,250,000 of free coal. In 1901 we imported $9,445,674 worth of dutiable coal, and $8,500,000 worth of free coal. In 1902, we imported $6,229,000 worth of dutiable coal and $7,800,000 of free coal. This shows that our dependence upon the coal mines of the United States is growing intensely. In these five years we have increased our coal importation from the United States over $4,000,000 ; that was the increase last year as compared with five years ago. So that hon. gentlemen will easily see that this is an exceedingly important question. The demand upon the United States to supply the wants of our people is increasing enormously, and if any method could be adopted whereby part at least of that demand could be made up by using peat for fuel in houses, factories or smelters it would be a very great advantage. It would give employment to a great many of our people. It would also give us some little feeling of independence that when the cold winters come upon us we had something that we might fall back upon. If coal should be made a contraband of war what would be the condition of the people of Ontario ? Where are they going to get their fuel supply from ? We might be frozen to death before we could get a supply from Nova Scotia or before we could get a supply from British Columbia and very serous disaster might overtake us. During the last winter from my own personal knowledge I know that some people in a town of Ontario were forced to chop down their shade trees and turn them into fuel in order to supply the immediate needs for the moment until they could get supplies of wood or coal. That was the condition of things during the stormy portion of last winter. I think this is a subject worthy of some serious consideration, and it is to be hoped that something will be done at once. Of course the United States has an unlimited supply of coal. I wish we had some of it. England has an enormous supply. Coal deposits are mined in England to a depth of four thousand feet. Within that depth there is supposed to be an enormous quantity of coal. In 1871 there was a commission appointed for the purpose of investigating the resources of England in the matter of coal. That commission, after sitting for a very long time, after gathering information from all sources from which they could obtain it, brought in a report that all England had yet unmined within 4,000 feet of the surface sufficient coal to do her for something like 1,117 years. Her consumption of coal at that time was about 125,000,000 tons. That was in 1871. Last year England's mining coal was 217,000,000 tons. Of

that she exported about 25,000,000 tons and used the rest herself; but her mining has enormously increased so that she is drawing very seriously upon her resources. Now the United States are the largest miners of coal in the world. The last year for which we can obtain returns, they mined 295,000,000 tons of coal. England mined 217,000,000. There is no other country in the world that produces anything like these enormous quantities of coal, and the demand upon the coal mines of course in the United States is rapidly increasing. I have here a statement of all the states in which coal is mined. The following table shows the amount mined in each of the states.

	Tons.
Maryland	4,350,954
Ohio	22,000,000
Missouri	4,200,000
California	172,000
Utah	1,641,436
Colorado	7,522,923
Washington	2,690,789
Tennessee	4,300,000
Virginia	3,500,000
Iowa	6,000,000
Illinois	30,000,000
Indian Territory	2,735,365
Michigan	1,241,241
Arkansas	2,125,730
Oregon	750,000
New Mexico	1,500,000
West Virginia	25,500,000
Kansas	5,230,433
Wyoming	4,760,000
Alabama	10,327,713
Kentucky	6,421,266
Georgia	375,000
Texas	700,000
North Dakota	200,000
Indiana	6,918,225
Montana	1,500,000
Pennsylvania	96,643,904
In all	295,124,798

The coal produced in 49 counties in British isles was as follows:—

	Tons.
England	158,604,069
Wales	34,303,240
Scotland	23,162,099
Ireland	108,757

The total coal mined in British isles, 1901, was 227,179,240. The anthracite coal produced in Nova Scotia in 1891 was 59,905,951 tons.

Hon. Mr. SCOTT—Oh, no.

Hon. Mr. McMULLEN—Perhaps it is 5,000,000.

Hon. Mr. FERGUSON—Is that anthracite coal?

Hon. Mr. McMULLEN—No, it is soft coal. I fancy my hon. friend is right and it must be 5,000,000 instead of 59,000,000. The average wages for coal miners in the United States is $2.56 for a day of eight hours.

Hon. Mr. MACDONALD (B.C.)—Is that for the day or by the ton?

Hon. Mr. McMULLEN—For a day of eight hours they receive $2.56, that is the averge wage paid in the United States to miners per day. Of course it is a very dangerous occupation. There is no doubt about that. In England over 1,000 men lose their lives every year in coal mining. Under the combination that I have already referred to that exists in the United States, we do not know what price we may be called upon to pay for coal. In the first place, the mine-owners, the mine operators and the railways have formed combinations. They are all partners in the output of coal. Whenever coal goes up, the miner gets a certain percentage of the price and the mine owners get a percentage also. The result is that that combination has been formed in order to operate in the interest one of the other and take advantage of that combination to increase the price to the consumer of coal. Now, in the face of that combination on the other side, in the face of the conditions that we in Ontario have to meet, I say it is no wonder that the people are beginning to realize that the condition that we now occupy with regard to fuel is an exceedingly undesirable one, and if any method can be devised to help the people out of that condition, it is the duty of the government to advance in that direction, and if the production of peat can be encouraged, so that it can be used as a fuel it would be a most desirable thing. I am not prepared to challenge the reports that have been brought down by geologists with regard to what is to be found within the limits of our own country, but it does appear that we have not a supply of coal within a reasonable distance of the surface, so far as our investigations have gone. If that is the case, and if we can use our peat beds in the way that it is proposed to use them, I think it would be a most desirable thing to encourage that industry and I think the government would do well to look into the whole question. I

understand there are at present in Germany two men from Canada investigating the processes in use for the manufacture of peat in that country, where it is produced very largely, and into the machinery and methods they adopt. I hope that on their return they may be able to devise a scheme or line of action that may result in making the production of peat in Canada a success. I considered this question so important that I thought it my duty to bring it before this House, and I hope that my effort will not be altogether in vain. My hon. friend from Prince Edward Island asked me where I got my figures from. If he will look he will find those figures are given in the return.

Hon. Mr. CHURCH—I have no objection to the motion proposed by the hon. Senator from Wellington, but I think it ought to go a little further. If some criticisms of his speech are not made, he would inadvertently be misstating the facts as regards the coal production of the Dominion. Nobody reading the first part of the hon. gentleman's speech would suppose that the maritime provinces, Nova Scotia, New Brunswick and Prince Edward Island were not dependent on the United States for the supply of any portion of the coal consumed in those provinces. The fact is that we have no hard coal in those provinces at all. A few years ago I believe our friends in the province of New Brunswick thought there was some anthracite coal there, and they spent considerable money in testing it in the county of Albert, but the article found there, while not of a very bituminous nature, I believe not a fair quality of hard coal. The people of the province of Nova Scotia and the people of New Brunswick and Prince Edward Island were subjected to as much inconvenience, owing to the unfortunate strike in the United States, to which my hon. friend has referred, as the people of Ontario. If it costs less to transport hard coal from the state of Pennsylvania to Ontario than it does to Nova Scotia and New Brunswick and Prince Edward Island, then we were greater sufferers than they were, because we have no hard coal there. The only kind of coal produced in Nova Scotia is the bituminous coal, and consequently we have the same reason to be anxious to ascertain whether we can produce peat or whether we can find anthracite coal in these provinces as the people of the province of Ontario have. I have not the slightest objection if the government see fit that the hon. gentleman's request may be granted, but it should go further and apply to the whole Dominion. The hon. gentleman was very much mistaken about the coal products of Nova Scotia because I think it is in the neighbourhood of 6,000,000 tons of bituminous coal, and for a small province like ours I think that is doing very well. The product of bituminous coal from Nova Scotia has quadrupled in the last fifteen or twenty years, and if it goes on increasing in that ratio for the next fifteen or twenty years we will produce perhaps about 25,000,000 tons of bituminous coal. In the matter of consumption of coal, I doubt very much if there are figures in the returns showing the consumption of bituminous coal in Nova Scotia. We buy no coal except the hard coal. Coal mining is a great industry with us, next to the great fishery industry, and the coal industry is rapidly approaching in importance that of the fisheries. In a few years more it may even exceed that. It is a great blessing to us, because under the system the British North America Act, the local authorities of Nova Scotia have a right to handle the coal, and by putting a royalty on it we are able to implement the revenue and carry on public works in Nova Scotia without direct taxation. I am in sympathy with and in favour of the motion of the hon. gentleman as far as it goes, but I think it should go further. He says that we send our coal up as far as Montreal. That I believe is correct. A good deal of Nova Scotia coal does go to Montreal, and I am happy also to state here that a certain quantity of bituminous coal from Nova Scotia goes to the eastern portion of the United States in spite of the duty. I hope that the United States will yet get tired of building high tariff walls against a free and independent people. The time might come when that duty should be lowered, and I hope the time may soon arrive when the relations between the two nations will be such that these tariff walls may be removed. I do not advocate it now. I do not believe in one-sided reciprocity. If we are to have reciprocity with our neighbours, we must have it on fair and square principles and not on a jug-handled

principle. In the abstract I am a free trader, but I recognize that in this country we must have a revenue tariff policy. That was the policy of Nova Scotia before confederation, and I do not know that I would be justified in saying it is the policy of the Dominion now. But we are not arguing that point at present. I think it would be a great thing if we could discover anthracite coal in this Dominion. From the fact that we have never discovered it, we are dependent on the United States for our supply, but all parts of the Dominion are dependent alike when circumstances arise to which my hon. friend from Wellington has alluded. I think that in making surveys and looking into the matter of peat it might be well also to endeavour to find out whether we have any anthracite coal. It does appear to me that if in Pennsylvania, which does not lie so far south of Ontario, conditions are existing there to produce it which conditions are not to be found in Ontario, I believe that the nations have the complement of each other, in natural products and under a fair system of trade they can assist each other in the matter of natural products for the benefit of these countries. I have made these remarks in order that there might not be a misapprehension in regard to the maritime provinces and their supply of coal.

Hon. Mr. LOUGHEED—I do not desire to go into a discussion as to the coal resources of Canada, except to say that very serious misapprehensions might exist in the public mind should the statements of my hon. friend from Wellington and the remarks of my hon. friend from Nova Scotia go forth to the country entirely unexplained. To hear my hon. friend from Wellington deal with the subject of the coal measures of Canada, one would fancy that such a mineral as coal was not to be found in the Dominion. When my hon. friend talks of developing the peat fields of Nova Scotia and British Columbia, I fancy he would not intentionally overlook the peat fields of the Northwest Territories. One is reminded seriously of the old adage about carrying coals to Newcastle. To talk of developing the peat beds of Nova Scotia leaves an impression on the public mind that there is no coal in that province whereas, on the contrary, some of the finest fields on the continent are to be found in Nova Scotia. The same remark applies to Vancouver Island in British Columbia. That province is a very large exporter of the very best quality of coal. The British admiralty, as well as consumers along the Pacific coast of the United States draw very largely from the coal fields of British Columbia and no finer coal fields are to be found on the continent. I doubt if you will find in North America a larger area of coal than exists in the Northwest Territories. Commencing at the Saskatchewan river, where the main line of the Canadian Pacific Railway crosses it as the eastern boundary of the coal areas and going as far south at the international boundary line, 150 miles south of the Canadian Pacific Railway; travelling north to the main Saskatchewan river, which will be within the immediate vicinity of the Canadian Northern Railway and extending to the boundary of the Rocky Mountains, a distance of nearly 400 miles, I venture to say that you would scarcely travel any fifty miles of that very large area without finding excellent coal. We have very large coal mines in operation not only within the area to which I have alluded, but south and west of that, in what I may term, the southeasterly corner of British Columbia. We of the Northwest Territories have the coal mines of Lethbridge, which have a very large output, shipping coal all through the territories and as far east as Manitoba, reaching the Winnipeg market, and competing with United States coal. That is bituminous coal and of a first-class character. Then at the Crow's Nest Pass the mines supply coke to the great smelters of Montana, a class of coke that is not equalled by anything produced in the United States. It is claimed that the output of the Crow's Nest coal companies is within the vicinity of 2,000 tons a day. We have then a very large and important French company developing coal fields at Blairmore and at Frank—in that particular part of the southwestern corner of the Northwest Territories. The company is largely composed of French capitalists and these mines will, I have no doubt, in the near future, have an output quite as large as the Crow's Nest Company. We then find the Canadian Pacific Railway developing upon a very large scale the hard

coal mines at Banff. My hon. friend from Nova Scotia expresses his regret that we have no hard coal in Canada. I would not be safe in saying that we have some of the largest hard coal deposits on the continent, but I can assure the hon. gentleman that there are hard coal deposits within the district of Alberta of such an extent as would really startle him. They are not being developed to any extent. The Canadian Pacific Railway has lately invested considerable capital in exploratory work with very satisfactory results. The development of coal mining in the territories, and in British Columbia, particularly the eastern part of British Columbia, is yet in its infancy, and we are relying to a very large extent upon foreign capital and enterprise for its development. The trouble with the people of Canada is that they have no faith in their own resources and very frequently prefer to invest their money in foreign countries rather than in the country to which they belong and in which they have made their money. We find for instance the coal resources of British Columbia and the territories very largely being developed by foreign capital. We have that large French company to which I have alluded having their head office in Lille, France. They have spent a large amount of money in developing the Frank coal mines. We have a large United States company working coal mines at Canmore and Anthracite. The Crow's Nest is very largely a Canadian company. We have coal resources within the Dominion which as I say, if fully developed, would doubtless, at an early day, if transportation facilities be provided, be equal to the demands of the people of Canada. I mention these facts so that people will not run away with the idea that Canada is destitute of coal resources.

Hon. Mr. DANDURAND—I wish to say a word with reference to peat fuel and the work done to produce a merchantable article. I know personally that for the last fifteen or twenty years considerable amounts of money have been spent towards perfecting a pressing machine for producing peat fuel, and the results up to very recently have been anything but satisfactory. I have a friend who has invested thousands and thousands of dollars for years in this way. Works have been going on not very far from the residence of my hon. friend from Bedford (Hon. Mr. Baker), in Farnham, towards perfecting a machine to press peat in such a way as to be able to produce it and put it on the market at a reasonable price. I hear that lately his efforts have been crowned with success. I do not think there will be any need for bonusing the industry once the proper machine has been found. We all know that peat is abundant in Canada. Lately a Swedish machine has been put on the market and its operation has been attended with satisfactory results. I am told by a gentleman who has formed a company and intends to operate in the near future, that the Canadian machine, which has recently been invented, is much superior to anything which exists to-day in Europe, and they hope very soon to put on the market peat which will be welcome by all. The question is at what price can it be sold. I suppose, like all other articles, it will find its own level. The figure mentioned to me was about three dollars. I thought that was a little high, but when the industry is fairly started, very likely it will be sold at a lower price.

Hon. Mr. FERGUSON—I do not rise for the purpose of discussing the main subject of my hon. friend's motion, but incidentally it brings up another subject, and that is the value of peat moss for litter and as a fertilizer. The late Mr. Edward Jack, of New Brunswick, made some very extensive investigations and experiments, and the result was to settle the fact that in the province of New Brunswick, at all events, and probably also in Prince Edward Island, and possibly in all our other provinces, there is a very great value indeed in our peat bogs, not merely for the supply of fuel, but also for litter and fertilizers. Mr. Jack's reports on this subject have appeared in some publications in the Department of Agriculture within the last half dozen years, and in them it is stated that samples of New Brunswick peat were sent to Germany for the purpose of analysis and comparison with the valuable peat moss of that country, which formed a very important article of commerce, and the New Brunswick moss was found to be even more valuable than the best to be obtained in Germany. When thoroughly dried, as the German moss was, it was found that the New Brunswick moss

was capable of retaining thirty times its own weight of water. The advantage of that sort of litter in stables and such places for the purpose of taking up moisture is very great indeed. In the city of Christiania, in Norway, peat moss is used for the purpose of absorbing the contents of water closets for the whole city. If Mr. Jack is right in the result of his investigations—and Mr. Macfarlane, of the Inland Revenue Department, fully and completely sustains his view—there is a very great value in our peat bogs in another direction altogether, and that is for fertilizers and absorbents. It is found that this peat moss, when used as litter, is capable of absorbing the liquid around stables and such places and being converted into a very valuable fertilizer. With regard to the use of peat for fuel, I confess I know very little about it. I do not doubt that in the great central part of our country, where there are no coal mines, and where the forests have been depleted, it may be, and perhaps ought to be, that the peat should be developed and turned to account for the production of fuel. That is not at all likely to occur in the eastern provinces, where the coal beds of Nova Scotia furnish such an ample supply of fuel nor are the peat beds likely to be utilized in the west, which is well supplied with coal, but there is no doubt that the extensive peat deposits in Ontario and Quebec, in the absence of coal, might prove of great value if developed, and my hon. friend from Wellington is entitled to credit for having brought this subject before the House. In a climate such as ours the fuel supply is one of the most important that can be brought before the public.

Hon. Mr. BEIQUE—I agree with the hon. member from Marshfield in saying that the hon. gentleman from Wellington is to be complimented for having brought to the attention of this honourable House, a question of such importance. I am sure we are all in accord with the effort he is making to have this question properly studied, but I would suggest the advisability of leaving out of the motion these concluding words :—

That of absolute dependence on our American neighbours for our daily supply of fuel.

Hon. Mr. McMULLEN—The suggestion of my hon. friend is a good one, and I am quite willing to leave out those words which he has quoted.

Hon. Mr. LANDRY—I happened to be a party to some experiments which were made comparing peat fuel with hard coal. The experiment was made in Quebec, in the presence of the different professors of Laval University. Some six or seven pounds of hard coal were put into one of those tortoise stoves, very narrow and high, and a kettle containing about four inches of water was placed upon top of the stove. The necessary wood and a small quantity of soft coal were used to produce immediate combustion. It took thirty-one minutes to bring the water to the boiling point, and the boiling lasted fifteen minutes and it took fifteen minutes more before all the coal was consumed. The next day, when the stove was quite cold the peat was tested. The same quantity was put in the stove, and in fourteen minutes after it was ignited the water began to boil. It continued boiling for thirty-one minutes and the whole of the fuel was consumed in ten minutes afterwards, making the duration of the fire fifty-five minutes, as compared with sixty-one minutes with the hard coal. With peat the boiling point was reached much sooner than with the coal, and it continued to boil a great deal longer, thirty-one minutes, compared with fifteen minutes. I may say that when the peat was burning it was necessary to turn the key and close the damper of the stove and to open the windows. The experiments were made in the fall, and the heat in the room was so great that it was necessary to open the windows while the peat was burning ; nothing of the kind occurred when the anthracite coal was tested. There is no doubt that for locomotives peat would furnish an excellent fuel. It would generate steam quicker in this climate, and the railway companies would gain largely in maintaining the speed of their trains. They would not be delayed by frost, as sometimes happens with coal. There remains always the economic question—the cost of producing the fuel. When the experiments, to which I refer were made, we were told that the peat fuel was produced at two dollars per ton. In fact the fuel that was used on that occasion cost $1.70 or $1.75, but the esti-

mate of the cost was $2, and it was thought they could sell it at one dollar per ton less than hard coal. At that rate they estimated the government would save about one million dollars a year in expense of running the government railways as they use about one million tons a year. I mention these facts in order that the government may be induced to try experiments with those two fuels, to ascertain whether peat fuel would be suitable for use on the government railways, and if found to be as good as it is claimed for it, to foster the industry and thus save a great deal of money to the country.

Hon. Mr. ELLIS—While the hon. gentleman from Wellington has given us a great deal of valuable information, and made an excellent suggestion, he stopped short of one suggestion which he ought to have made to the government, and that is to take the duty off soft coal. I live in a province where very little coal is mined, and we are obliged to pay a higher price for the soft coal we use, for the benefit of the miners of Nova Scotia, and we do not like it. I believe the people of New Brunswick are in favour of removing the duty on soft coal. We would then pay less for our coal, and with the duty off, English coal could be brought in, and it surprises me that the people of the province of Quebec do not see that English coal could be landed at Montreal more cheaply than Nova Scotia coal. I hope the government, when it takes this matter into consideration, will also bear in mind that there are provinces in the Dominion which do not produce a great deal of coal, and it is unfair to tax them for the benefit of the coal mines of other provinces. I will take another opportunity to show the injustice of taxing us for the benefit of the flour producers of the west. When we have to pay a duty on our fuel and on our flour it is a pretty hard case.

The motion was amended by striking out the words—

That of absolute dependence on our American neighbours for our daily supply of fuel.

Hon. Mr. SCOTT—The hon. gentleman has introduced a very important subject and elicited an interesting debate. It has taken perhaps a wider range than he contemplated, but next to our food supply our fuel supply is the most important subject. For six months of the year we all require a great deal of extra heat, and I doubt if any six million people in any other country require and use as much fuel as the people of Canada and naturally the subject is a very important one in this country. The object which the hon. gentleman apparently had in view was to prompt the government to stimulate the production of peat by granting a bounty. I doubt whether my friends from the Pacific slope or the Atlantic coast would see the propriety of that. In British Columbia and in Nova Scotia, the provincial governments get a pretty large revenue from the royalties they exact from the producers of coal, and it would seem rather inconsistent that we should give a bounty to a rival industry. It seems rather unfair that we should pay a bounty to parties producing peat fuel when the coal miners in the east and the west of the Dominion are paying a royalty on the coal they mine. However, that is merely an incident which occurred to my mind during the debate and which would naturally evoke a good deal of opposition from that cause. The discussion, however, has brought out a great many interesting points, and I shall be glad to call the attention of my colleagues to the subject to ascertain what can be done. In the meantime there is no objection to the order going. I presume when the hon. gentleman prepared his motion, he had in view the limitation of his last words to Ontario, Quebec and Manitoba, but it is made to apply to the whole Dominion. So far as the three provinces I have mentioned are concerned—and they embrace over three-fourths of the population of Canada—there is no doubt he is right in his assertion, that they are dependent on the United States for that most important article fuel, and year by year they are becoming more dependent on the United States. Although the motion as prepared applies generally, no doubt he has in his mind, the serious effect it had on the people of Ontario, Quebec and Manitoba, as they are the principal sufferers in consequence of there being absolutely no coal mined in those sections of the Dominion.

Hon. Mr. McMULLEN—I should like to add one word to what the Hon. Secretary of State has said. He has suggested that a bounty on peat fuel might be looked upon as bonusing an industry in competition with the coal industry. The soft coal of Nova Scotia does not come any further west than Montreal, the soft coal of British Columbia does not come any further east than Winnipeg, and there it is sold at a high price. I was in Winnipeg the other day and was told that hard coal sells in that city at something like $11.50 per ton. Under those conditions a bounty on peat to foster industry will not bring it in competition with any coal mined in Canada. If the coal of Nova Scotia was supplying the section of country between Montreal and Winnipeg then there might be some ground for objection, but it is United States coal that supplies the Canadian people who live west of Montreal and east of Winnipeg. I do not ask the government to subsidize peat that would come in competition with Canadian coal, but every one ought to be glad if we can produce fuel which will keep the money in our own country which now goes abroad to purchase fuel in the United States. In reply to my hon. friend from Calgary, I would say that I had no intention to belittle the resources of our coal areas in Canada. I was not discussing that question ; my remarks were as to the advisability of fostering the production of some kind of fuel that would supply the people's wants instead of the coal which we now have to import from United States in the centre of the Dominion.

I am glad and I entirely endorse what my hon. friend has said. We have a right to feel proud of the enormous coal area in Canada but unfortunately they are at the extreme east or west. In the centre of our country we have no deposits of that kind at all, and we are just left to depend on what we can get from the United States, or pay the enormous charges for freight which necessarily must be paid if we obtain our supply from British Columbia or Nova Scotia. We all wish the coal miners of Nova Scotia every success. The country has contributed very largely to their success. When I had the pleasure of sitting in the Commons, I heard the answer made by the Minister of Railways that we were carrying coal over the Intercolonial Railway for three-tenths of a cent per ton per mile in order to enable the Nova Scotia coal miners to deliver their coal in Quebec and Montreal. We were not receiving in that charge sufficient to pay for the running of the cars. The lowest the Grand Trunk Railway charges is seven-tenths of a cent to seven and one-half of a cent per mile. We were then carrying it for three-tenths of a cent per mile, which would not be running expenses. In addition to that the people in Ontario, who suffer under the conditions I have mentioned this afternoon and who have been suffering from that condition for the last two years, have peaceably submitted to a duty of 40 cents a ton in addition to the high price for the coal they send us from the United States. We would be glad to get rid of the duty on coal. We would be rejoiced if the government would do that, and we regret that when the United States government took the duty off coal that our government did not respond and take the duty off coal also. They did not see fit to do it, and I suppose they considered their own interests in the course they adopted. I have no desire to belittle our coal resources, but I wish we would bring our Dominion closer together, so that we could get a supply from the east or west in place of carrying it twelve or fifteen hundred miles.

The motion agreed to.

REPRINTING OF GEOGRAPHICAL MAPS.

INQUIRY.

Hon. Mr. CLORAN, inquired :

Whether it is the intention of the government to have reprinted the geographical maps of the counties which have been redistributed by Act of parliament of last year ?

Hon. Mr. SCOTT—The subject has never been considered by the government. It has not been discussed. I presume when the necessity arises for it, something will have to be done in that direction.

Hon. Sir MACKENZIE BOWELL—It is a very good suggestion, and I think the hon. gentleman might bring it under the attention of the department. There is a book containing the geographical maps of each of the constituencies and it would be well if it could be produced in an amended form.

BILLS INTRODUCED.

Bill (16) An Act respecting the French River Boom Company, Limited.—(Hon. Mr. McMullen.)

Bill (17) An Act to confer on the Commissioner of Patents certain powers for the relief of Chas. Algernon Parsons.—(Hon. Mr. Gibson).

Bill (20) An Act to incorporate the Cascapedia Manufacturing and Trading Company.—(Hon. Mr. Gibson.)

Bill (23) An Act respecting the Collingwood General and Marine Hospital.—(Hon. Mr. Kerr, Cobourg.)

SECOND READINGS.

Bill (12) An Act respecting the Montreal, Ottawa and Georgian Bay Canal Company. —(Hon. Mr. Edwards.)

Bill (19) An Act respecting the Atlantic, Quebec and Western Railway Company.—(Hon. Mr. Dandurand.)

The Senate adjourned.

THE SENATE.

Ottawa, Thursday, April 21, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

THIRD READING.

Bill (9) An Act to revive and amend the Acts respecting the St. Clair and Erie Ship Canal Company.—(Hon. Mr. Lougheed.)

QUESTION OF PRIVILEGE.

Hon. Mr. DOMVILLE—I rise to a question of privilege. I have had a document placed in my hands but I am not a legal man and know nothing of the intricacies of law. However, it is called by some a brief. I propose to do as is usually done in public or private life when any lost or stolen article is found, to put in the papers a notice that anybody making application can have the brief by proving property. But the privilege which causes me to rise is that this document announces what the Senate is going to do. It says a Bill has been drafted and will be introduced into the Senate at once, and that it will be sent to a committee with my motion, in the interests of the company. Well, I do not object to that if they carry it in the House ; but what I do object to is that this petition says 'Re Senator Domville's motion for an investigation into the affairs of the Mutual Reserve.' It says that my action is due to a desire to levy blackmail. That is the queston I bring up I shall later have to deal with it. These papers are a defence of the company and I have no right to retain them. I propose to lay these papers on the table of the House that they may be reclaimed by the owner. I may be asked where I get these papers from. They were handed to me by some one who found them on the floor of the House, and thought they were my papers and they were brought straight to me.

NOTICES OF MOTION.

Hon. Mr. MILLER gave notice of motion for Tuesday next :—

That every motion for an adjournment of the Senate inconsistent with rules three and seven of the standing orders of this House, shall, under rule thirteen, be deemed special and require one intermediate day's notice of such motion.

He said : With the permission of the House I would like to offer a few remarks in explanation of this motion. When a question of adjournment was before the House the other day I raised the point of order that under rule thirteen there should have been an intermediate day's notice of the motion. That point of order was decided adversely to me by the chair, and I did not think proper at the time—in fact I was not prepared, having no books with me—to controvert the ruling of the chair. I said I would, whenever another opportunity presented itself, bring the question up for the formal consideration and decision of the Senate. There is no more important rule among our standing orders than rule thirteen, and the House should decide one way or the other with regard to it, so that there should be no further doubt on the subject. I intended to move, should such an-

other motion be made, by raising the point of order, and then have it decided by the House; but on consideration I found two reasons why I should not take that course. The first reason was that if I attempted to controvert the decision of the Speaker upon a pending motion to adjourn, I would not get a decision pure and simple upon my point of order, because it might happen that some gentleman who desired an adjournment would support the Speaker's decision without giving it the careful consideration it ought to receive. In the second place I think it would be a more delicate way of getting the decision of the House on this rule by not raising it formally on a decision of the Speaker. I thought it would be a more friendly way all round of doing it. There can be nothing unfriendly in a desire to get a satisfactory and certain decision on a point of such importance to the House, and there can be nothing of a party character in it. We are all, on both sides of the House, desirous that our proceedings should be governed by rules, and that those rules should be properly construed. The importance of the question is this : if the Speaker's ruling is correct there is no rule among our standing orders to prevent any member—as was stated by the hon. gentleman from de Salaberry, and I perfectly agree with that portion of his remarks—from rising here at any moment in a thin House, perhaps with a bare quorum present, and moving that the House adjourn for a day, a week, or a month.

Hon. Mr. SCOTT—It would be clearly contrary to the well established practice.

Hon. Mr. MILLER—There is no well established practice here ; we want well understood rules. As the hon. gentleman has ventured to use the term ' well established practice.' I will make one or two remarks on that. Last session, frequent motions of this kind were made. Supposing they had not to give the intermediate day's notice, the point of order was not raised, and no one objected, and therefore the question could not be considered decided. If any one had raised a point of order and a decision by the House had been rendered and a practice established, that would be different. Supposing the universal practice had been to make such a motion without notice at all, that would not establish a rule. So far as I can find, there is no rule among our standing orders that would prevent a member from moving without notice that the House adjourn for a week, a fortnight, or a month. Rule seventeen, quoted by his hon. the Speaker, does not in my opinion at all refer, to such a motion, and if it does not there is no rule. Now, my object is to get a discussion and decision by the House on this important question. I wish hon. gentlemen would take the trouble to look into the point, because it is very important, and I want to get the decision of the House in the most agreeable manner to all concerned, and without personal or party irritation, or inconvenience to gentlemen who on a pending motion for adjournment would be likely to oppose me on the point of order.

THE APPOINTMENT OF J. B. JACKSON.

MOTION.

Hon. Sir MACKENZIE BOWELL moved:

That an humble address be presented to His Excellency the Governor General praying that His Excellency will cause to be laid upon the table of the Senate copies of all correspondence and recommendations which led to the appointment of J. B. Jackson to the position of commercial agent to Leeds and Hull England, at a salary of three thousand dollars per annum, and office and contingent expenses.

He said : It is needless for me to say that when the announcement was made in the newspapers that a gentleman by the name of Jackson had been appointed commercial agent to represent Canada in England, it was received with a very great deal of surprise by those who have paid any attention to the political character of this gentlemen and his actions at the different elections which have taken place in the province of Ontario. I made up my mind then, after reading an explanation that had been made by the hon. Minister of Public Works, the Hon. James Sutherland, at a by-election which was held in the county of Oxford, that I would endeavour to ascertain when the House met the facts in connection with the appointment, and for that reason I placed upon the notice paper the following inquiry :—

Whether a man by the name of J. B. Jackson, of Ingersoll, Ontario, has been appointed to any position in England or elsewhere, by the government of Canada, or any member of said government?

If so, what are the duties assigned to him, and what salary or remuneration is he to receive for the performance of such services?

That inquiry stood upon the motion paper for a number of days, and the hon. Secretary of State brought down his answer in writing, so that there might be no mistake whatever as to the language which he used in explaining the appointment. The hon. Secretary of State in answer to my inquiry said :—

J. B. Jackson, of Ingersoll, Ontario, was appointed by Order in Council of date October 31st, 1903 (appointment to date from 1st November, 1903) commercial agent to Leeds and Hull, England.

His duties are to report monthly, or more frequently, if necessary, to the Department of Trade and Commerce upon all trade matters which may be of interest to Canadian exporters, and to use his best endeavour to further Canada's market in the district to which he is assigned. These reports are published weekly and are sent to any business men in Canada desiring them.

Mr. Jackson's salary is $3,000 per annum, and office and contingent expenses.

The explanation given of the appointment by the hon. Minister of Public Works is in direct contradiction to that given in the answer by the hon. Secretary of State the other day. During a by-election in the west the question was asked Mr. Sutherland whether Jackson had been appointed to any position. Mr. Sutherland the Minister of Public Works gave the following answer :—

I have heard since I came home——

Hon. gentlemen will understand that that is the hon. gentleman's home and constituency. He said :

I have heard since I came home something in reference to acts of Mr. Jackson that were not creditable to him, but his appointment was a departmental matter under the minister, Sir Richard Cartwright, and I have no doubt that he had no idea there was anything wrong.

Upon reading this explanation I exclaimed 'Innocent, simple Jim.'

When he is called to account at a public meeting for the appointment of a man who had committed acts which should land him in the penitentiary, (as I think I will be able to prove before I conclude, by the evidence which was given in the trial of the contested election which was then going on), we find the Minister of Public Works telling the people that he had heard since he came home that certain acts had been committed by Jackson which were not creditable to him, thereby inferring that he had not read the report of the election trial, for if he had he could not truthfully have made that statement. And then he says, throwing the responsibility upon one of his colleagues, that the appointment was a departmental one, and that Jackson had been appointed by Sir Richard Cartwright. The hon. Secretary of State, on the contrary, tells this House that Jackson was solemnly appointed by Order in Council in November of last year, and that the duties that he had to perform were fully detailed in that Order in Council, and that he was to have a salary of $3,000 a year. I must leave the question with these two ministers of the same cabinet, to explain to the public and to the House if they can, how it is that one minister could deliberately tell a public audience that it was a departmental appointment ; that he knew nothing whatever of the wrongs which had been committed and the attitude taken by Mr. Jackson at the election, when the fact was that he as a member of the executive council, must have known that an Order in Council had been passed appointing this man to the position of commercial agent at a salary of $3,000 per annum. Who is this Mr. Jackson ? Let us look at his history, as most public men do if they wish to keep abreast of events as they are transpiring. I find that at the general election, when the Minister of Trade and Commerce, the Hon. Sir Richard Cartwright, was about seeking election in Oxford, that there was a gentleman living in Toronto by the name of Janes, who was also a candidate, and it was a doubtful question at that time as to whether Mr. Janes would not, being a leading Liberal, secure the nomination at the convention which was to be held to select a candidate. At that time the premier, Sir Wilfrid Laurier, wrote to this same Mr. Jackson in favour of Sir Richard Cartwright, using the expression that he hoped everything would be done to secure the nomination for Sir Richard Cartwright, who had, to use his own language, done so much for the welfare of Canada. We can understand the premier of the country sending a letter of that kind to one of the manipulators of the party in any constituency. I do not pretend to say, nor even to insinuate, because I have no knowledge of it, that Sir Wilfrid Laurier had any knowledge whatever of the character of this man, and consequently

might look upon it as an ordinary event in the conduct of parliamentary elections, using the influence which he would necessarily possess in writing to one of his friends asking him to do what he could to secure the nomination for a colleague. Then, in addition to that, there was another gentleman who has been well provided for of late. That is a Mr. Preston, of whom I have no doubt many hon. gentlemen have heard. He also wrote a letter to this same Mr. Jackson urging him to secure the nomination of Sir Richard Cartwright at the convention, and one reason which he gave was that Mr. Janes must not be selected because he is unworthy. On what account? Because he had refused to subscribe to the election fund. That is the language of Mr. Preston —and that when he, Janes, was asked for money he said he had no money for party purposes. I need scarcely tell the hon. gentlemen who are listening to me the result of these two letters, first the influence of the premier and the letter of the author of 'Hug the machine', telling him that Mr. Janes was not a suitable candidate for the party because he had refused to subscribe and because he had the audacity to tell him that he had no money for party purposes. Well it has been stated—(I am not saying it upon my own authority)—that Mr. Janes has been looking very anxiously towards a seat in this House, and it was generally understood that that was to be his reward for getting out of the way. My hon. friend sitting before me smiling (Hon. Mr. Kerr) got the inside track and has the position, and Janes was left out in the cold, and it may possibly be because he did not subscribe to the party fund that he did not get the appointment. It is not necessary for me to describe who Mr. Preston is, as every one who has followed his career politically, knows very well what his antecedents have been. I do not know whether it is so, but it was generally intimated that in order to get him out of this country to prevent his being put in the witness box, he received a very lucrative position, from this government, in England, where he now is. So much by way of introduction. Now who is this Mr. Jackson, and what position does he hold in the estimation of the people of Ontario? I refer to that portion of the people who have the slightest regard for political morality. I do not pretend to say that all the crimes of impropriety at elections have been committed by one particular party. I believe there has been altogether too much of it. It has arrived at that stage in which political morality is completely demoralized; people have forgotten to even consider what it is, or what principle should guide them in the conduct of elections, and when we know that men of this character are appointed to the important positions to which I have called the attention of the Senate, and when we know also that Mr. Preston, who was the prime mover in all the machine operations that took place in Ontario, was rewarded by the government, how could you expect the electors of the country to have any regard for what, I repeat, is political morality. At the trial to contest the validity and correctness of the election of Mr. Sutherland, in North Oxford, this same Mr. Jackson was one of the witnesses. I shall read a little of the evidence that I may sustain the position which I have taken in reference to this gentleman. The evidence reads as follows:

Chas. Parker, of Woodstock was put in the box and he declared that he had been approached by George Fornier, the Liberal trusty man, who had been employed to 'bust' the election. Incidentally Fornier was the hero of a police court record.

The Toronto 'Globe' of the 17th reports him as follows:

Chas. Parker, of Woodstock swore Fornier had approached him and asked him to say he had received money from Joseph Clark for his vote. Fornier promised him he would receive ten dollars if he did so, and said he would corroborate his statement. He, Parker, had received five dollars from Jackson.

That is the gentleman who has been appointed to this important position. The witness continues:

He received the money by mail, and produced the envelope. He had also received five dollars direct from Jackson. He, Parker, presumed this was paid him to get him to swear to this. Fornier had told him there was $100 to divide between Parker, Fornier and Keeler if they gave the evidence.

The 'Mail' reports him as follows:

The witness understood it was to be for this false story. There was nothing else for which he could get it. . . . He had been in J. B. Jackson's law office when a man named Sutherland or Sullivan had told him that if he would stick to his story he would give him two ten-dollar bills in an envelope.

Of course it was not Sutherland, but Sullivan, the famous Cap. Sullivan, of whom most of you who have kept track of these election trials and election villany—I think that is not too strong an expression to use—it was Cap. Sullivan and not Sutherland, have heard although the witness was not sure whether his name was Sullivan or Sutherland.

Hon. Mr. FERGUSON—Is that the same Cap. Sullivan who figured in the Gamey charges?

Hon. Sir MACKENZIE BOWELL—Yes the same, and he has been one of the trusted organizers of the Ontario government for years past.

Hon. Mr. KERR (Toronto)—What is the date of the paper the hon. gentleman is reading from ?

Hon. Sir MACKENZIE BOWELL—I do not know the date. I am reading extracts from the evidence given at that trial.

Hon. Mr. FERGUSON—The trial to unseat Donald Sutherland.

Hon. Sir MACKENZIE BOWELL—It was tried before Mr. Justice Street and Mr. Justice Britton. The petition was to unseat Donald Sutherland who was elected in Oxford.

Hon. Mr. KERR (Toronto)—The hon. gentleman gave the date the 17th.

Hon. Sir MACKENZIE BOWELL—Perhaps I did ; if so, I must have read it. Mr. Blake conducting the case for the defence put the question 'was that true ? Were you paid this five dollars ?' He said 'no.' Then he is asked :

And was Fornier present when that money was paid? A. There was no money paid by Jackson.

What money did you receive up to that time? A. $6.75 from Fick (a Liberal worker) and two $5-bills from Jackson and five more from him a few nights ago, which he sent me by Fornier.

Then the next man put in the box was a man named Chambers, who, I very much regret to say, was the former Conservative candidate in the same constituency on behalf of the Conservative party at the local elections, but who sold himself to Jackson and the others for the consideration which I will read to you. Another portion of the report from the 'Globe' of October 17, reads as follows :—

Mr. Jackson was under examination by Mr. Blake as follows:—

He (Jackson) had also paid Edward Chambers for getting evidence. Chambers was a machine agent, and was paid $375 last Monday morning. Mr. Chambers was the Conservative nominee in the last election. He wanted $1,500.

Did he ever ask for more? A. I rather think he asked for $2,000.

Didn't he ask for $5,000? A. Five thousand dollars may have been mentioned; I am not certain.

How much did you promise to give him? A. I gave him $375 and promised him $375 if he gave evidence to substantiate eight charges he gave me.

He got $375, and was to have $375 more provided he supplied sufficient evidence to substantiate the charges which he had made. It will be seen that he admitted he had paid him money but denied that he had promised him a government position if he upset the election. Jackson then said :

Several government positions had been in his mind for years. It was perfectly natural for him, Jackson, to say:

I want the House to pay particular attention to this.

To say that he told Chambers it did not matter to him whether the evidence was true or false, so long as it upset the election.

This is the man that the government have taken to their bosom and appointed to an important position in England at $3,000 per year, to look after our commercial interests in that country. It was generally understood at that time that Mr. Jackson, being a lawyer, was looking for a judgeship, but after his trial and his acknowledging that it was a matter of no consequence to him whether the evidence in court was true or false, so long as it accomplished the object of unseating Mr. Sutherland. Then in the report in the 'Globe'——

Hon. Mr. KERR (Toronto)—Of what year ?

Hon. Sir MACKENZIE BOWELL—The hon. gentleman must know when that trial took place.

Hon. Mr. McMILLAN—The 'Globe' of October 18, 1902.

Hon. Sir MACKENZIE BOWELL—I am reading from the 'Globe's' report of the evidence. I have taken the reports in the 'Globe' and the 'Mail', when they are dealing with the same points, in order that the House and the country may understand that

the reports are not from one party alone. I might say, however, that in one or two instances the 'Globe' has not put the points as clearly and pointedly as the 'Mail' did, but it has given it not only sufficient prominence, but with sufficient clearness, to stamp this man Jackson, as one who certainly should not be recognized or countenanced by any government. I will read again from the report of the 'Globe':

In the cross-examination by Mr. Blake the witness, Mr. Avery, said Jackson told him to swear he got nothing for signing the declaration. Mr. Jackson said to him that if he was asked if he made the declaration he should say he did. If he was asked if he received any money for making the declaration he should say he did not.

There was not only subornation of perjury, but suggesting to this witness that he should deny having received money when he had received it, and that he should make the denial under oath. Mr. Blake, in commenting upon this evidence, used the following language:

In all my experience I have never known such a decided attempt to pervert and obstruct justice. . . These men have been paid to make declarations, and then told that they must swear to them in court to protect themselves. When we see one criminal after another brought into court with fabricated evidence, are we not justified in assuming that some of this $600 was used for that purpose?

That is the $600 which had been paid, referred to in another part of the evidence. Amongst a number of witnesses brought into court were men who had been either in jail, in penitentiary, or convicted of some crime or other, ranging from the negro down to the lowest pot-house frequenter that could be found in the city. All that transpired in the cross-examination, and is shown to be the fact. The Liberal senior counsel, Mr. G. H. Watson, Q.C., protested against Mr. Blake's language. Of course Mr. Blake was putting it as strongly as he could in defence of his client. He was pointing out to the court, in the strong language which those who know him understand he is capable of using as well as any man at the bar, if not better, the conduct of Jackson. The 'Globe' report says that his language was so pointed that:

The Liberal senior counsel, Mr. G. H. Watson, K.C., protests against Mr. Blake's language, and suggested that it was due to chagrin over his change of political allegiance.

Hon. Sir MACKENZIE BOWELL.

I might say to those who have kept abreast of the times that Mr. Samuel Blake, known to be a life-long Liberal, has taken a stand against the Ross government on account of their acts, and particularly on account of the election frauds which have been exposed in the courts of Ontario. 'Mr. Blake pungently reiterated,' says the report 'pointing to Mr. Jackson, one of the reasons of it (that is what is termed the change of political opinion) 'is that there are such men as he in the Liberal party.' In reply to the objection taken by Mr. Watson, and the language used by Mr. Blake the judge gave the following opinion:

In reply to Mr. Watson's protest, Mr. Justice Street pronounced one of the most severe rebukes upon the methods adopted by Mr. Jackson in conducting this case that have ever been recorded in Canadian legal annals. His Lordship spoke as follows:

His report is given by the 'Mail' verbatim:

I do not agree with you at all. I must call attention to the improper, reprehensible means which have been proved here to have been devoted to an absolutely improper purpose. We cannot; it is impossible to follow ramifications of such extent. I feel that in this case I cannot get out of my mind, certainly the possibility of the course of justice having been affected by this expenditure of money. I consider counsel in a case of this kind is certainly justified in referring to that fact. Here is a man of the lowest possible character——

Hon. Mr. FERGUSON—Who said that?

Hon. Sir MACKENZIE BOWELL—Justice Street.

Some hon. GENTLEMEN—Hear, hear.

Hon. Sir MACKENZIE BOWELL—I am not surprised that the hon. minister without portfolio (Hon. Mr. Templeman) laughs. When the government of which he is a member are responsible for appointing such a character as Jackson to an important office, I am not surprised that he should try to turn the subject into ridicule. It is what I would expect from hon. gentlemen who would make such an appointment.

Hon. Mr. KERR (Cobourg)—It is only due to the hon. gentleman to say that the language used by the judge was not applied to Jackson, but to a person who had given evidence there. I think the hon. gentleman misunderstands the report.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman can put what interpretation

he likes upon it. However, much the hon. gentleman may be disposed to defend the government for appointing Jackson, one thing is certain, Jackson admitted under oath that he had told these parties, it mattered not whether they told the truth or not, so long as the object for which they were paid was accomplished. I will read the remarks of the judge again:

> I consider counsel in a case of this kind is certainly justified in referring to that fact. Here is a man of the lowest possible character —Mr. Jackson, of Ingersoll, has associated with men of the lowest possible character. It is evident he must have desired to have been made to procure the proving of charges in this petition. There is no doubt of it. I have seen nothing like it in my experience before. How is it possible for me to trust it?

I do not propose to pursue this matter further than to make one or two more quotations from the 'Globe' in its lucid moments. I suppose it must have been on a Monday, because we find that the 'Globe's' editorial articles on Mondays display some little compunctions of conscience in dealing with matters which it defends. The 'Globe', on the 21st of November, 1903, uses this language, and it is language I think that would be approved of by every honest man in the country:

> The Liberal journals that disapprove of any such use of patronage as would seem to reward discreditable election workers and attempt the first resort to tactics such as would compromise the good name of the Liberal party in any constituency give the government the best evidence of the truest and most useful friendship.

I approve of that language as made applicable to both parties. When the government rewards scoundrels of this character it is the duty of their supporters to call attention to it and show their disapprobation of it. If there was more of that done in the country we would have less of such rascality. The 'Globe' in commenting on this evidence, quotes the following language editorially:

> Mr. Jackson, of Ingersoll, has associated with men of the lowest possible character. It is evident he must have desired evidence to have been made to procure the proving of charges in this petition. There is no doubt of it. I have seen nothing like it in court in my experience before.

That is the language used by the judge in his reply to Mr. Watson's objection. Further on in the same article the 'Globe' quotes from its own reports:

> Mr. Jackson, solicitor for the petitioners, admitted that he had paid Mr. Chambers, Conservative nominee in the last election, $375, and had promised him $375 more if six out of eight charges, of which particulars were furnished by Chambers, were proven.

Now, without pursuing this evidence any further I ask any honest man, I care not to which party he may belong, what he thinks of the appointing of a man of this character to so important a position as that which has been given to Jackson in England? This is but a title of what might be proved against this man in connection with the organization of the party in the west, in association with others who organized the party. It has been the practice in the past—and I think I am saying nothing but what is quite correct—that in many trials in which the grossest bribery had been committed and which could be proved, the important witnesses were sent out of the country. I could occupy your time for an hour giving the names of parties who have been sent out of the country under the pay of the party to prevent them being examined as witnesses. The premier of Ontario and his colleagues down to those who have operated the machine have been parties to transactions of that kind. We all know of the case of Bole—his name is not spelled like mine—a man of the kidney which my hon. friend from Toronto, judging by his remarks and actions, would admire. It is known that Bole who manipulated ballot boxes in the west and committed acts for which, if properly punished, he should be in the penitentiary, left the country, and could not be found, and when he was discovered he was found to be in the pay of a life insurance company of which the premier of Ontario is the president. Now, I can understand the explanation given by Mr. Ross—and I have stated privately in conversation with those who have discussed this question—that as president of that company, Mr. Ross may have known nothing whatever of the appointment of Bole to a position under the company, or his continuing to hold it in the association. I can understand that he truthfully denied that he had any knowledge of Mr. Bole being employed in that company; but Mr. Bole came back, and the 'Globe' with its usual tactics taunted the Conservatives, for not having arrested him and put him on trial, knowing at the same time that the

time had elapsed within which he could be arrested for any action taken in connection with that contest. Notwithstanding that fact having been discussed at the time, Bole is still in the employment of that company in Trinidad, and the premier, as president of the company, cannot give the same excuse that he gave before. Summing up the whole thing we have Preston, the machinist of the party sent to England as government emigration agent, for which position he receives a good round salary. We have now Jackson who has committed the acts I have mentioned, and has admitted his guilt in connection with that election, also rewarded by the government. I am quite satisfied that the thinking portion of the Liberal party condemn this action of the government just as strongly as I have done. I know in private conversation with some of them they have told me that there is no justification for it, and it is for the country to pronounce a verdict upon the conduct of the government for acting as they have done in connection with these election frauds. I regretted very much when I saw that the Minister of Justice had pardoned Bruneau, the man who committed so many frauds, including perjury, in connection with elections in Montreal. The reason given for that reprieve is laughable. They got a doctor's report that it was necessary that Bruneau should walk about in the fresh air in order to recover his health. Is that a sufficient reason for releasing a man convicted of political crimes, such as Bruneau had committed in Montreal ? I hesitate not to condemn it in the strongest possible way, and I rejoice to know that the judges in the city of Toronto have sent to jail for one and two years returning officers and poll clerks who manipulated the ballots and committed election frauds at the municipal elections in that city. It is true some of them belonged to the Conservative party, but it is time that this country should put down such frauds with a strong hand by whomsoever committed if we ever expect to have honest elections in Canada. Here is another instance in which the Liberal authorities favoured a political friend. McGuire, the Liberal who committed the fraud at these same elections was spirited off to the United States and he is there to-day. His bonds have been estreated and I am quite satisfied that if the judge who condemned those who were convicted of fraud can by any means insist upon the payment of the amount for which the bonds-man became bail he will do it. He has displayed in these trials—and I say it to his credit—a spirit which will tend to clear the atmosphere in the future and which will cause people to hesitate before committing frauds to secure the election of friends of their party. I express no hope in the matter, because I have very little confidence in what the government will do as far as their party ends are concerned, but in justice to themselves and to the people of this country such frauds should be punished ; they certainly should not be rewarded as they have been in the cases to which I have referred, and which I fear very much will be repeated unless the people utter a strong condemnation of the practice. I trust if there is any such correspondence and recommendations as my motion calls for that we shall have them in order that we may know who the parties are who took the responsibility of making the recommendation. We know now who appointed him ; let us know who the parties are who recommended him.

Hon. Mr. KERR (Toronto)—I should like to say a word or two with reference to this matter, because I think it is only fair to those who are not here and not in the country that a word or two should be said lest any wrong conclusion should be arrived at with reference to them, although they are not the subjects probably of the inquiry here or the motion here. The hon. member who submitted this matter, based the imputations that he has made against Mr. Jackson upon the proceedings at the trial, and in particular read statements and comments that were made in the press with reference to the action of Mr. Jackson in procuring evidence through one Chambers for use at that trial. The petition, let it be understood, was a petition in a local provincial election case. The Conservative candidate had been elected. Chambers had been a nominee at the convention for the candidature, and had been a Conservative candidate in that constituency when the case came on for trial. Particulars had been delivered as to parties bribed. Names of witnesses were given and a number of persons were

named as having been bribed by the Conservative party. The result of the election trial was that bribery was proven to such an extent as to affect the election and to unseat the Conservative candidate.

Hon. Sir MACKENZIE BOWELL—What does the hon. gentleman say?

Hon. Mr. KERR (Toronto)—The result was a new election.

Hon. Sir MACKENZIE BOWELL—No, there was no new election. Mr. Sutherland was not unseated.

Hon. Mr. KERR (Toronto)—Yes, a new election.

Hon. Sir MACKENZIE BOWELL—No.

Hon. Mr. KERR (Toronto)—The result was that in procuring the evidence for use at that trial Mr. Jackson having named a number of persons as being bribed, subpœnaed Mr. Chambers, the Conservative nominee and candidate that I have referred to before, as a witness to give evidence, and when he served him with a subpœna, Chambers stated to him—and that is what the evidence is—that he could furnish sufficient evidence to unseat the candidate. I will read it so that there may be no mistake about what that was.

Hon. Sir MACKENZIE BOWELL—I do not deny that.

Hon. Mr. KERR (Toronto)—Chambers was the Conservative nominee in the last election. He (Jackson) saw Chambers in Woodstock last week, having gone to subpœna him. Chambers said he knew a sufficient amount of evidence to unseat Mr. Sutherland.

Hon. Mr. FERGUSON—What is the hon. gentleman reading from?

Hon. Mr. KERR (Toronto)—The report of the evidence at the trial.

Hon. Mr. FERGUSON—Who is the witness?

Hon. Mr. KERR (Toronto)—Jackson. 'Chambers, when he was subpœnaed by Jackson, told him that he knew a sufficient amount of evidence to unseat Mr. Sutherland, and said he did not want to be called himself, but he would like to know what Mr. Jackson would say about getting that evidence, on the understanding that he (Chambers) would not be called to give evidence at all, and he asked for $1,500.' Now we all know perfectly well—those who are familiar with election trials—the great trouble and difficulty there is in proving the payment of the bribe, and how the man who has received the money will very frequently deny it, and deny it until you can confront him with the evidence of the man who bribed him. Unfortunately it is the case. In one case where a Conservative candidate was unseated, thirty witnesses in succession denied that they had received the bribe, and after one man was proved to have been bribed, the man who had paid the money went into the box and testified that the whole thirty had been bribed. That is an illustration.

Hon. Sir MACKENZIE BOWELL—What case was that?

Hon. Mr. KERR (Toronto)—The Prescott election case, when George Hamilton was unseated.

Hon. Mr. FERGUSON—How many years ago?

Hon. Mr. KERR (Toronto)—A great many years ago. It is an old practice in the Conservative camp, and I am sorry to say, it appears to have been brought down to date. When this proposal was made by Mr. Chambers, the Conservative nominee, to Mr. Jackson, the result was that a negotiation was entered into between them with the view on Chambers part of getting some money out of the matter, and at the same time giving away his party for the consideration he was to get, and giving the names of persons who could prove bribery without his being put in the box, and without its being known that he was the one that had given information. That being so, the result was that the judge found afterwards that a sum of $375 had been paid and a further sum of $375 was to be paid. That was not to be paid to Chambers for giving his testimony. It was not subornation of perjury. It was to be paid for information which would enable Jackson to call the witnesses who were to depose to the act.

Hon. Sir MACKENZIE BOWELL—That is not the evidence.

Hon. Mr. KERR (Toronto)—Pardon me, that is exactly what the evidence was. And

let me say, if the hon. gentleman would procure a copy of the evidence taken in shorthand at the trial, he would find the evidence did not at all warrant the quotations from the newspapers as the remarks of the judge. I do not mean to say the judge did not disapprove of these acts. I do not mean to say the judge did not think that as a matter of professional ethics it was probably beyond the boarder line, but there was no imputation made what ever that Jackson had committed anything in the shape of a crime which, as the hon. gentleman said a few moments ago, would place him within the pale of the penitentiary. What was done was that Chambers had stipulated that for a given sum he would furnish the names of parties who would prove the bribery sufficiently to unseat the election without Chambers being called as a witness and exposed as the person who was giving the information. That is exactly what the point was. Hon. gentleman know what the difficulties are in proving bribery. You have all had experience more or less in observing these cases, if not being further concerned in them.

Hon. Sir MACKENZIE BOWELL—Not personally.

Hon. Mr. KERR (Toronto)—Not personally, of course, but we have all had the opportunity of seeing it, and the question is whether all that was proven—and that is what was proven—and the payment of $375 under those circumstances warrants the statement that Mr. Jackson was unfit for any position in the employ of the government.

Hon. Mr. MILLER—What about the statement that it did not matter whether the evidence to be paid for was true or false ?

Hon. Mr. KERR (Toronto)—Jackson denied that he said it made no difference whether the evidence was true or not.

Hon. Sir MACKENZIE BOWELL—It is reported that he admitted it.

Hon. Mr. KERR (Toronto)—No, he denied that. It was simply the same thing as the employment of Chambers who, coming from the opponent's camp, was in a position to know how the moneys had been used corruptly in that county for the purpose of carrying the election, and it was employing him as the agent to give the names, times and particulars when the bribery had in fact been committed. It is perfectly plain that was not an offence against any law. The question would be whether that could have been accomplished in another way. Perhaps it could. Those who are familiar with the circumstances of election trials would know how difficult it has been sometimes to get that done the other way when it has been tried. Under these circumstances it seems to me that the language which was used by the hon. gentleman in speaking to this motion, in which he declared that Mr. Jackson in consequence of what he had done and was proven to have done had proven himself to be unfit for any kind of position at all.

Hon. Mr. MACDONALD (B.C.)—Did he not pay money to Chambers ?

Hon. Mr. KERR (Toronto)—He did.

Hon. Mr. MACDONALD (B.C.)—That is enough to condemn him.

Hon. Mr. KERR (Toronto)—Paid for services.

Hon. Mr. MACDONALD (B.C.)—For being a traitor.

Hon. Mr. KERR (Toronto)—For telling what these people had done, for showing how much money had been spent corruptly by the Tory party.

Hon. Mr. MACDONALD (B.C.)—It was bribery on Jackson's part.

Hon. Mr. KERR (Toronto)—Chambers telling on his own party. He did not want to go into the box and state it himself.

Hon. Mr. MACDONALD (B.C.)—The hon. gentleman cannot whitewash Jackson.

Hon. Mr. KERR (Toronto)—Can the hon. gentleman whitewash Chambers ?

Hon. Sir MACKENZIE BOWELL—He is just as bad as the other man.

Hon. Mr. KERR (Toronto)—That was the kind of man employed by the Conservative party in that election. He spent the money, or knew of its distribution. He was giving the thing away, and giving his services in that respect. I am not saying that I would have done it, or I am not saying the hon. gentleman would have done it.

Hon. Mr. MACDONALD (B.C)—I am not justifying the Conservative. Both are equally guilty.

Hon. Mr. KERR (Toronto)—In reference to the statement as to what Jackson did in the payment of that money for the information which enabled the other side to prove the corruption practiced by the opposite party in that particular election, I leave it to the House to say whether that was such conduct as disentitled Jackson to an appointment. I am sorry the names of other parties have been dragged into this discussion. Of course Mr. Preston's name has been used, and the hon. gentleman seems to know a great deal more than anybody else of the extent to which Preston had figured in connection with the Liberal party in elections. He knows more than I do with reference to what he has done, but Mr. Preston is not here. He is doing a great service for Canada. He is the most efficient immigration agent Canada has ever sent to England, and has produced greater results.

Hon. Mr. FERGUSON—He is making speeches against preferential trade.

Hon. Mr. KERR (Toronto)—He may or he may not be making speeches. That is a matter of judgment as to whether he is right or not. That is a question on which he is entitled to have his own opinion as well as anybody else, but he is producing greater results than had been produced by any representative or agent sent over before him, and I think it is a pity this reflection on his character should be dragged into a discussion of this kind, which has no reference to him as to his acts.

Hon. Sir MACKENZIE BOWELL—I have one word to say in reply to what the hon. gentleman read. He said the Conservative candidate was unseated. In that he is in error. He was not unseated. Neither was there another election. The only point upon which the judges differed at all in that case was as to a dollar which Mr. Sutherland had paid to a hostler, who had taken care of his horse. That is the only thing that was proved against Mr. Sutherland, and Mr. Justice Street did not consider it of sufficient importance to unseat him, and send him back to his constituency. The hon. gentleman's memory in that respect is in error, and if he will permit me to say it—and I say it very respectfully—it is equally at fault in reference to the other points to which he has called the attention of the House. The 'tu quoque' argument does not meet this case at all. I stated in my remarks that I deprecated this kind of thing as much as any one could, and I agreed that the necessity that existed in the country at the present moment was that both parties should set their faces against it. Now, he is defending it, and I question whether there is another senator in the House who would justify the actions of Mr. Jackson in this matter, as well as in other matters. I am not going to refer to the remarks which the hon. gentleman has made in reference to what has taken place in the party to which I belong. One thing is certain, and that is that Mr. Chambers was disreputable enough to enter into an alliance with this respectable Mr. Jackson, who has had a certificate of character from the hon. gentleman who has just spoken, to sell himself. He appears to know more about the matter than anybody else. I do not arrogate to myself such a knowledge, but I do claim to be a tolerably close student of political events as they occur, reading the newspapers pro and con, and having a tolerably good memory, I am glad to say that I remember the principal incidents connected with all of these trials. The hon. gentleman has by a piece of—I was going to say forensic eloquence—no, forensic sophistry—I do not want it to be understood disrespectfully, but I can think of no other word to convey my meaning, in reference to Jackson—taken precious good care not to refer to the admission which Jackson made under oath, and which I am quoting now from the 'Globe.' His morality was of such a character that he said 'I considered it natural to say that I told Chambers it did not matter whether the evidence was true or false, so long as it upset the election.' There is the statement of the man himself. His ideas of right and wrong, and his ideas of the course that he thought he was justified in taking in order to unseat Mr. Sutherland, was that he cared not whether the evidence was true or false, so long as it accomplished the object.

Hon. Mr. MILLER—Instigation to subornation.

Hon. Sir MACKENZIE BOWELL—It was an instigation of subornation to perjury. He says : 'Here, is your money. You will have so much if you accomplish such an object.' What was the object ? To prove six of the eight charges which Chambers said he could bring forward. So long as he could unseat the man he did not care whether the sworn evidence was true or not. That is the character of the man the hon. gentleman defends, and whom the government have rewarded for his endeavours to purchase men to swear to lies.

Hon. Mr. CLORAN—Did Jackson admit having made that statement ?

Hon. Sir MACKENZIE BOWELL—The 'Globe' so reports him.

Hon. Mr. CLORAN—I do not care what the 'Globe' reports. Did Jackson admit in his evidence that he made that statement to Chambers ?

Hon. Sir MACKENZIE BOWELL—Yes.

Hon. Mr. CLORAN—I understood the hon. gentleman to say he denied it.

Hon. Sir MACKENZIE BOWELL—Yes, he did say that he denied it.

Hon. Mr. CLORAN—He made a denial in court.

Hon. Sir MACKENZIE BOWELL—He did not deny it in court. He denied it afterwards.

Hon. Mr. TEMPLEMAN—The government have no objection to the motion of my hon. friend, and if there are any papers in connection with this matter they will be brought down. Fortunately for me, or unfortunately, as the case may be, I come from a province where these things do not occur, either on the Conservative or Liberal side. We have a very pure election out in British Columbia, and I think our good friends from the east on both sides of politics might take pattern from the manner in which the western districts conduct elections. Personally I know nothing about these matters, or I should be very happy to say something on the question raised by my hon. friend. He had no doubt only one object in view, which was not to get papers, but to make a political partisan speech in the Senate.

Hon. Mr. LANDRY—Oh, oh.

Hon. Mr. TEMPLEMAN—No question about it. Well, he has achieved the object he had in view. If there are any papers, as I said before, there will be no objection whatever to their production.

Hon. Sir MACKENZIE BOWELL—I think that the hon. gentleman has no right to impute motives to anybody.

Hon. Mr. TEMPLEMAN—I am imputing no motive whatever. I am stating my hon. friend's object. I have said nothing about motive.

Hon. Sir MACKENZIE BOWELL—I have no objection to that, but I object to the hon. gentleman judging others by himself.

Hon. Mr. TEMPLEMAN—I do not think that taunt is justifiable at all. However, there is no objection to bringing down the papers. I cannot discuss this matter. I must say frankly I do not understand the subject. However, if there are any papers they will be presented to the House.

The motion was agreed to.

The Senate adjourned.

THE SENATE.

Ottawa, Friday, April 22, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

MUTUAL RESERVE LIFE ASSOCIATION POLICIES.

INQUIRY.

Hon. Mr. DOMVILLE inquired of the government :

What amount of assessment policies of the Mutual Reserve Life Association exist in Canada at present, and how many policies of the old line business now being adopted are in force, and for what amount ; also, what funds are held by the government for each system of insurance in Canada ?

Hon. Mr. SCOTT—The answer to the hon. gentleman's inquiry is as follows : Of the assessment business of the Mutual Reserve Fund Life Association, now the Mutual Reserve Life Insurance Company, issued prior to 11th August, 1899, there was outstanding at the 31st December, 1903, policies to the number of 4,028, and to the

amount of $7,929,700; and of the business issued since the said 11th August, 1899, upon the legal reserve basis, there was then outstanding 566 policies, to the amount of $1,412,820. Of the amount now on deposit with the Receiver General there is applicable to the assessment policy-holders of the date prior to 11th August, 1899, $238,460 par value, the present accepted value being $218,938; and to holders of legal reserve policies $41,607 par value (including the amount now in the hands of the company's trustees), the capital value whereof is $38,984.

INSURANCE ACT AMENDMENT BILL.

INQUIRY.

Hon. Mr. DOMVILLE inquired of the government:

If a draft of an Insurance Bill to amend the present Act has been submitted to the Insurance Department? If so, when, and by whom? If the Insurance Department prepared any such Bill, and if so, at whose suggestion, and at what date, and in whose hands it was placed in after having been so prepared?

Hon. Mr. SCOTT—A draft of a proposed Bill to amend the Insurance Act was submitted to the department on the 13th April, 1904, and an amended draft on the 20th April, 1904, both by Mr. Angus MacMurchy.

The Insurance department has not prepared any Bill on the subject.

INSURANCE RETURNS.

Hon. Mr. SCOTT—I beg to lay on the table of the House a return to an address dated October, 1903, for a statement showing the amount of premiums of insurance against fire which have been paid each year in the city of Montreal during the last ten years, up to the 1st July last, and also showing the amounts paid each year at Montreal during the same period by insurance companies to holders of policies. The companies are not bound to furnish this information, and in a circular letter they decline to furnish it, except in the cases of the Anglo-American Fire Insurance Company, the Connecticut Fire Insurance Company, the Law Union and Crown Insurance Company, and the London Fire Insurance Company. These are the only companies who have made any returns.

THIRD READINGS.

Bill (11) An Act respecting the British Columbia Southern Railway Company.—(Hon. Mr. Lougheed.)

Bill (13) An Act respecting the Canadian Pacific Railway Company.—(Hon. Mr. Dandurand.)

Bill (14) An Act respecting the Atlantic and Northwest Railway Company.—(Hon. Mr. Baker.)

Bill (15) An Act respecting the Ottawa, Northern and Western Railway Company.—(Hon. Mr. Dandurand.)

SECOND READINGS.

Bill (16) An Act respecting the French River Boom Company, Limited.—(Hon. Mr. McMullen.)

Bill (17) An Act to confer on the Commissioner of Patents certain powers for the relief of the Honourable Charles Algernon Parsons.—(Hon. Mr. Gibson.)

Bill (20) An Act to incorporate the Cascapedia Manufacturing and Trading Company.—(Hon. Mr. Gibson.)

Bill (23) An Act respecting the Collingwood General and Marine Hospital.—(Hon. Mr. Kerr, Cobourg.)

Bill (21) An Act to incorporate the Pontiac and Interprovincial Railway Company.—(Hon. Mr. Edwards.)

BILLS INTRODUCED.

Bill (10) An Act to incorporate the Campbellford, Lake Ontario and Western Railway Company.—(Hon. Mr. Kerr, Cobourg.)

Bill (18) An Act respecting the Manitoba and Northwestern Railway Company of Canada.—(Hon. Mr. Young.)

Bill (25) An Act to incorporate the Whitehorse and Alsek Railway Company.—(Hon. Mr. Young.)

Bill (33) An Act respecting the Vancouver, Victoria and Eastern Railway and Navigation Company.—(Hon. Mr. Templeman.)

The Senate adjourned.

THE SENATE.

Ottawa, Monday, April 25, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

MOTION.

The Order of the Day being called :

For the appointment of a Select Committee of five to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, with power to send for papers, persons, telegrams and records, to employ clerical services, and with leave to report from time to time.

Hon. Mr. DOMVILLE said : In speaking to this motion, which was adjourned a short time ago, I am taking the position that I have proved certain things with reference to the company's business here and elsewhere, and various other matters in connection therewith, I will read some letters from those asking us to do them justice. I will only read a few, because if one, or two, or three hold good, we may infer that all the letters which have been sent to me are based on good grounds and we may fairly assume that we are not asked to deal simply with an individual case. The first letter I read is from Archibald Alcom of Blackville, N. B.

Hon. Mr. DANDURAND—Does the hon. gentleman intend to move for his committee to-day ?

Hon. Mr. DOMVILLE—I do not think it.

Hon. Mr. DANDURAND—Because the hon. gentleman from Toronto asked me to suggest that if the hon. member was not to move for his committee he should adjourn his remarks until the hon. gentleman from Toronto is present. I simply make the suggestion as requested.

Hon. Mr. DOMVILLE—I shall be only too glad to meet the views of my hon. friend, but I will put in to-day a few of the letters which will serve to guide the hon. gentleman and others, so that they will have before them material which they might not gather from my imperfect handling of the subject. With a copy of the 'Debates' before them, they will be able to judge of the case in better shape. In a short time I shall ask the House to allow me to adjourn the debate till to-morrow until such time as the hon. gentleman may be present. Mr. Alcom writes as follows:

I am glad to see by the reports of the House that you have taken up the case of the Mutual Reserve Association of New York, U.S., and which I sincerely hope you will be able to prove to the satisfaction of both Houses of parliament and to the country at large that they are a complete set of swindlers. I am one of these victims which have been duped. Paid into their society for fifteen years, complied with every condition of the contract, and yet notwithstanding all that was deliberately told, there was nothing coming to my policy.

Another case of a poor widow woman which lives near by here which insured about the same time that I did was served exactly the same way. Now if there is anything that I can do to assist you in having these swindlers put out of the business or make them pay up, I will be only too glad to do it. I have a lot of these correspondence and I also have my policy if any of them is any benefit they are simply at your disposal, also the widow woman that I have already referred to is prepared to give over all her papers also her testimony if needed if any evidence from me is needed, could I not give it before a justice of the peace. I am sorry that at this time of the year it is impossible for me to get away or I would only be to willing to come to Ottawa or any place to give evidence against them. Hoping that you will leave no stone unturned to mete out to them the punishment they so justly deserve.

The next letter I come to is from John M. Kerr, Toronto. I do not think it is from one of our colleagues here, whose name I believe is J. K. Kerr This letter is dated 18th April and is as follows:

I take this means of thanking you, for your action in calling the attention of the Senate of Canada, to the doings of the Mutual Reserve Life Association of New York, towards their Canadian policy-holders. In 1891, by the persuasive convasser, I was induced to insure for $1,000. I was led to believe that the annual premium would not exceed $26 or $27 and that the Dominion government held securities for the protection of Canadian policy-holders, I paid this amount for eight years. The ninth year the assessment was doubled on me, and on the tenth year I was notified that the assessment would remain at this double amount for the ensuing ten years. I am a house painter, about four years ago I had a fall receiving a componud fracture at my left ankle, this and my advancing years have weakened my earning capacity, making it a hard struggle for me to meet this increased expense.

Should you be the means of our government compelling this company to act fair and honest by their Canadian policy-holders, you will deserve the everlasting gratitude of many.

The next letter which I shall read is from Mary M. Casserby, of Tottenham, Ont. She says:

Hon. Sir,—In last weeks' parliamentary report I notice you are taking some interest in the management of the Mutual Reserve Life Association of New York.

Some twelve years ago I took a $3,000 policy in the Provincial Provident Insurance Company of St. Thomas, which afterwards amalgamated with the Mutual Reserve.

My payment for some time after amalgamation were about $40 per annum. About two years ago the payments were suddenly increased to about $100 annually, which I consider very exorbitant and not according to my original contract.

She goes on to say she is thankful to the Senate that they are looking after this matter. The next is from F. M. Hall, of Barrie, Ont., who says:

I am glad there is a man in the government willing to interest himself in behalf of the widows and orphans who are being called upon to suffer a cruel imposition at the hands of the scoundrels composing the Mutual Reserve Insurance Company and under the cognizance of our own government. You, of course, appreciate the situation. In the case of a widow who was expecting to get the amount of the face of the policy and then to be proferred less than the half of it, and in the case like our own when our father had paid more premiums than the face of the policy. I understand that this company was allowed by the government to take a lien on the policies, but these liens were drawn in such a way that it would take a clever lawyer to interpret them, so that it does not seem to me that a Supreme Court would hold these liens valid, as it can be proven that the parties signing were misled. Then again the lien bears interest to the company, which is simply absurd, as if a policy-holder lived long enough, the interests would eat up the whole policy, and in fact the policy-holder besides not having anything coming to himself or his beneficiaries, would be debiting himself to the company besides losing all of the thousands of dollars he had already paid in. Now I am no lawyer or scholar, but am sure that unless the laws of this country are founded on absurdities, there must be redress for the great number of widows who happened to be beneficiaries on the policies of this company. Is not the government responsible for the proper conducting of such institutions? If not there are a great number of misled people carrying insurance. Now, in regard to these liens if they were drawn with the intention of defrauding surely in the case of insurance the law cannot sanction or allow it as it would necessarily be a national contention and demand that the government shall not allow such a crime to be perpetrated on the most defenceless of its charges. I was overjoyed to know that you had taken up the attack and that you intend to follow it up. I hope you will if it is for principle alone, and if there is any chance for us we are anxious to hear. There are some, my mother for one who are trying to get a satisfactory settlement and are in a great quandry whether to accept their miserable offer, not knowing where to look for the proper advice. Any ordinary lawyer advises her to take what they offer, but your advice on the matter should be the most valuable.

The next is from H. J. Gibson, of Elmira. It is a long letter, very much to the same effect, that he belonged to the Provincial Provident Institution which was taken over by the Mutual Reserve who got their money, $100,000 then on deposit, and treated their policy-holders in the same way with regard to what they would give them. The next one is from James Johnston, of Mildmay, Ont., dated April 15th. He makes the same complaint very much, but he goes on to say, talking of one policy referred to made by the Provincial Provident Company of St. Thomas, Ont., which was absorbed by the Mutual Reserve:

The insured at first paid a total of $24.40 per annum on an insurance of $1,000, and now he has to pay a total of $49.90 per annum. As there is no value in these policies if any default is made in payment of assessment, the parties here are anxious to know if they are being honestly dealt with by the company, in being asked to pay such assessments. And they fear that they may not have yet reached their maximum assessment.

The next is from S. Alfred Jones, of Toronto. He says:

Hundreds of people in this province are watching with interest your splendid fight against The Mutual Reserve concern. I know of no instance which calls more loudly for legislative interference, than the one which you have brought to the attention of the Senate. People in Ontario are watching your movement with intense interest.

The next is from F. Warren, Toronto. He says:

As a policy-holder in the Mutual Reserve Life Association, I am pleased to see you are asking for a committee to inquire into the position of that company. I have held a policy in that company for over ten years and when I took out the policy I was lead to believe that the premium would not exceed the then stated amount, but at the expiration of the ten years I am now asked to double my former premium. I agreed to do so provided I got a statement from the company that my risk up to that time held good which they refused to give me, but stated they believed it was.

The next is from Wm. Wilkinson:

Dear Sir,—I am pleased to see you are dealing with the Mutual Reserve Company. I insured in this company in May, 1903, on the 10-year distribution plan—paying $5.78 bi-monthly—and extra calls. In May, 1903, the notice came for $10.46. As the policy stated that the reserve or emergency fund was to be apportioned annually after ten years, and in case of the death of the member the sum so apportioned shall be paid in addition to the face of the policy I wrote to the head office inquiring what the amount was, also asking the number of members in Canada in 1903 as compared with 1902. To none of those questions did I receive answers in the least degree satisfactory.

In addition to the increased rate came extra assessments, so that finding that no explanations were forthcoming, and that there was no

certainty as to the amount I might be called upon to pay I ceased paying.

You have, no doubt, seen policies like mine. They plainly read that after the expiration of ten years the share of the contributions of lapses may be used toward the payment of dues, &c. There is not the least indication that the rates will be increased. The agent understood it, as I did, that these profits would go to the reduction of the premiums.

The company is certainly in a moribund condition. The public has lost faith in it. and as I said in a communication to the inspector of insurance, Mr. Fitzgerald, the government ought to close them up.

I do hope that in the interests of the public whose guardians the members of parliament are, you will succeed in stopping this company from doing business in Canada.

I call attention here to the fact that these people were led to believe that they were only to pay so much and at the end of so many years they were to get a dividend, and I hope to be able to show that some of them did get dividends while others were being assessed in an extraordinary manner such as I have been reading about. No. 10 is from J. Geeson, of Tottenham, who complains in the same way. Mr. Pullen, of Halifax, makes the very same statement. Mr. Swam, of Toronto, writes in a similar strain and asks for relief and protection for Canadian policy-holders. He says:

It is certainly a crying shame that insurance companies are allowed to swindle the people the way they have been doing. This company for instance has been squeezing out policy-holders for years by raising the rates, numbers of cases to my own knowledge who could ill afford to lose their insurance after paying their premiums for ten or fifteen years. There is surely something radically wrong with Canadian legislation when such barefaced swindlers with such contemptible audacity are allowed to do business in Canada apparently protected by the laws of the land.

Mr. Hughes of Orangeville, Ont., writes and says:

My mother died last year. She held a policy in the Mutual Reserve for two thousand dollars. They jewed me down to $500. It is a dirty company, I wish you luck.

His mother died and all they would give him on a policy of $2,000 was $500. I have a letter from Mr. Chas. Jones, of Moncton, and I should like to hand this letter to my hon. friend from Moncton, but I must keep the papers together. Chas. Jones, a well known man in Moncton, says:

My call about the first of the year was $27, an addition of $16.90 which I paid. I now have another call for $20.56 with a large ten-year dividend of $2.18 clearly not deducted from the amount at call which I herewith inclose for your inspection. I have written Mr. W. H. White but he advises me he cannot give any explanation on the matter. I then asked him to refer my letter to headquarters and from there I have received nothing since. They claim if amount is not paid my insurance is forfeited and all I have paid in is lost amounting in all nearly one thousand dollars. I asked them if my policy had any cash value to which question I can gain no information; therefore, Sir, I trust you may be successful in probing it to the bottom.

What he complains of here is that they took his policy and agreed, after ten years, that he was to pay no more, and they were to give him a dividend, but when the dividend came due he did not get it. Here is the slip and I should like to have it appear in the 'Debates', although it is not worth while to read it at all. This call is headed 'New York, April 1, 1904.' When they are pleading their inability to pay the policyholders, they are arguing that they have to assess them, and even if they assess them until nothing is left, it is within their right and they must submit to it at the same time they are paying dividends to some. They bought a pig in a poke and it is their lookout and not the company's. On April 1, 1894, signed Chas. W. Camp, Secretary, this notice reads as follows:

Ten Years Distribution Deposit Plan.
Premium call, 133.
Mutual Reserve Life Insurance Company.
Frederick A. Burnham, President.
Mutual Reserve Building, 305, 307, 309 Broadway, New York.

New York, April 1, 1904.

Charles Jones, 157207
Moncton, N.B.

Amount of call..	$20 56
Less dividend..	2 18
Net amount payable..	$18 38

Paying one class of people dividends while they are telling others that they have nothing to pay at all, and that they must be assessed. It appears there are half a dozen different classes in this company, not by law, because we have their charter here and we have the law of Canada, but they arrogate for themselves that they have full control and charge of the company and the power to say what they will do to one and what they will do to the other. Some hon. gentleman in the House stated that they were pleading in forma pauperis and should be given relief, but while they were in forma pauperis they were paying Jones a dividend. Why should he get a dividend

unless we all got a dividend? Are we to be assessed to pay dividends to some persons and others get none? I think that is one of the most important pieces of paper I have here as will be seen later on. Now we have another letter from Chas. W. Camp, Secretary, dated New York, April 1, 1904—that was a happy day to date it—and addressed to Mr. Jones. It reads as follows:—

We desire to call your attention to the fact that your policy, which is a ten-year renewable term contract, provides for the apportionment of a dividend at the expiration of ten years, applicable to the reduction of the cost of the assurance for the eleven and succeeding years.

He is to have dividends for eleven years after the ten years though we are told the company cannot pay its liabilities under the contract, that the contract was an unfortunate one, that when they made it they had miscalculated their tables and that parliament must pass their Bill. The Bill is before us, I have it on my file. We are asked to give them a remedy because they cannot pay up, and here is a letter dated only twenty-four days ago, in which they tell this gentleman that he will have the cost of the insurance reduced in the eleven succeeding years, such cost being based upon his attained age and calculated to remain ten years without further increase. The ten years have now expired and the first dividend is now due and may be deducted from the amount of the current premiums as per the terms of the contract and as set forth in the inclosed notice.

Hon. Mr. DAVID—What is the date?

Hon. Mr. DOMVILLE—First of April, 1904. From the Mutual Reserve Life Association, signed by Camp, Secretary.

Hon. Mr. McSWEENEY—Is the dividend in cash?

Hon. Mr. DOMVILLE—He did not get his dividend. The point I make to the House is that while we are told they have to make extra assessments, they are declaring a dividend. Now I will read a letter which comes a litte nearer home perhaps, from a gentleman who thoroughly knows what he is writing about—Wm. M. German, M.P., for Welland, in the House of Commons. They write him as follows:

In compliance with the request made by you during our conversation yesterday morning, viz., that I personally gave you by letter the particulars concerning your policy No. 181745 for five thousand dollars. I beg leave to state as follows:

This policy was issued in February, 1895, on the ten-year distribution deposit plan, it being a contract providing for ten years renewable term insurance, that is, the premium rate is calculated to remain uniform for ten years, there being a dividend apportioned at the expiration of that time applicable to the deduction of the cost of the eleventh and succeeding years insurance, such cost being based upon the assured's attained age and calculated to remain level for another period of ten years.

Now while they tell him it is uniform for ten years they are putting extra assessments on the people all the time contrary to what they claim they would do and contrary to what they say in their letter they are doing. The letter continues:

Of all the policies issued by this or any other company none has been put out which provided for a greater amount of protection at the same cost. In other words, no cheaper or better policy could be procured anywhere. I would say further that policies on practically this same plan are being written to-day by a majority of the old line or legal reserve which recommends them highly.

No more assessments and yet a Bill is brought into this House to allow them to go into such a scheme as they choose, and wipe them out by assessments. The letter proceeds:

However, as I stated during our conversation, we permit our members under entirely equitable conditions to exchange their policies to the legal reserve or old line basis, the plan being so formulated as to permit their premiums under the new policy to be based, if they choose, upon their age at entry under their original contract. Should you desire further particulars concerning this exchange, I will see to it that the same are promptly forwarded.

The cynicism of this thing!

It affords me pleasure to inform you that my statements not only as to the solvency, but also as to the prosperity and excellent progress of the company are most easily proven.

And yet we have a statement laid on the table showing that they are going from bad to worse every day and assessing the people. He further says:

I inclose herein a printed copy of the report made by the New York Insurance Department last year. This examination was made at our request and was most stringent and thorough.

And then he goes on to make a lot of statements which I do not think I shall read just now. Then a letter written by Mr. A. Manley of Halifax, on the 4th January, 1904, as follows:

Mr. James Adams, an old shipmate and particular friend has just returned from visiting his home at Hampton.

He goes on to say he had seen him and talked the matter over about what I was doing here in Ottawa. The letter continues:

In 1897 I was the general agent here for an old line company with a good salary, a renewal income worth $1,100 per annum, and well satisfied from a financial point of view. But I had, after several conversations with a representative of the Mutual Reserve, certain misgivings as to the old line companies being able to fulfil their estimates regarding profits.

They sent him a statement of what purported to be their business for the provinces, that is the maritime provinces, which he was asked to sign. He was asked to swear to the statement and forward it to the authorities at Ottawa. He continued:

I found this report absolutely incorrect, both as to the business in force, expense money paid here, and death claims paid. In fact, the names of parties were given as having died of whom I never heard, not only so, but even the names of places at which they died I coult not locate, as there was no such place in the province. I at once sent the report back setting forth the facts as here stated. They replied that with one or two small items the report was correct, and that although the parties had not died here, 'the business formerly belonged here,' ignoring the fact as stated by me that there was no such place. They concluded that the report should be completed by me at once, as I was subject to a heavy fine if the report was not received at Ottawa at a certain date.

I replied that the threat of a fine was not going to induce me to subscribe to a document which I knew to be false, and tendered my resignation at the same time. This document was I believe subsequently sworn to and forwarded. However, before returning it to them, I took the precaution of having it carefully copied by an independent party and have preserved it to the present time.

My health became affected afterwards, so that I could not get insurance in the Mutual Reserve as worthless I allowed it to lapse.

Now it goes without saying that owing to the representations they made I allowed my insurance elsewhere to lapse. These representations they must have known to be false and I should be entitled to damages from them.

That man is in Halifax to-day and is willing to come before any committee. The next is from a Mr. Porter, of St. Stephens, a policy-holder to the extent of $5,000, but he thinks he will have to let his policy go; he cannot pay the assessments. He took the policy believing it was on the basis I have mentioned, and he presumed he had made himself safe for life and that his income would allow him to keep up his premiums and make this provision for his family. To-day he finds that he cannot meet their extravagant assessments. He is an old man, and is in no position to insure in another company. I have here a letter from J. A. Brackenridge, of Nottaway, Ont., to the same effect. I have other letters by the score of the same character. I have not had time to analyse the report brought down here the other day. It covers eleven years, but I should like to quote a few of the figures from it. I take up the Canadian part of it first and I want to show how this company drove the people to compromise their claims.

Hon. Mr. MACDONALD (B.C.)—Would not that properly come before the committee?

Hon. Mr. DOMVILLE—I think it would be as well to give the fact to the House. I shall only mention a few items. They took policies in this country from the year 1898 to 1903, to the amount of $33,874,840. By deaths in that time, by surrender and by expiry, which really means lapse, they got rid of $45,000,000 of policies, while according to their statement they never had more than $33,000,000. How do they account for the difference? This shows the unfortunate condition of the company in Canada. They ran down from thirty-three to twenty-nine, and twenty-three millions, and to-day they have only nine million dollars in force. While the policies have been disappearing in this way the cost of doing business has been going on steadily.

Hon. Mr. McMILLAN—Are the premiums reducing proportionately?

Hon. Mr. DOMVILLE—No, the premiums are doubling. In the last four years they received in Canada an income of $1,489,407.54, and paid out $1,200,000. Deducting the expenditure from the income collected in Canada, there was a surplus of $334,360.38. The assessments that had been made covered everything and allowed them this amount which they took to New York. Now let us go into the items of their accounts. They paid in that time to their agents in Canada $145,832.09. Had these unfortunate policy-holders been assessing themselves in a little assessment company of their own, they would have had in that time $490,000 in their treasury, which with the $250,000 held by the government to-day on behalf of that company, would give $740,000 lying here to-day. What right had this money to go to the United States? Perhaps a portion of it might, if

they had paid all their expenses here. Why should the Canadian policy-holders be called upon to put up for New York? The people in New York are assessed to produce what they require among themselves, and we will presently have before us the figures showing the extremely wild and reckless expenditure of money there. I would not like to say myself what the company as been charged with; I will read it from actual statements. They have received as income from all sources in the twelve years I speak of $78,634,208.09 in premiums. How much did they pay to policy-holders? They paid a little over $49,000,000. The amount was made up in this way, $40,000,000 in expenses: commissions to agents, $5,000,000; salaries, and all expenses connected with the agency, $1,319,000; medical examiners, $624,000; salaries of officers and home office employees, $3,649,517.66; commissions paid for collections, $1,206,369.58; cost of adjusting claims, $941,534.06. These were claims they had employed lawyers all over the country to scale down. People not being able to sue and get justice, took anything they could get, and this large amount, nearly one million dollars, was paid to these gentlemen who went around the country to frighten people out of their policies. Then there is renewal commissions $99,000 besides. That is how the $40,000,000 is made up, and the company should have a balance to the credit of the insurance people, because it is not a company, but a few gentlemen managing it, and the public cannot get it out of their hands. They hold the proxies and that accounts for this extraordinary state of affairs in the company to-day.

I will read just a few short extracts from reports of the insurance commissioners of different states. The first I come to is from the Insurance Commissioner of Lincoln, Neb. He says:

> Replying to your letter will state that this company has been doing business in this state but at the present time, license is withheld on account of a protest which has been filed with this department against the company. The protest charges that the company has not dealt fairly with certain of its members in regard to their assessment.
>
> I cannot say when this protest will be heard.

The next is from the Commissioner of Life Insurance of the state of Louisiana. He says:

> The company has withdrawn after controversy because of ruling of department requiring all policies to be stamped 'Assessment plan.'

Then I received the following from the Insurance Commissioner of the state of Ohio:

> They are not licensed in this state to transact business in Ohio.

All the replies to my letters are to the same effect, that they are not permitting them to do business except in a very few states.

Hon. Mr. SULLIVAN—Has the hon. gentleman a list of the amounts paid by the company in Canada on death claims?

Hon. Mr. DOMVILLE—They paid death claims in Canada for those years, or paid under the head of death claims—I do not know whether they were scalped or not—$1,880,552.65, and they collected in that time $4,653,519.65.

Hon. Mr. SULLIVAN—When they should have paid $4,000,000? How much is the amount of the policies they should have paid?

Hon. Mr. DOMVILLE—I do not know. I have given notice of an inquiry for that information now. We have nothing before us now to show what deductions were made from the policy-holders. The insurance accounts show how much they have paid: how much they scalped I do not know. I have a letter from Murray and McLatchie, lawyers, of Campbellton, asking whether, if they should apply to the Attorney General here, there is any chance of getting the Crown to take up a case in Canada. They are of opinion apparently that it has got so far advanced that the case should be taken up by the Attorney General. Judge Hall, in the case of Caldwell vs. the Mutual Reserve, a case in which Caldwell recovered over $56,000, says:

> Burnham's evidence shows distinctly that it was not consistent and therefore unreliable.

I think, perhaps, hon. gentlemen are getting tired of this subject to-day but in order to give a chance to some hon. gentlemen who are not here to-day to deal with the question, I will show the enormity of the scaling process. You will remember that I mentioned the other day that they had paid on an average only 30 or 40 per cent of the face value of the claims, and had

never paid 100 per cent. They had contested claims to such an extent that people compromised and accepted the best they could get. I see in the statement that I laid on the table the other day—that brief which came into my possession—the assertion is made that they do not scale any of their policies. Let me give you some facts to show that they have done so. The claims of one group of men total $368,995. That is to say, they should have been paid that amount for their policies. They received $149,295.56, a little over 40 per cent. These are all facts and figures which have been made public—matters of public notoriety. Take another group; the policies amounted to $410,880; they were scaled down to $128,494.47.

Hon. Mr. McMILLAN—What year was that?

Hon. Mr. DOMVILLE—That was in 1899. I have another statement here of the scaling down of policies amounting to $230,714. That was reduced to $81,366.50. That was in October, 1899. I think hon. gentlemen will accept what I say just now without going too far, because they will see it in committee, that they scale these people down, and as I showed you by the account, they only pay forty millions where they received some seventy-nine millions. I will now quote from the 'Interview,' of New York as follows:

> Many suits against the Mutual Reserve Fund Life Association are in prospect. Benjamin F. Washer, who has secured judgment of $20,000 against the company, will try and collect this amount. Suits will be instituted by policy-holders to have returned premiums they have paid into the association, upon the ground that there was fraud practiced by the company. A decision favourable to the policy-holders, made by the Supreme Court in the Phelps case a few days ago, will also be cited in these cases.

And here is another extract from the same document:

> The filing on February 25 of the twelve judgments was not 'the first news' in these actions, nor in many other similar suits. The New York 'Law Journal' of January 22 contained a long and able decision by Mr. Justice Seabury, in the Johnston cases, a part of which was republished in the January issue of 'The Interview.' Besides, similar victories have been won by policy-holders. And that proves that justice is not dead yet, and it also proves that at least a part of the Mutual Reserve victims will not meekly submit to bearing the numerous burdens imposed upon them by the Bowery collection agent and his co-faker, Eldridge, the assesment-company-gravedigger.

I have another paper which could be read from if necessary where it says that they have their assets in such a state that no judgment could be collected. Here is the Belgium deposit in London. They have a million dollars cash assets which they were compelled, when they first went into business, to deposit in countries where they were licensed to operate, but as it is there and held for that purpose so long as any assessment policies exist in those countries, they cannot touch that money. When, therefore, by their process of scaling down the policies they having reduced their business from three hundred million, to one hundred and two million, and have ground it down in Canada from $36,000,000 to something like $9,000,000—with such a showing and levying assessments such as the poor people cannot afford to pay, they come up with a new company, a line company, on a different principle, and there they have all those deposits in various places, their own property. The assessment people have passed away in Canada and elsewhere. They can get nothing out of it and have no further claim. They are like people whose policies have lapsed. They have been driven out and it says that it is clearly intended to freeze out the people and get the money and they can do it with so much power because when Mr. Harper died he left the proxies to Mr. Burnham and he uses these proxies and nobody can get possession of that institution. They can do what they like. They can take what they like, as I will show you by and by. They can put what they like in their own pockets and what redress can you have? Mr. German goes to them and they tell him a cock and bull story, and they write to another man telling him he is getting a dividend, as they had agreed to pay, but he does not get it. They credit it on his premium. They can come to this honourable body and ask to get legislation to allow them to go on, and I think it is one of the boldest things that ever was done, with these papers published all over the world against them, and the judges of the courts giving judgments against them everywhere. They come to parliament and say 'put us on our legs,' and to the Canadian policy-holders they say 'come unto us, done with the old love, on with the new, get what you can out of us but get parliament

to make good our position in the eyes of the world.' Here is the case of a man who was arrested, Mr. Burnham and Mr. Eldridge arrested this man in the afternoon and sent him to jail. The point is, that while the judges have made all the comments about them from various places as to their want of integrity, they challenge this man to meet them in the law courts, and they are afraid to go to them on criminal grounds. I will go further into this question when my hon. friend from Toronto is here. I now move that the debate stand adjourned until to-morrow.

Hon. Mr. DANDURAND—Allow me to suggest to the hon. gentleman that as we are all interested, and can only be interested in the policy-holders and in their future welfare, that he should lay before this House at as early a date as possible his scheme of rectification, or whatever he may have in his mind, that we can examine the suggestion he wants to make. We have from the hon. gentleman from Toronto a projected draft of a Bill which he has laid before this chamber. If the hon. gentleman who states that he wants to place before us some matter in order that we may cogitate over it could, as quickly as possible, give us the conclusions that he wants to reach, or the suggestions he wants to make, we could at the same time give some thought to the proposition that he wishes to lay before the chamber. I see in his motion that he speaks of a committee, but possibly he has already in his mind some suggestion for the relief of the policy-holders who have gone into this Mutual Assessment, for whom he speaks, I have no doubt, or for a certain number. It appears to me if the hon. gentleman has framed some relief Bill he should give us the advantage of it in order that we may examine it side by side with the other suggestion which has come from the hon. gentleman from Toronto. I do not know if he will be here to-morrow. Perhaps the hon. gentleman could adjourn a continuation of the exposition of the grievances that may be put in his hands against that company, because it is a somewhat peculiar situation of having a complaint on the instalment plan, when there are considerable interests to be examined and safeguarded in this connection.

Hon. Mr. DOMVILLE—In reply to my hon. friend, I think it would be rather presumptuous for me to go and tell them now that I have a plan cut and dried to guide them and tell them what they have to do. They are judges here. I lay the complaint of the public before them. I am complaining for Canada and laying the complaint before this honourable body, and I ask them to investigate it with the committee. When that committee is formed the hon. gentlemen on it will investigate the matter and will report to the House and the House will debate their finding. Then is the time to say what relief shall be afforded. How can I talk about giving relief to them when there is a Bill brought in to give them relief, when the ground is cut from under me? I ask this House to consider it, to adjourn the debate till to-morrow. I am only too willing to do anything to accommodate any hon. gentleman. I am not here to put impediments in anybody's way ; I am here to try and do my duty pleasantly. It was a very poor result when that Bill was snapped in after my debate was adjourned. If I adjourn till later than to-morrow, I cannot tell what the future may bring forth.

Hon. Mr. FERGUSON—Do I understand my hon. friend to say the introduction of a Bill purporting to give relief to Canadian policy-holders in this country cuts the ground from under his feet ? I would imagine if relief was granted that that should be our object and that only.

Hon. Mr. DOMVILLE—This is what I complain of : when I told the House last year and this year that I proposed to bring in a Bill if the evidence supported my statement, then they ask me to adjourn the debate and bring in a Bill ahead of anything I could introduce, and before the committee could hear it.

Hon. Mr. FERGUSON—If their Bill is not right assist them to make it better.

Hon. Mr. DOMVILLE—That is a question we must consider on the examination. There is no doubt relief must be given in some way to these people. What is the best mode of dealing with it is what we should consider. I stayed here to attend to my business and I think hon. gentlemen should do the same. If we adjourn till Friday, then we are going to adjourn till the 25th of May. It reminds me of the story about the darkey down south who was accused

of stealing melons: he said that it could not be true because at that time he was in Jackson's fowl roost stealing chickens. I am serious in the matter. I am not a lawyer and do not know the intricacies of the law. Having made my motion, I propose to stand or fall by it, and unless under the very greatest pressure, I would be unable to adjourn it to a later day.

The motion was agreed to.

THE PACIFIC CABLE.

MOTION.

Hon. Sir MACKENZIE BOWELL moved.

That an humble address be presented to His Excellency the Governor General; praying that His Excellency will cause to be laid upon the table of the Senate, a return showing the earnings and expenses of operating the Pacific cable since its opening for business:—

1. The number of words transmitted each way, distinguishing ordinary messages from government messages.
2. The gross earnings each month.
3. The total expenses incurred each month—
(a.) In repairs.
(b.) In maintenance.
(c.) In interest.
(d.) In sinking fund.
(e.) In salaries.

Together with copies of all correspondence relating to any difficulties which may have arisen in Australia in connection with the working and operating of said Pacific cable.

He said: My reason for making this motion arises from the fact that Mr. D. H. Ross, commercial agent for Victoria, South Australia, Western Australia and Tasmania, makes a report dated December, 1903, in which he uses the following language under the head of the Pacific cable:

After nearly four months spent in Australia and New Zealand, Mr. C. H. Reynolds, the London manager of the Pacific cable, sailed for England this week. Upon inquiring at the Chamber of Commerce yesterday, I was told that they had no intention of a canvasser having been appointed for the city. Nothing could be more unsatisfactory than the existing condition of things, and page after page could be written illustrating that the state-owned cable is being run on anything but business principles. Melbourne merchants would gladly avail themselves of the Pacific cable if the service was made popular.

To show that a conference of the co-partners is a matter of urgency, I quote herewith an extract of a letter, dated September 25, from a London office to their head office in Melbourne:

'Telegrams via the American lines continue unsatisfactory, badly written, no duplicate unless specially sent for, and principally turning up during the day instead of first thing in the morning before our buyers go out. We should be glad, therefore, if you would revert back to the "Eastern."'

I think my hon. friend the hon. Secretary of State, who has given some attention to this matter in the past, will be somewhat surprised at the action of those who are managing this state cable, of which we are part owners and to which we have to contribute annually a certain amount of the expenses, whatever they may be. When referring to this subject during the last session of parliament, I called attention to the unsatisfactory manner in which this cable business was transacted, I pointed out that the deficit during the year had amounted to a very large sum. Now, if that deficit is increasing, as this statement of Mr. Ross would indicate it will increase, we shall have to pay an amount proportionate to our ownership of the cable and consequently will become a heavy burden upon the people of Canada. We, being partners and joint owners, I think it is but right and fair that the people of Canada should know how this business is managed, what expenses are incurred in conducting it and what the receipts are, and then to take such action as may be deemed necessary in order to avoid the deficits which must necessarily arise from bad management. I have never had but one opinion upon the manner in which this company is managed, and that is, that it is managed to a very great extent, if not directly, in the interest of the Eastern Extension Company, at least in a manner to prevent our cable becoming a paying concern. I am quite satisfied that the government has not the full information at its command, and it may be just possible that they may not be able to get a return giving the information which I have asked for during the present session of parliament. It will be necessary to communicate with the Colonial Secretary, in order to procure from the committee that is managing this cable the information which I asked for in the motion which I am making, and which I have not the slightest doubt the hon. Secretary of State will be glad to furnish as soon as it can be had. I have often expressed my opinion in the Senate upon what I thought of the manner in which the Australian people and also the imperial authorities have conducted business in the past, and expressed the opinion that the government of Canada should take active and decisive measures in order, not only to obtain the information I have

asked for, but to insist on the management in future being based on business principles. That is the view I hold, and I think any man who has any practical knowledge of the working of a Pacific cable will agree with me. I am equally convinced the hon. Secretary of State will concur, and that he holds just as strong views upon this question as I do. There is no reason why a state cable owned by Great Britain. Australia and Canada should not be made a paying concern. The Eastern Extension has earned enormous profits and declared enormous dividends, while professing all the time not to earn more than is necessary to carry on the business. An investigation of the accounts and an investigation of the whole proceedings will show that it has been one of the most profitable undertakings in existence to-day in the shape of a cable company, and under the circumstances, and knowing what business there is to transact between these colonies and England and Canada, there is no reason why that business should not be done over our cable. You will see by this report of Mr. Ross that the business men in England are cabling out to their firms and business men in Australia do their cabling by the Eastern Extension and not by the American company. The American company is the company owned by Great Britain, Australia and Canada. Why should that be? Why should there be such mismanagement? Why should gentlemen in London who are doing business rendering it necessary that they should have their cables early in the morning before the market opens not receive them earlier? This gentleman says they do not receive them until the business day is over, and their transactions in stocks and in other matters are concluded. And the result is that it delays the whole operation of business till next morning.

Hon. Mr. SCOTT—It is very natural to have brought this motion before the Senate and to ask for the papers. It is within the memory of most of us that the hon. gentleman has for nearly ten years taken a very deep interest in the Pacific cable. He presided at the meeting in this chamber when the first movement was made for the establishment of a cable between Canada and the Australian colonies. It was to be expected, no doubt, that in the first year of the cable there would be a deficit. It had a powerful rival in the Eastern Extension. The Eastern Extension had succeeded in making arrangements with parties who were to use the cable service between Europe and Australia, and therefore one would look for a deficit, perhaps larger than they anticipated. Speaking from memory, I think about $125,000 was our share of it, altogether too large, of course, if the concern had fair-play. There is just one redeeming feature about it, and that is that the Pacific cable is a superior cable. The Construction Company, as it is called, that worked for the Eastern Extension was really honest in giving us a good cable, and it is a matter of notoriety that messages pass over that cable, perhaps more readily than over many other cables. The chief disadvantage that the cable rests under is, as my hon. friend knows very well, that the Eastern Extension Company has all the advantage of connections throughout Australia and that just before the confederation of the Australian colonies the most important colony, probably, that used the cable, New South Wales, made a very unfair arrangement to give the Eastern Extension the right to use the government lines and the government poles. They practically used the government offices. This contract was made after confederation was entered into, but in the terms of confederation the railways and the cables remained with the individual states, pending the time when they would be transferred. Taking advantage of that, New South Wales made a side agreement with the Eastern Extension Company which is to our very serious detriment. Fortunately there were some men of honour and integrity in the parliament of Australia. The Bill was allowed to go through the lower House without being challenged. When it came to the Senate there were some gentlemen there who remembered that they had been here in 1894. They remembered the associations of gentlemen with whom they were brought in contact and the manner in which this cable construction was contemplated. It was to be a partnership affair. Naturally Canada expected that any business New South Wales could throw in with the general partnership without being injurious to herself would be carried out. That of course has not been fulfilled, and I am glad to say,

therefore, that the bargain made with the Eastern Extension Company has not yet been ratified. It was thrown out in the Senate and so it stands to-day. I do not know what the position of it is in the new Houses, but certainly it will be in no worse position than it was before. In regard to the comments made by the gentleman to whom my hon. friend referred, Mr. Ross, I had not seen them, although I had seen similar remarks made, that there had been some want of business management in looking after the transmission of messages. On further inquiry into that I do not find that it prevailed to any extent, but that the real cause of the deficit in the Pacific cable was the fact that the Eastern Extension had the advantage in the Australian colonies. Of course the largest number of messages that would pass over the Pacific cable would originate either in Australia or by business houses in England having correspondents in Australia, and that gives the Eastern Extension the advantage. It ought, however, to be remembered by our friends in Australia that it was only when the Pacific cable was made a success that the rates were brought down by the Eastern Extension. I think they were reduced by about one-half. A very substantial gain has been obtained by Australia in the laying of the Pacific cable. Although they may not use it, they have gained because the Eastern Extension Company was obliged to come down in its rates, giving Australia a lower tariff than before. I do not trust myself to say how that matter arose, because it reflects on men whose integrity I do not wish to call in question, but there is no doubt whatever that the defeat of the Pacific cable was an accomplished fact long before the order for its construction was given. It was the action, I venture to say, of those whose duty it was to have favoured it, and the checks and delays in the construction of the cable enabled the Eastern Extension to come in and obtain substantial advantages over the Pacific cable, having connections with South Africa and Hong Kong and other points on the eastern coast of Asia. It is a very long story but I think there is a brighter future now, inasmuch as the upper House in Australia by a very decided vote expressed the opinion that it was bad faith on the part of the Australian government to make this agreement with the Eastern Extension Company. The point was raised chiefly by those gentlemen who had been associated in the early history of the enterprise. They naturally felt it was a matter of honour to Canada at all events. The government of Great Britain perhaps did not take so much stock in the fact that Australia would have no difficulty in diverting a reasonable portion at all events of the business that passed between there and Great Britain over the Pacific cable. I hope before another year goes over that the Pacific cable will be in a much more satisfactory position than it is to-day, due entirely to our friends in the Senate of Australia taking the bold stand they did in defeating a government measure because it ignored entirely the fair position Canada had a right to assume in connection with the volume of messages that passed between Australia and Great Britain.

Hon. Sir MACKENZIE BOWELL—The remarks of the hon. Secretary of State only confirm the remarks I made. The Pacific cable is more direct for the business of Canada and England than the Eastern Extension, and therefore the advantages to be derived from a proper working of it would be much greater than on the other line. I shall not enter into the history of it. I have done that in the past—mentioned all the difficulties that presented themselves. My only reason for making this motion is to endeavour to get the business of the cable placed on a better foundation in order that the receipts may be greater than before. I have no desire to discuss the other question to which my hon. friend has alluded, because we have discussed that on former occasions. My recollection is, however, that the upper House in Australia rejected the agreement entered into with the Eastern Extension Company altogether. The first government formed entered into the arrangement to which my hon. friend has referred, but the succeeding government refused to ratify it so that the matter stands as it did when the cable was first built. All I want to impress upon the government is the necessity of their insisting upon the cable being conducted on business principles so that we will not be taxed to pay money we have no right to pay.

Hon. Mr. ELLIS—Does the motion include the total cost paid for the construction of the cable ?

Hon. Sir MACKENZIE BOWELL—I think not. My reason for not putting that in was that I thought that information was already before the House—that is, the total sum paid for the construction of the cable. I had it included in my motion in the first place, but remembering that it had been laid before parliament I omitted it.

The motion was agreed to.

BILLS INTRODUCED.

Bill (24) An Act respecting the Canadian Fire Insurance Company.—(Hon. Mr. Lougheed.)

Bill (27) An Act respecting the Real Estate Title Guarantee and Trust Company. —(Hon. Mr. Casgrain, de Lanaudière.)

Bill (38) An Act to amend the Petition of Right Act.—(Hon. Mr. Scott.)

THIRD READING.

Bill (B) An Act for the relief of Robert James McDuff Rodger.—(Hon. Mr. Kerr, Cobourg.)

The Senate adjourned.

THE SENATE.

Ottawa, Tuesday, April 26, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

PORTRAIT OF SENATOR WARK.

Hon. Mr. WATSON presented the second report of the Committee on Internal Economy and Contingent Accounts, recommending payment of the cost of the portrait of Senator Wark. He said: We all know that last session it was decided unanimously to provide for the payment of the cost of this portrait. I thought it was done with open doors, but there is no record on the Journals with reference to it. The committee met this morning and the report is being printed. It has been suggested that we ought to make the presentation or the unveiling of that portrait before the adjournment, if an adjournment takes place, and it has been suggested that we might have the ceremony take place in this chamber at 2.30 o'clock on Thursday afternoon, when we might make it known to our friends in the Commons who might desire to be present. If there is no objection to it the committee can see that that programme is carried out.

The motion was agreed to.

AN ADJOURNMENT.

The order of the day being called:

By the Honourable Mr. Miller.—That every motion for an adjournment of the Senate, inconsistent with rules 3 and 7 of the Standing Orders of the House shall, under rule 13 be deemed special, and require one intermediate day's notice of such motion.

Hon. Mr. PERLEY—My hon. friend from Richmond (Hon. Mr. Miller) has kindly consented to permit my motion to be taken up before his motion, which is the first on the order paper.

Hon. Mr. LANDRY—As the hon. gentleman has asked permission to take his motion out of its order, I think as a matter of fact, and a matter of right, that this motion should come first, and I cite as a precedent——

Hon. Mr. LOUGHEED—His motion is to be taken first as the hon. member states.

Hon. Mr. LANDRY—I want it understood that when a motion to adjourn is on the order paper, it should take precedence of all other motions.

Hon. Mr. WATSON—It is all right; that is what is going to be done.

Hon. Mr. LANDRY—I quote a decision given by the Hon. Mr. Speaker of the House of Commons of England. It reads as follows:

PARLIAMENT THE DERBY DAY, ADJOURNMENT OF THE HOUSE.

Mr. Chaplin asked Mr. Chancellor of the Exchequer, whether he intends to move the adjournment of the House from Tuesday next till Thursday, as Wednesday next is the Derby Day ?

The Chancellor of the Exchequer.—Sir, I observe that prior to the year 1860, it was the habit of the House to adjourn over the Derby Day ; but the motion for adjournment was not undertaken by the government of the time being. In the year 1860, Lord Palmerston, then the leader of the House, moved the adjournment for the Derby Day himself, and from that time till the year 1871 the motion was regularly made by the leader of the House and acquiesced in without observation. Since 1871, however,

the motion has been opposed and divisions taken upon it, so that the position of the question appears to have changed. In these circumstances I do not think it would be desirable that the leader of the House or the government should make the motion for adjournment ; but of course, it will be open to my hon. friend (Mr. Chaplin) or any hon. member who thinks proper to do so.

Mr. Chaplin gave notice, that in consequence of the answer of the Chancellor of the Exchequer, he would himself move to-morrow that the House should, at its rising, adjourn till Thursday. He wished to ask Mr. Speaker whether he was right in supposing that in accordance with all former precedents this motion, though moved by a private member, would take precedence of other motions ?

Mr. Speaker.—I have referred to the precedents, and I find that it has been the general practice that a motion for the adjournment of the House should take precedence of other business. In accordance with that practice, the motion of the hon. member will take precedence of the public business to-morrow at 2 o'clock.

Hon. Mr. MILLER—That is the practice of the House of Commons in England?

Hon. Mr. LANDRY—Yes.

Hon. Mr. MILLER—In the House of Lords the rules are silent, but there can be no dispute here, because I waived my right to proceed with my motion.

Hon. Mr. LANDRY—I am not discussing that part of the question. The hon. member having waived his right, I am not discussing that point, but I want, in future, when nothing in our rules touches that point, to follow the precedents of parliament.

Hon. Mr. MILLER—Not of the House of Lords. The hon. gentleman has quoted a precedent from the House of Commons. We do not take our precedents from the House of Commons when our own rules are silent. We take our precedents from the House of Lords. I am not raising the point as to whether he is right or not with regard to precedents in the case of ordinary motions of adjournment or not. There is no dispute of that kind before the House, and therefore it will be quite unnecessary to raise a discussion upon it.

The SPEAKER—I understand it to be the wish of the House that the motion of the hon. gentleman from Wolseley shall be taken up first.

Hon. Mr. LANDRY.

Hon. Mr. PERLEY moved:

That when the Senate adjourns on Thursday, the 28th instant, it do stand adjourned until Wednesday, the 25th of May next.

He said: When this motion was placed in my hands, I understood it had the support and approval of the hon. Secretary of State, the leader of the House, and with that understanding I have moved this adjournment. I quite concur in his good judgment in that respect, because I know there will be very little to do at the end of this week, and I am advised by members of the other branch of parliament, that the Grand Trunk Pacific Bill will not be here until the last of May. Between now and the 25th there will be very little to do. The public business has never been delayed by any of our previous adjournments, and I am sure that no delay will occur on this occasion.

Hon. Mr. SCOTT—It is quite true that I was asked whether it would be convenient to adjourn this week for some two or three weeks, and that I said I saw no objection to it. I thought the public business would quite admit of the Senate having this adjournment, but my view is that the adjournment should not go beyond Wednesday, the 18th. That will give hon. gentlemen an opportunity to reach their homes and remain there some little time, and when they return they will find the Grand Trunk Pacific Bill ready for us. I am quite sure this House would not care to adjourn any longer than it is perfectly apparent there will be no business before it. The important Bills likely to go through in the near future are the Grand Trunk Pacific and the Militia Bill. I feel a good deal of certainty in saying they will be ready by the 18th of May for the consideration of the Senate.

Hon. Sir MACKENZIE BOWELL—What do I understand the hon. gentleman to say will be ready by the 18th of May?

Hon. Mr. SCOTT—The Grand Trunk Pacific Bill.

Hon. Sir MACKENZIE BOWELL—And when will the other be ready?

Hon. Mr. SCOTT—If they proceed day by day with the Grand Trunk Pacific Bill, I presume they will complete it before that,

and certainly the Militia Bill will not take long to go through.

Hon. Mr. MACDONALD (B.C.)—Does the hon. gentleman from Wolseley accept the suggestion of the Secretary of State?

Hon. Mr. PERLEY—Yes, I will have to do that. My seconder, however, says not.

Hon. Mr. MACDONALD (B.C.)—I should like to know definitely whether the hon. gentleman accepts it, because there has been a conspiracy on both sides in this case, and Conservatives have been the promoters of this conspiracy.

Hon. Sir MACKENZIE BOWELL—Will the hon. gentleman kindly exempt me from that remark?

Hon. Mr. MACDONALD (B.C.)—I certainly, in as strong language as I can command, condemn the motion to adjourn, but if the 18th is accepted by the hon. gentleman from Wolseley, I have nothing further to say.

Hon. Mr. WATSON—This motion was carefully prepared by the hon. member from Marshfield (Hon. Mr. Ferguson), who is also very careful in preserving the dignity of the Senate. It appears to me if we are to have an adjournment with the object of letting members who reside some distance from the capital have a few days at home, you might as well extend it to the 25th, because if we return on Wednesday the 18th, there will be only three working days—Thursday, Friday and Monday—before the 24th of May, and if you adjourn on the 25th you lose only these three days, while members will get a week additional time at their homes. We might as well adopt the original motion. If my suggestion is acceptable to the House, we should sit on Friday next, and have all the reports of the committees adopted and the work cleaned up. I simply throw out the suggestion. There is no conspiracy, nothing more than those who wish to move in that direction have thought it well to consult their colleagues before taking action. It is well always to do so before presenting such a motion as this to the Senate.

Hon. Mr. FERGUSON—My hon. friend from British Columbia (Hon. Mr. Macdonald), has thought proper to speak of the consultation of members with one another on the question of an adjournment as a conspiracy. I think he did not seriously consider the meaning of the term, and in my opinion it is quite out of place. If the doing so on the part of gentlemen who desire an adjournment is a conspiracy, then my hon. friend is a conspirator himself, because I happen to know that he has been interviewing members of the House with a view to bringing about a different decision. My part in connection with this motion has been referred to by the hon. gentleman from Marquette. Several conversations have taken place between senators as to the propriety of taking a long adjournment in the early part of May. Not seeing the hon. gentleman from Montreal (Hon. Mr. Dandurand), who generally, like myself, takes some interest in this matter, in his place, I went over, just after the House met, and conversed with some members with regard to this motion. I had a draft of it in my hand, and they suggested that I should show it to the members of the government. I handed it to my hon. friend from Victoria (Hon. Mr. Templeman) who passed it over to the hon. Secretary of State, just as he entered the House. It was handed back to me with the remark that he did not see why the House should continue sitting when we had little or no business to do. There appears to be very little difference of opinion as to this adjournment. It is generally accepted that we can take a reasonable adjournment at this time. Even my hon. friend from Victoria (Hon. Mr. Macdonald), was willing to assent to this adjournment, provided it was shortened one week.

Hon. Mr. MACDONALD (B.C.)—I did not say so.

Hon. Mr. FERGUSON—My hon. friend gave us to understand that he would not oppose it if the suggestion of the Secretary of State was accepted. I do not wish to set my view up in opposition to that of the Secretary of State, but I think when he considers the statement made by the hon. gentleman from Portage la Prairie (Hon. Mr. Watson), he will be convinced that we can adjourn to the 25th without any disadvantage, and no interest will be prejudiced by adopting the motion as it stands. When

we reassemble, we will be able to continue working until the finish.

Hon. Mr. MACDONALD (B.C.)—I have been a number of years in this House and I fail to see how members can base a motion of this kind on personal grounds. They come here to attend the business of the country and should remain here until it is finished. There is no doubt my hon. friend from Marshfield (Hon. Mr. Ferguson), is the chief sinner in this matter. He managed the whole thing. What does a conspiracy mean? People conspire when they come together to do a certain thing against others. I believe my remark was quite proper. I did not mean it offensively, but there was collusion. The hon. gentleman can take whatever horn of the dilemma he pleases. I am quite willing to leave the decision of the matter to the Secretary of State, who leads the House. If he says the adjournment can be had without injury to the public business, I accept his decision. I move that the motion be amended by striking out '25th,' and substituting for it '18th,' in the second line.

Hon. Mr. LANDRY—I rise to a point of order. The hon. gentleman having already spoken on the main motion, he has no right to move an amendment now.

Hon. Mr. CHURCH—I am opposed to all adjournments. I am not going to speak to the point of order——

Hon. Sir MACKENZIE BOWELL—That is the question before the House now. It must be decided before the motion can be discussed.

The SPEAKER—I think the point of order is well taken.

Sir. MACKENZIE BOWELL—I am not going to prolong this discussion further than to say that I am very much in accord with the sentiments expressed by the hon. senator from Victoria (Hon. Mr. Macdonald). While I am not prepared, perhaps, to use quite as strong language as he has used in reference to it, I differ in toto from my hon. friend to my right (Hon. Mr. Ferguson)—and it is not very often that I do—when he declares the action of the hon. member from Victoria or anybody else, that of a conspirator, because he objects to a motion which it has been proposed to make upon any question. The hon. gentleman from Wolseley, put a notice upon the paper after a consultation, as I understand it, with certain members of the House. I wish my hon. friend from Victoria to understand distinctly that the expression used with reference to all the Conservatives of the House was not correct, and I conclude the reason I was not approached upon the subject, was that they knew very well that I had expressed strong opinions against long adjournments, and for that reason I do not feel myself at all slighted because they did not consult me upon the question. Had they done so, they knew very well what answer they would have received. When I noticed the motion on the paper, I objected, and said to one or two that we should not have so long an adjournment during the session, but I repudiate the idea of my hon. friend, that I was a conspirator, because I expressed an opinion.

Hon. Mr. FERGUSON—I did not say that.

Hon. Sir MACKENZIE BOWELL—That hon. gentleman said if one was the other was. Now, I differ entirely from him. However, we will allow that to remain in abeyance. It is not at all creditable that we should have a month's adjournment in the early part of the session, and then another in the middle of the session, or past the middle of the session, because, as has been indicated by the hon. Secretary of State, I think a few days ago, there are only two important measures, namely, the Grand Trunk Pacific Bill and the Militia Bill to come before us. I think most of us—perhaps the better way would be to speak for myself—will agree with the principal provisions of that measure. One or two involving very important principles, we may take exception to, but it is not a Bill that is going to take any length of time to pass this House after it has gone through the other House. It is not before the House just yet, but the reason I think, for that is that, I know it contains many provisions to which both parties will give their adherence and concurrence, and there are other provisions with reference to which we will have different opinions. We have had one month's adjournment already, and now we propose to have another

month. I understand the difficulties and the inconveniences to which some of the senators are put upon occasions of this kind. My hon. friend from Portage la Prairie (Hon. Mr. Watson) will occupy half the time in coming and going, and my hon. friend to my right (Hon. Mr. Ferguson) is in the same position, but we are not appointed to this House, as has been indicated by my hon. friend from Victoria, for our own immediate convenience, nor to make our duties as public men subservients to our own private interests. That is the position I take, and I think that we should avoid as much as possible doing anything as senators to bring this House into disrepute in the country. These long adjournments to which we are asked to consent, will have that tendency. In view of the opinions expressed by the public press, both Conservative and Liberal, in a sneering way, in their references to the Senate, we are only adding fuel to the fire, until they will look upon this House as an utterly useless body.

Hon. Mr. MILLER—My own opinion with regard to adjournments such as the one now under consideration has been fully expressed for many years past. I entertain precisely the same opinion as my hon. friend the leader of the opposition has given forcible expression to. I think they should be as rare as possible, and it is to be greatly regretted that within the last few years, and especially since my hon. friend the present leader of the House has got control, these adjournments have become unusually frequent. Going back to the early days of confederation, it was a rare thing to have more than one adjournment during the whole session, and for years we never had more than one of two during the whole session, and short adjournments at all.

Hon. Mr. POIRIER—But we had short sessions then.

Hon. Mr. MILLER—Some of them were quite long enough, but the custom during the old days was better than it is now. We had, during the greater part of the time the Conservative party were in power, a respected leader in this House for many years without interruption, the late Sir Alexander Campbell, and it was the invariable practice in this House in those days, while he was leader, for none of his supporters to move for an adjournment of the House without his consent. If he was prepared to say that the business of the country would not suffer by the adjournment, then one of his supporters would move, and there would be no opposition to the adjournment, and all forms would very often be waived in order to carry out the wish of the House. What I regret is that the control of the House, with regard to adjournments, is taken altogether out of the hands of the leader of the House. It was humiliating on one occasion to see the position in which the leader of the House was placed by his followers in regard to one of these adjournments. I say it was a humiliation to the hon. gentleman, such a humiliation as we never inflicted on our leader when we had control of the House. But I should be very sorry now that the leader of the House should agree to every suggestion for an adjournment made to him, because it would look as if he were submitting to intimidation, and even humiliation would be better on his part than the suspicion of being subject to intimidation.

Hon. Sir MACKENZIE BOWELL—He said he was humiliated.

Hon. Mr. MILLER—With regard to adjournments now I think we should have a clear understanding that any one moving the adjournment of the House for any length of time should have the approval of the leader of the House, who best knows what business is to come before us and what time it may take, which private members cannot be aware of. At the same time, while I am opposed to adjournments, I do not like to deny to others what I cannot enjoy myself, unless I have good reason. When the business of the House does not interfere, and the leader of the House certifies to that fact, I should be very sorry to play the part of the dog in the manger—and I never did it—by preventing hon. gentlemen going home for a few days, or a week, or a fortnight, or perhaps a month if necessary, when it might be a convenience to them. With regard to the present vote, I may remark that I was approached by one of the so-called conspirators and told that the leader of the House had consented to an adjournment until the 25th, and I was given

to understand—and there I must have misunderstood my informant—that the leader of the opposition had given his consent also to the long adjournment. I said 'if that is the case then opposition is useless' and I considered if both these hon. gentlemen agreed that a long adjournment might be taken by the House, that they were pretty safe in doing so, because they knew whether or not such a long adjournment would likely interfere with the business of the country, which should be our first concern. I therefore promised to vote for this adjournment. I do not think we are likely to have any business for two or three weeks to demand our attention, and therefore, as the large majority of the House would like to have the long adjournment and it would be a matter of convenience to them, I do not propose keeping them for two or three weeks when we will certainly have no business to do, and I would therefore vote for the motion as suggested by the hon. Secretary of State, if anybody will move that when the House adjourns on Thursday it do stand adjourned till 18th May.

Hon. Mr. McMULLEN—I look upon this as an exceedingly important question. I consider the reputation and the dignity of the Senate is before this country and is on trial and more so during this session than it has ever been before while I have had the privilege of a seat in this House. Years ago we used to criticise the utility of the Senate by pointing out how little it did for the enormous expense it put the country to. We are having now very evident proofs that we were right in that criticism. The fact is that if the Senate has not business to do in the country's interest, and if we are not here and have no work to do and make a return for the indemnity we draw, we had better be honest with the country. If the government cannot give the Senate business to do so as to keep us here and engaged we had better abolish the Senate. During this session we have already had a long adjournment, and here is a proposition for another adjournment. We have only been back here a very short time before another proposition to adjourn is made. It will very soon be that the hon. gentleman from Assiniboia (Hon. Mr. Perley) will adjourn the House whenever he wants to build a new fence or when threshing comes around. Last year he secured an adjournment in order to go home to harvest, and now he wants an adjournment to get home to seeding. What is the cause of these adjournments? Simply and solely to save members of this House from suffering a deduction of $7 or $8 a day from their indemnity when they come to draw their money.

Hon. Mr. MACDONALD (B.C.)—Hear, hear.

Hon. Mr. McMULLEN—If that is the case, we ought to be honest. Any man can go away from this chamber and attend to his private affairs. He is allowed to be absent fifteen days. No man has a right to ask that this Senate shall adjourn to enable him to go home and attend to his private business and draw $9 a day for that time. It is not creditable and not dealing with the country honestly. I should like to add to the amendment the following :

And that $8 per day for every day the Senate fails to meet on which the Commons meets be deducted from each senator's indemnity.

I will make that motion if I can get a seconder, and I hope the hon. leader of the opposition will second my resolution. I think we had better be honest.

Hon. Mr. MILLER—That motion was once put on the order paper, but was never pressed.

Hon. Mr. McMULLEN—If we are going to adjourn a month and then come back and work a week and then adjourn a month again, we are doing business in a way that is not creditable and dignified. If we want to pocket the country's money without earning it, it is not creditable. I know that there is some business to come before the Senate. There are two or three divorce Bills that have to be dealt with. There is also a motion coming up that will take a week to discuss in the Senate—the matter of the trade relations with the United States. I think we can well and properly discuss that question at some length. It is a question of vital interest to us, and one on which there has been considerable agitation on the other side of the line. Then again here is my hon. friend from Rothesay (Hon. Mr. Domville), who has a very important question before this Senate. He asks for the appointment of a committee for the purpose of investigating

and reporting upon the career of a certain insurance company which obtained a license from this House to do business in 1885. That company was doing business as a mutual company for years. It has got into deep water. Its transactions are injurious to its policy-holders. Some fourteen million dollars' insurance has lapsed.

Hon. Mr. LEGRIS—Question.

Hon. Mr. McMULLEN—I am dealing with the question. The hon. gentleman has a motion asking for a committee to be granted and an investigation held into the condition of that company, in order that we may deal with them in a way that would be equitable to the people of this country who were led to understand that they were safe in insuring in that company. We have other important business, one motion dealing with the same company, and I say that we should give our attention to these matters. There are Bills to come before us and business that properly belongs to us, and that we have a right to deal with, and we should stay here and deal with it. Not only that, but I was speaking to a prominent Conservative, a man who is well up in the Conservative party, last night at the Union station, and he told me that he could not see that there could be any possible grounds upon which the present session could last longer than about the 15th June or, at latest, the 1st July. If we propose to adjourn till the 25th of May and the House rises about the middle or the end of June, we will have an experience the same as we had the last two sessions, suspending rules to get Bills through, with the result that at the end of every session of the Senate we rush measures through the same as we drive sheaves through a threshing machine. There is no consideration. We virtually confirm what is done in the other House without any investigation at all. Is that what we are here for? Is that the only duty the Senate has to perform? If it is we should know it. If that is all the service we are going to render in return for the enormous amount the Senate costs this country, we had better frankly confess that the Senate shall be abolished. If we do not render the country service, let every man be honest and say, let us get out of this and have no Senate; or if we are going to have any at all, let it be based on a more democratic system. Certainly we should not adjourn to the 25th May. I think the country will take notice of these facts. I know they will in the province of Ontario. I am positive of that. They will ask: 'What is the good of the Senate after all? The government promised to reform the Senate when they came in power, and in place of that, it appears to be getting more useless.' This will be the argument. Hon. gentlemen will go on the stump and repeat it. I should be glad to see the Senate utilized and turned to account and keep up its dignity as a respectable, dignified portion of the legislative body of this Dominion, in place of meeting and adjourning for two or three weeks, then meeting again for a week and adjourning for a month. I do not think it is creditable to do business in that way. I am opposed to these long adjournments. I must say that I regret that the hon. Secretary of State gives his sanction to an adjournment till the 25th of May.

Hon. Mr. SCOTT—The 18th I said.

Hon. Mr. McMULLEN—Well, as far as I am concerned, seeing the Secretary of State has consented to the 18th and led the House to understand there is to be that adjournment, I shall not object and shall acquiesce.

Hon. MEMBERS—Oh, oh.

Hon. Mr. POIRIER—Where is the honesty?

Hon. Mr. McMULLEN—I would not consent to an adjournment to the 25th, because I think it is altogether too long. I am sorry I cannot get a seconder to my amendment. I am honest, and I am prepared to vote for it. If any man in this chamber will second it, I will put it in the Speaker's hands.

Hon. Mr. LOUGHEED—Questions of adjournment are accompanied with some advantage when discussed in this House, because they afford an opportunity for homilies on public duty. Now my hon. friend from Wellington starts to outline the duties of public men not only in this parliament, but to their common country. It is refreshing indeed, and yet one always feels a very great sense of regret that the burdens of state lie so heavily upon his shoulders. If this $8 per day is pressing upon my hon. friend very heavily, his conscience might be relieved by his not accepting the $8 a day

which is paid to members during the adjournment. The Auditor General will raise no serious objection to the refusal of my hon. friend to accept the full share of his indemnity, so that in this way, if any hon. gentleman is oppressed by the remissness on the part of this Senate in performing the duties which pertain to it, I apprehend it would be a very easy matter to relieve his conscience. One has to listen very often to lectures of this kind when the subject of an adjournment is discussed, but I take exception to being lectured on all occasions by four or five hon. gentlemen as to what constitutes the public duty of a Senator with reference to his attendance in this House. I take it that this is a revising body. Perhaps not according to our constitution, but certainly according to our practice very little legislation originates in this House. It is peculiarly a revising body, and the time occupied is very small indeed in comparison with the time occupied in the Commons, on account of the fact that nearly all the legislation originates in that body. I do object, as a member of this Senate, to the hypocritical idea which is promulgated so often by some hon. gentlemen, as to leading the public to believe that from the beginning of the session till prorogation we must be kept here by public business. I heard my hon. friend from Wellington, I think it was when the subject of the last adjournment was before the House, suggesting that the impression should be left upon the public mind, through the press and otherwise, that we were practically continuously engaged here, otherwise we could not occupy the position in the public mind to which we should aspire. If this House has not public business to occupy its time sufficiently, why should the public not know it? Is there anything to conceal? Have the members of this body been remiss in the proper performance of their duty? Has any business ever suffered by reason of the adjournments from time to time? I challenge any hon. gentleman to point to any piece of legislation which has ever suffered by the adjournment which took place in the earlier part of the session, and I furthermore make the statement that no deliberative body gives closer attention and better scrutiny to the legislation which may come before it from time to time, than the Senate of Canada. I challenge the hon. gentleman to point to any statement which has been made in the public press or elsewhere in which the Senate has been accused of not giving proper attention to business. If that be the case, if this Senate is attending to its duties properly, and is giving that scrutiny to the public business which it demands, and to which the public assents by its silence is being done, why should we meet day after day without performing any business? Is it candid? Is it fair to leave the impression on the public mind that we are engaged from first to last of the session with business, when such is not the case? Let us face the facts, as they present themselves, with proper candour and not leave an impression upon the public mind that we are doing something when there is nothing to be done. I do object to hon. gentlemen saying that a few members of this House from time to time suggest these adjournments for the purpose of furthering their own convenience. My observation—and I think the observation of every hon. gentleman here will bear me out in this statement—is that those gentlemen who have been in favour of adjournments, those possibly who may have championed adjournments, have been just as attentive to the public business and have given as close attention to every matter of legislation that has come up, as hon. gentlemen who have played the part of censors, who have been our critics, who have abused us for sacrificing the public interest for the sake of our own private interests. I am satisfied that the contrast which has been pointed out by some of our censors will scarcely bear a very close scrutiny, and I am satisfied that hon. gentlemen who have supported those adjournments from time to time have been as anxious to promote the public business and have paid as close attention to the duties which devolved upon them as hon. gentlemen who have accused us of being remiss in that particular. I further say that the reputation and the dignity of the Senate, as my hon. friend from Wellington has chosen to designate it, will not suffer in the least by our being candid in the way that we propose, namely, when there is no business to be done to adjourn the House till business is ready. Furthermore, I think it will be a very salutary way

of impressing upon the government of the day the fact that the Senate has very little to do and that they should, by an exercise of their discretion, introduce more important business in this chamber than has been done in the past. My hon. friend from Richmond has said that in the olden days, when the Conservative party, my own party, was in power, we sat almost continuously, the adjournments were not very frequent. There was a pretension, perhaps, that we were attending more closely to business, yet it no way stemmed the agitation which was made throughout the country for the abolition of the Senate. But since the hon. gentlemen opposite came into power, and the adjournments have been very frequent, we have heard less of the abolition of the Senate than previously.

Hon. Mr. MILLER—The Senate has been reformed.

Hon. Mr. LOUGHEED—And the lengthy adjournments seem to have commended themselves to the public as one of the best reasons why the Senate should be continued.

Hon. Mr. POIRIER—Are we discussing the main motion or the amendment?

Hon. Mr. SCOTT—There is no amendment.

Hon. Mr. DANDURAND—I do not intend to repeat the remarks I made a year or two ago on the question of adjournments, I will simply touch upon one phase of the question. I take it for granted that we have an average session of four months. It may be tending towards a longer session. But we have had a four months session for a few years. I think I have established that there are two months out of the four which are occupied by the House of Commons with work which is special with that House and with which we have nothing to do. I think we have established beyond contradiction that for six to eight weeks the House of Commons goes into supply and discusses each item of the Supply Bill, which we pass in three minutes; so that during these six or eight weeks no one has the right to force us to remain here and wait for the Supply Bill from the Commons. Besides there is always a long discussion on the budget speech. Then, in addition to that, there are 214 members in the House of Commons who have to speak, who feel the necessity of speaking to their electors, of being heard once in a while. We know the long speeches that are being made in the other House. In this House we address ourselves to the questions. We have no electors to whom to speak, or to court. We simply discuss questions, as the hon. gentleman from Calgary says, as a court of review. We take the Bills that come before us. My hon. friend from Calgary said it was not in the constitution but in the practice to sit here as a court of review. If my hon. friend will refer to the discussion which took place at the confederation, he will find there that the fathers of confederation all declared that the proper function of the Senate was to act as a check and court of review over the hasty legislation of the House of Commons. We have besides another very important role to play in the constitution. I will not deliver a lecture on the duties which devolve on this House, but I will ask: have we ever been remiss in accomplising them? We have not, and I contend that in a four months' session there are two months when we must necessarily be idle unless it pleases us to remain here and listen to the hon. gentleman from Wellington discoursing on some question which he would bring before us. But we decline, when there is no business pressing, when we can cope with the business on our return, to remain here simply to listen to academic questions being discussed before this chamber, or to keep company with the hon. gentleman from British Columbia. The hon. gentleman from Wellington (Hon. Mr. McMullen) and the hon. gentleman from British Columbia (Hon. Mr. Macdonald) have spoken of the reasons which actuate some members in moving adjournments of this House. I only beg to say this, that those gentlemen are actuated by a sense of public duty. They want to be here when there is work to be done, but they feel when there is nothing to be done they have duties to discharge elsewhere. I, for one, decline to remain here, to pass one or two Bills a week. I prefer the honest way of attending to my business when there is nothing to be done here, rather than leading people to believe we are working as hard as the House of Commons, when there is practically nothing to be done. Under the old system we would sit for half an hour

three or four days a week and adjourn. The hon. gentleman from British Columbia (Hon. Mr. Macdonald) when throwing stones at his neighbours should remember that some of the members who ask for adjournments never take the fifteen days they are allowed to take. I have not taken on an average five days of my fifteen during the last three or four years. I decided when I came to this House that when a majority could be found to favour it, we would try and abandon the old method, represented by some hon. gentlemen, to object to adjournment when there is no work to be done. Those hon. gentlemen might as well be here as anywhere. They think because they have thrown off the harness that we, a majority here, who are still in the prime of life and have business of our own to look after should remain here because it pleases them to remain. I do not want to class myself with the hon. gentleman from Victoria, who does not seem to know the value of expressions which he uses against his colleagues, but I think it more honest and less hypocritical to adjourn when there is no work to be done and come back when we have work to do. We are surprised at the attendance in the Senate ; it is because we are not required to be here when there is no business to be done. We are not kept here marking time, while the House of Commons is debating a question that will occupy three or four weeks that can be disposed of in this House in three or four days when it reaches us.

Hon. Mr. SULLIVAN—After the burst of indignation from the hon. gentleman, I want to tell him that quite a number of members here do not know three-fourths of the legislation that goes through the Senate. Many Bills are not read at all.

Hon. Mr. POIRIER—How does the hon. gentleman know it ?

Hon. Mr. SULLIVAN—I will give the hon. gentleman an examination of one that he does not know anything about. There is a large amount of work to be done in studying measures, and I should be glad to have the mighty intellect of my hon. friends here to consult in going over those Bills. Speaking largely for myself, I cannot study up all the Bills that are brought here, and I do not happen to be a member of that sublimated intellect of the Senate, the Committee of Railways.

Hon. Mr. POIRIER—So the hon. gentleman is himself the one who does not know what is going on.

Hon. Mr. SULLIVAN—I put myself in the same category with the hon. gentleman. If there is less said about adjournments in the Senate now, it is because a great power that used to call in question every movement of the Senate is now hushed, but I know what the feeling of the people is, and I know I have been again and again twitted by people I met about our frequent adjournments. I do not think any one in this House objects to one adjournment. It is the repeated short adjournments that give the Senate a bad reputation. Would it not be better to bring in a resolution providing that all motions for adjournments shall have the sanction of the leaders on both sides ? We know that we are doing our business well and thoroughly, but the public do not ; they do not take enough interest in this House to understand what we accomplish. I do not see much difference between adjourning to the 25th and adjourning to the 18th ; the only difference is that one sin is a little bigger than the other. If I should be a member of this House next session I propose to bring in a resolution that no adjournments shall take place without the sanction of the leader of the government and the leader of the opposition of this House.

Hon. Mr. SCOTT—Will the hon. gentleman from Wolseley accept my suggestion to make the adjournment to Wednesday, the 18th of May ?

Hon. Mr. PERLEY—When the motion was placed in my hands I understood that it had the concurrence of the hon. Secretary of State. Last session I did not move an adjournment at all, and when the hon. gentleman from Wellington says I moved an adjournment in order to get home to look after the harvest, he states what is positively and absolutely incorrect. I have interests at home it is true ; I pity the man who has not. As there is nothing to be done here, we shall adjourn and attend to our own business. Since 1887 when I was first elected to the House of Commons I have every session been present at the open-

ing and the closing, and have hardly ever lost a day. Even last year I lost only four days out of the fifteen that I was entitled to. I have never failed to attend committee meetings. The hon. gentleman from Wellington has raised a howl here, as he did in the House of Commons, and if he ever stultified himself, it was when he accepted a position in the Senate which he decried. I accept the suggestion of the hon. Secretary of State, but my seconder has not seen fit to do so. I think we had better act on the suggestion. If we do not, then let us adjourn from Friday instead of Thursday. Personally, I am quite willing to have the motion amended. I do not want to show disrespect to the government of the country. I accept the view of the Secretary of State, but my seconder has not withdrawn his right, and I must leave the matter to the House.

Hon. Mr. SCOTT—I move that Wednesday the eighteenth, be substituted for Wednesday the twenty-fifth, in the motion.

The SPEAKER—Does the hon. gentleman from De Lorimier accept the amendment ?

Hon. Mr. DANDURAND—I seconded the motion because I thought a majority favoured the 25th, and more especially to suit those who live in the extreme east and the extreme west. The suggestion of the hon. Secretary of State suits me perfectly.

Hon. Mr. LANDRY—I rise to a point of order. The hon. Secretary of State has no right to move an amendment, having already spoken.

The SPEAKER—It seems to be the opinion of the House that the motion should be amended.

Hon. Mr. LANDRY—I object to the amendment proposed by the hon. Secretary of State.

Hon. Mr. FERGUSON—I made the statement to my friends in this House that the hon. Secretary of State had agreed to this motion. The hon. gentleman's action to-day would imply that he did not agree to it. I repeat, however, that he had a copy of my motion in his hand and looked over it and said he had no objection to it.

Hon. Mr. SCOTT—My hon. friend is quite right in saying that a copy of his motion was handed to me. I did not read it. I knew it was a proposal to adjourn for some weeks ; I did not know whether it was to the 18th or to the 25th, and I consented to the adjournment under the impression that it was a shorter date.

Hon. Mr. OWENS—Like my hon. friend from De Lorimier, I cannot be accused of selfishness in supporting a motion to suit the convenience of our friends who live far from the capital, and I object to the attacks which have been made upon the hon. member from Wolseley who is accused of being actuated by selfish motives. He has been charged with moving an adjournment to enable him to go home and attend to his harvest last year. This comes with a bad grace from hon. gentlemen who last session, when work was pressing, were absent from the Senate. I refer especially to the hon. gentleman from Wellington and Victoria.

Hon. Mr. MACDONALD (B.C.)—I did not move an adjournment though.

Hon. Mr. OWENS—No, but the hon. gentleman waited until the fifteen days had elapsed and then he left. Where was the hon. gentleman at the opening of this session ? He never came in until after the first adjournment of the Senate, and the same remark applies to the course pursued by these hon. gentlemen who rise now and censure their colleagues who really do attend the meetings of this House, when there is business to be done. My object in rising is to settle the question. I therefore move:

That when the House adjourns on Thursday it stand adjourned until the 18th of May at three o'clock.

The motion was agreed to.

MOTIONS DEEMED SPECIAL.

MOTION.

Hon. Mr. MILLER moved :

That every motion for an adjournment of the Senate, inconsistent with rules 3 and 7 of the Standing Orders of thie House, shall, under rule 13, be deemed special, and require one intermediate day's notice of such motion.

He said : Rule 3 of the House, referred to in my motion, reads as follows :

The time for the ordinary meeting of the Senate is at three o'clock in the afternoon, unless some other time have previously been ordered.

That rule regulates the time for the meeting of the House. Rule 7 is as follows :

When the Senate adjourns on Friday, unless otherwise ordered, it stands adjourned until the Monday following.

These are the two rules which regulate the times of the meeting and adjournment of the Senate. For an adjournment of the Senate, inconsistent with these rules, we have, as I contend, rule 13, which says :

One intermediate day's notice in writing must be given of all motions deemed special ; and any motion is deemed special which initiates a subject of discussion.

Now, if we want an adjournment of the House inconsistent with rule 3 and rule 7, I contend that there is only one means by which it can be obtained, and that is by a motion with an intermediate day's notice under rule 13. There is no other rule on our standing orders under which such a motion can be made, and therefore if this rule is not applicable, if motions for an adjournment of the House say for a week or month do not come under this rule, there is then no rule upon the standing orders, under which such a motion could be made. It is true his hon. the Speaker contends that under rule 17 such an adjournment could be obtained. Now, rule 17 reads as follows :

No motion to suspend, modify or amend any rule or part thereof shall be in order except on one day's notice in writing specifying precisely the rule proposed to be suspended, modified or amended, and the purpose of such suspension. But any rule may be suspended without notice by the unanimous consent of the Senate ; and the rule proposed to be suspended shall be precisely and distinctly stated.

I call attention to the phraseology : 'precisely and distinctly stated and no motion for the suspension of the rules upon any petition for a private Bill shall be in order unless the same shall have been recommended by the Committee on Standing Orders.'

I contend that rule 17 is not, and never was, intended to have any application to general motions before the House, such as special motions, or motions which in the ordinary transaction of the business of the Senate come under rule 13 of the House. I want hon. gentlemen to understand that unless such motions as the one which has just been decided come under rule 13, there is no rule under which the motion can be got before the House, except rule 17. How are we to proceed to get an adjournment of the House under rule 17 ? We would have to ask by a motion to suspend these two rules, and would have to set them out fully in doing so. That is, he would have to give notice on a certain day that he would move to suspend rule 3 and rule 7, and would have to state in his notice what rule 3 is, and would have to include in his notice of motion rule 7, because, as I say, this rule sets out that the rule proposed to be suspended shall be 'precisely and distinctly stated in the motion.' Therefore, you must give the notice to suspend these two rules and must set them out in your notice. Having got these two rules suspended, then you would have to make another motion for the adjournment of the House. Now, I ask hon. gentlemen if it is consistent with reason or common sense that that roundabout process should have to be adopted in order to get an adjournment of the House for any time whatever. I do not think that any one who considers—and I say it with all due respect to the chair—the absurdity of the position which it would logically involve us in would say for a moment that the rule was right. That rule was never intended to apply to motions such as the one which we have just disposed of. It was to apply to motions in connection with Bills, and there were two ways of getting rid of any irregularity in the passage of a Bill in consequence thereof. One was to get a report from the Standing Orders Committee when no notice at all was required ; the other was to give notice under that rule for a suspension of the rule, for instance, with regard to the time for presenting a petition to the House with regard to the publication in the 'Official Gazette' or anything of that kind. It was intended to apply to irregularities of that kind, which required a special intervention of the House in order to allow the business of the House to proced. That is my construction.

I will now proceed to place before the House the precedents upon which I found that opinion. I may say that I would hardly venture to do what I am going to do, read precedent after precedent from the Journals of the Senate, if our time was

of more importance than it is just now, but unfortunately we have nothing to do and can take plenty of time to discuss this important matter. I contend further that the construction I place upon rule 13 is precisely the purport and intent of rule 31 of the House of Commons, that the two rules in operation and intent are precisely similar, although in phraseology they are dissimilar. If you take two rules and find them thoroughly dissimilar in phraseology, while in intent and operation they are perfectly consistent and in conformity, is it not a strong inference that the interpretation which brings about that affect of conformity must be the right one? And when you attempt to construe one of these two rules by reducing yourself to an absurdity, and more than that, an absurdity in the other House, can there be any doubt at all with regard to the construction of these rules? The rules of the Senate were framed upon the rules of the old legislative council, at the commencement of confederation. Rule No. 13 was as follows:

One intermediate day's notice in writing must be given of all motions deemed special.

That rule was adopted in our first standing orders in 1868, and continued the rule until the additional clause was added. In the eighties, I think, the revision took place, and the alteration was made. How, and why was it made? It was because frequently when a motion was before the House difference arose as to whether it was a special motion or not. I need hardly say that it is not an unusual thing for members to come to this House who never belonged to any legislative body before, and not therefore as conversant with parliamentary rules, as those who had had that experience in the more popular branch. It was not at all a matter of wonder that very often clear-headed men would think that rule very vague and indefinite, and therefore it should have some qualification in order to show what was its real meaning; although I do not think anything could be more special than a motion in this House which would involve the suspension of two of our standing orders. That is not a motion to be classed with motions made in routine business. A motion of adjournment involves the suspension of two standing orders of the House. If anything would be a special motion that would be one, but there were laymen who thought the rule should be made clear and put beyond doubt, and therefore the rule was qualified by defining what was a special motion, which was as follows:

And any motion is deemed special which initiates a subject of discussion.

Any motion which initiates a subject of discussion is a special motion under rule 13. We had a motion just now before the House under a proper notice and I leave it to hon. gentlemen to say whether that motion did not initiate a subject of discussion. We had over an hour's discussion upon the motion of my hon. friend. Well if my construction of this rule is right, that motion was perfectly in order. Any one could get up when that motion was before the House and speak, and was exercising his undoubted right to speak on it. No one could say it was not regular, and it was initiated by just such a motion as I am referring to. This was the reason I allowed the discussion to precede my motion. I wanted that debate to precede mine so that I would have an instance in the minds of hon. gentlemen present, a proof of my point of what must be considered an intermediate day's notice under rule 13 of the House. I say again that that motion was a proper one under rule 13, but if the ruling is correct and it does not come under rule 13, then the whole discussion we had here this afternoon was irregular and out of order. But that discussion was not irregular and was not out of order. It was perfectly in order. It was initiated by the motion of the hon. gentleman from Wolseley. I do not think it ought to be necessary for me, so far as this House is concerned, to utter another word or offer a precedent in support of my contention, but as time is not of importance to us, I have asked the clerk of routine of the House to go through the records and see how the motions and precedents in the Journals stand in reference to my contention, and he has done so and has given me quite a number. I told the House just now that we borrowed that rule from the old legislative council. I take up the minutes of proceedings of the legislative council of Canada when that rule had not the qualification which it has now. I take up that rule as it stood on the standing orders of the old legislative council of Canada, 'one interme-

diate day's notice shall be deemed necessary for every motion deemed special.' I really do not want more precedents than one or two in each session, and I feel like a teacher going through the first lesson to juveniles, trying to make them understand that the letters b-a-t spell bat, and under other circumstances I would apologize to the House for attempting to support a construction so clear and self-evident as that by precedent. In the old legislative council the Hon. Mr. Simpson on the 22nd of the month gave notice that on Monday, the 25th, he would move 'that when the House adjourns on Thursday next it do stand adjourned until the following Wednesday.' That motion was according to rule, with an intermediate day's notice—moved on the 22nd and down on the Orders of the Day for the 25th; that was before confederation. That is the light in which it was considered the rule was to be interpreted before confederation in the old legislative council of Canada. Now, after the rule was adopted by the Senate we have other precedents, as follows: 'Moved by the Hon. Mr. Wilson, on May 3, that when this House adjourns on Wednesday, it do stand adjourned until Tuesday the 11th inst.'

Notice was given on the 3rd that on the 5th he would make this motion. Then I take up a case in 1877. Here I find a motion on February 27, for March 1, by the Hon. Mr. Guévremont, an old member of the legislative council of Canada, that when this House adjourns on Friday next it do stand adjourned, &c., giving notice which I contend is necessary in this case. Then again, here is a motion of the same character by the Hon. Mr. Bellerose, also a member of the old legislative council of Canada, a notice on the 19th February, 1878, for a motion on the 21st February. Then in 1879 there is a notice by the Hon. Mr. Penny for the 20th. The notice is given on the 19th and it is moved on the 24th, certainly over the time. Then I come to 1870. The Hon. J. Ross gave notice on the 11th April that when the House adjourns it do stand adjourned until Wednesday the 20th at 7.30 in the evening. I may say to hon. gentlemen here, perhaps, there is no one within the sound of my voice excepting the leader of the House and the leader of the opposition who recollected the Hon. J. Ross. He was a very distinguished member of the old legislative council of Canada and an able lawyer, was Speaker of the old legislative council of Canada, was a member of the ministry before confederation, and was one of the ornaments of the Senate that came in here at the date of confederation. He was a precise man in business matters and in connection with the business of the House. He gave the two days' notice required by my construction of the rule in the old legislative council of Canada. There is another notice on the 15th for the 17th March by Mr. Bellerose. Hon. gentlemen who were not in the House when Mr. Bellerose occupied a seat here will not be aware of the proficiency as a parliamentarian of that hon. gentleman who had a long training in the House of Commons, a man of great natural ability, and he was particularly well versed in the rules of the House. He gives a notice on the 15th for Wednesday the 17th March. I come now to 1885 on the 6th May, Mr. Bellerose gives another notice, a similar motion with one intermediate day's notice, for an adjournment of the House. I pass over some years to come to the period when the Hon. Sir J. Abbott was leader of this House. I need not say to hon. gentlemen who knew Sir John Abbott, and especially to gentlemen from Montreal, that he was one of the ablest men that ever led this House, a profound lawyer and an exceedingly well-versed parliamentarian, and I think that any precedent that he set would have very great weight indeed with any one who knew him. On the 4th May, 1891, the Hon. Sir J. Abbott gave notice of an adjournment of the House to be made on Wednesday, 6th May. Here is another motion very shortly afterwards, and I think it ought to have weight with the House, by Sir J. Abbott. These two motions of Sir J. Abbott's following each other in the same session and each with an intermediate day's notice show that he must have considered that that intermediate day's notice is indispensably necessary for a motion of that kind—that is if it were opposed. On the 24th June, he gives notice of a motion for adjournment the 26th. The only two motions I am told that there are in the books in the name of Sir J. Abbott are consistent with each other, and consistent with what I contend to be the true construction of that rule. In the session of 1896 there is a motion by my hon. friend the Hon. Mr. Landry.

Hon. gentlemen need not be told that that hon. senator is perhaps one of the few men in the House that give a great deal of attention to matters of procedure and parliamentary usage. At any rate, I think you will all admit he has had practice enough in giving notices of motion to be quite an authority on the subject. Now, Mr. Landry gives an intermediate day's notice. The last I am going to quote occurred in 1898 under the present regime; there is a motion by my hon. friend (Hon. Mr. Casgrain) to the same effect. So that I think I ought to have quite satisfied the House that so far as the established practice set up by my hon. friend the Secretary of State is concerned, it is all the other way. I wish to point out to hon. gentlemen that if this rule 13 does not apply, the conclusion arrived at by the hon. gentleman from DeSalaberry that there is no other rule and that any member of this House can get up at any time without notice—watch, for instance, for a thin House such as we have just now, and by conspiracy—I cannot imagine such a thing possible—but he can get up with a bare quorum present and snatch a judgment of the House for an adjournment, not for a week only, but for a month. Can it be possible that we have been going on for the past thirty years with our rules in that condition? But if the construction placed by the chair upon rule 13 is correct, that is the inevitable conclusion we are forced to. As far as this House is concerned, there cannot be any question as to what the practice has been, and I do not think, after the discussion to-day, that any gentleman who is present will say that a motion of adjournment is not one that will initiate a subject of discussion. But my hon. friend the Speaker said the other day that I was certainly quite wrong in regard to the House of Commons. Now, hon. gentlemen, I think I have shown I am right in construing the rule in the Senate, but I am prepared to show that I was right with regard to the Commons, and fortunately with regard to the House of Commons I am in a position to show it more conclusively than I am in regard to the Senate, although I do not think it requires anything further than what I have said in regard to the Senate, but it so happens in the House of Commons that questions of order are more frequent and therefore decisions on points of order are more frequent, and the text-books teem with decisions in the House of Commons more than in the Senate. For that reason there will be no difficulty whatever in showing that my construction of the two rules, the rule of the Senate and the rule of the House of Commons, are in exact conformity with each other. For instance, in the House of Commons they give notice to-day of a motion for the day after to-morrow, two days' notice, and in the Senate it is an intermediate day. To-morrow is an intermediate day in the House of Commons, and in the Senate you have an intermediate day expressly indicated. His Honour the Speaker thinks I am quite wrong in regard to the House of Commons. He said :

> What my understanding of this rule has always been is that a motion deemed special was something which brought in a new subject for discussion, and I did not think that the rule applied to such matters as the time which the House should stand adjourned. The hon. gentleman's opinion was different and he referred to the practice of the other House as sustaining his view. In that House the rules are more rigorously enforced than they are here ; but even if we were governed by just the same rule as that which they have in the House of Commons his reference to the House of Commons was not justified. Rule 31 of the other House is as follows :—
>
> Two days' notice shall be given of a motion for leave to present a Bill, resolution, or address, for the appointment of any committee or for the putting of a question.
>
> But the rule goes on :—
>
> But this rule shall not apply to Bills after their introduction or to private Bills or to the times of meeting or adjournment of the House.

Now what is meant there is not a motion for adjournment of the House such as we are discussing to-day, but it means meetings or adjournments consistent with the standing orders of the House. The standing orders reads as follows :

> The time for the ordinary meeting of the House is 3 o'clock in the afternoon for each day, and if at that hour there be not a quorum, Mr. Speaker may take the chair and adjourn. When the House rises on the following day it stands adjourned, unless otherwise ordered, until the following Monday.

Now, that rule fixes the time for the meetings and adjournments of the House of Commons. It is in connection with these meetings or adjournments that no notice is required. They are an exception to the general rule requiring two days' notice ; otherwise it would be imposs-

ible to carry on the business of the House. But allow me to direct the attention of this House to Bourinot. I have several quotations, but I do not feel that I am doing right in trespassing too far upon the House. I refer to page 423. We have statutory holidays. These statutory holidays are indicated by the law upon our statute-book. They say such and such a day is a holiday, and one would suppose that that would be notice to all the world, the House of parliament included, that these statutory days were days on which the House should adjourn, but the House cannot adjourn over these statutory holidays without a special notice for adjournment. It has been the practice in regard to such adjournments of the House of Commons and here to class them under the head of unopposed motions. When they are not opposed, no established precedent arises, but according to the strict rules of our House, according to rule 13 of the Senate, and according to rule 31 of the House of Commons, these motions for adjournments over statutory holidays must have, in one case an intermediate day's notice and in the other case the regular two days' notice. If that be the case—and there cannot be any doubt about it, I have the authority under my hand —can there be a question at all that when we want to adjourn the House over a week or a fortnight that they also come under the rule? Bourinot says: 'Many motions known as unopposed are frequently made without notice, in accordance with rule 32 of the House, which provides that a motion may be made by unanimous consent of the House without previous notice.' These motions refer to the adjournment of the House over a holiday or a festival, to leave of absence for members, to the addition of members to the committees and to other matters connected with the business of the House.

Hon. Mr. SCOTT—Without any notice at all ?

Hon. Mr. MILLER—But, as already shown, if any member objects to such motions being made without notice, they cannot be pressed. I do not think there need be another word said with regard to the rules in the House of Commons, and I have here two instances of the present premier in moving the adjournment of the House, where in both cases he gives the intermediate day's notice. I am sorry I found it necessary to place this matter so verbosely before the House. I do it with the simple desire that we may have a clear understanding on so important a matter. It is of the highest importance that we should have certainty, that the matter should not be doubtful, and I think it is just as well that it should be decided in the direction of uniformity in the rules of the House of Commons and in the rules of the Senate. I prefer to move it this way, in order that I would not create any personal irritation in moving against the opinion of the chair, or moving against the convenience of members at any time when they might desire an adjournment to enable them to get home, on a pending motion, or any party ground. I wish to get clear of all these considerations, the decision of the House, and I do not doubt for a moment what the decision will be. It must be the adoption of my motion. A friend of mine told me he had heard some one say he intended to vote against Senator Miller's motion. He said: 'These adjournments are very convenient, and I like to go home, and want to have as little trouble as possible in getting the adjournment.' If many members of the House will vote upon such a ground as that, and not on the true construction of the rules, my motion may be rejected, but if the motion is taken on its merits, apart from extraneous circumstances, any gentlemen who have followed me cannot have the slightest hesitation in voting to adopt the ruling which I suggest.

Hon. Mr. SCOTT—We are all indebted to the hon. gentleman from Richmond for bringing this subject under the notice of the Senate. It is desirable that it should be disposed of and not an open question in the future. Whether we agree with him or not, I think we are very much indebted to him for the exhaustive manner in which he deals with the subject. He very correctly remarks that rule 3 does not affect it at all ; rule 7 certainly does not affect it, because that is the rule providing for the adjournment from Friday till Monday. The argument is based on the assumption that it comes under rule 13, as being a special motion. There is where I differ from my hon. friend. I cannot regard a motion for adjournment, which is constantly made in this chamber, as in any way partaking of a special character. I do not think, in the framing of the

rule, that that was in view at all. My hon. friend has quoted a very large number of instances where one or two, and perhaps, three days' notice has been given. That really proves nothing. With the same care, I could find an equal number of cases where a motion was made on one day to be taken into consideration the next day. I have in my hand here two motions made last session of that character. For instance, on the 29th July, Mr. Perley, who seems to have forgotten that he ever made a motion of the kind, gave notice that on the following day he would move——

Hon. Mr. MILLER—It was not opposed.

Hon. Mr. SCOTT—Then on another day, August 13th, a motion was made by Mr. McMullen——

Hon. Mr. LANDRY—Does the hon. gentleman assert that Mr. McMullen made a motion for an adjournment ?

Hon. Mr. SCOTT—Yes, on the 13th August.

Hon. Mr. LANDRY—Oh, shame !

Hon. Mr. SCOTT—I look upon this question as being altogether subordinate to the convenience of the Senate and we should be tieing ourselves up unduly if we required one intermediate day's notice. Now when a Thursday comes, it is often very evident that there will be no work on Friday or on the following Monday.

Hon. Mr. MILLER—What rule have you for confining yourself to one day's notice ?

Hon. Mr. SCOTT—Only the practice of the chamber, I quite admit that, but I feel considerable repugnance to having the Senate tied up by requiring an intermediate day's notice. If we were now framing a rule, I do not think a majority in this House would adopt one requiring a notice of an adjournment to be special where it occurs frequently. The books are full of such motions. The notice for to-morrow is an exception, because no one objected, but I noticed some cases where objection was taken. I do not agree with my hon. friend as to the procedure in the House of Commons as I read their rule, it does not require any intermediate day's notice. For instance, a notice given to-day for consideration the day after to-morrow, does not appear on the paper until the following morning. There is no intermediate day's notice there.

Hon. Mr. MILLER—Yes.

Hon. Mr. SCOTT—It does not appear on the order paper until the day before it is moved.

Hon. Mr. MILLER—It counts from the time it is put on the table. The notice is given for consideration the day after to-morrow.

Hon. Mr. SCOTT—It is handed to the clerk and not a single member of the House of Commons is aware of it until it appears in the votes and proceedings.

Hon. Mr. FERGUSON—Nevertheless the notice to the House is what the member says when he reads the notice.

Hon. Mr. SCOTT—He need not make the announcement from his place in the Houses : he hands it in to the clerk. The notice is given in time to be printed in the votes and proceedings of the following day. In every instance we require that it shall appear in the orders the day before it is proposed to move the motion. My hon. friend will admit that.

Hon. Mr. MILLER—It only need be on the paper two days, and to-morrow would be an intermediate day. For instance, I give notice to-day ; it may not go on the orders to-morrow, but it appears the next day, and that is an intermediate day's notice.

Hon. Mr. SCOTT—We are only fighting shadows. If the notice appears on the orders it certainly ought to be ample ; every hon. member can make up his mind when he sees the notice on the paper how he is going to decide the question. What I object to is the proposal that there shall be an intermediate day—that is, if you wanted to adjourn on Friday, you would want to give notice on the preceding Wednesday.

Hon Mr. MILLER—Yes.

Hon. Mr. SCOTT—That would be very inconvenient.

Hon. Mr. MILLER—Alter the rule then.

Hon. Mr. SCOTT—The hon. gentleman is quite right. I think the rule ought to be

changed and made clear, because it was not intended to apply to motions for adjournment. I do not think it comes under the class of special motions because it is a motion made so frequently—almost every two or three weeks.

Hon. Mr. MILLER—What is the meaning of the clause added to the rule :

> And any motion is deemed special which initiates a subject of discussion.

Hon. Mr. SCOTT—It initiates a debate.

Hon. Mr. MILLER—Have we not had a debate to-day ?

Hon. Mr. SCOTT—I think it should not embrace such an ordinary common motion as a motion to adjourn. I find it laid down in May :

> When it is intended the House should adjourn to a day beyond the next sitting day, a motion is made by a member of the government with or without notice, that the House at its rising to adjourn to a specified day.

As far as I can gather from the practice of the House of Commons only one day's notice would have to be given, but there is a much wider latitude there inasmuch as a member of the government is always present to move an adjournment. I do not know of the rule of the House of Lords. I have not had an opportunity of looking it up, but we know that the House of Lords are constantly adjourning. They do not sit constantly like the House of Commons. Nor does the upper house anywhere in any country where there are two chambers. I think our discussing this question of adjournment, speaking generally, is rather unnecessary, inasmuch as all upper chambers adjourn more freely than the lower houses which do the ordinary business. It must be remembered in our House of Commons there are twelve ministers at the head of important departments, and necessarily the business connected with those departments must be initiated there. Apart from that, all financial questions must be considered there first, and there is nothing extraordinary, therefore, in the Senate adjourning from time to time, according to the state of business. The Senate of Canada has never been accused of not performing the duties allotted to it. On the contrary, I think it has on many occasions got a good deal of prestige from the great care and attention given to the subjects under discussion. I need not go further back than last session, when, it is readily admitted, on the important Bill relating to the Railway Commission, very material improvements were made during the time it was in this chamber, and it would have been very much better to-day had the views of the Senate been maintained on one or two points over which there had been a good deal of discussion. I hope in the near future, when revising our rules, this point will be made clear, but for the present we ought to act as we have been acting in the past. In my judgment, the greater number of instances favour the practice of giving one day's notice.

Hon. Mr. MILLER—Then alter the rule.

Hon. Mr. SCOTT—I think the rule ought to be altered. My hon. friend has the advantage in that respect, though I do not agree with him that it comes under that special rule.

Hon. Sir MACKENZIE BOWELL—It is to be regretted that the Secretary of State has not attempted to meet the arguments advanced by the hon. gentleman from Richmond. He has instanced a number of cases in which this rule has been violated. No one disputes that, but when the question arose as to what the rule really means, then it is for the chair and the House to decide whether the point of order is well taken or not. The Secretary of State in his remarks said he could not consider the question of adjournment a special motion. If the rule were allowed to remain as it was prior to its change, as instanced by the hon. gentleman from Richmond, then there might be some reason and force in the argument advanced by the hon. Secretary of State, but it is quite evident that the same disagreement existed as to the meaning of the old rule as has been quoted by the hon. gentleman from Richmond, and consequently, in order to avoid any future difficulty, when the rules were revised, these words were added :—

> And any motion is deemed a special motion which initiates a subject of discussion.

It is simply a question for the Senate to decide whether the motion for an adjournment is one that initiates a subject of discussion, long or short. I venture to make this statement, that there is scarcely a mo-

tion that has been made for an adjournment for any length of time in the last two or three years that has not created a discussion, and I remember upon two or three occasions my hon. friend from Stadacona (Hon. Mr. Landry), when the question was put as it was the other day, objected on the ground that an intermediate day's notice was not given, but it was not pressed any further than the objection being raised. The reference to May can have no effect so far as this question is concerned, unless the hon. Secretary of State can show that there is a rule in the House of Lords which gives power to the Lords to adjourn upon a day's notice, or without notice at all. The principle laid down in the section read by the hon. gentleman is very clear, that a member of the government can move an adjournment at any time, with or without notice, but are they governed by a rule similar to that in our rules and regulations? If they are, then the argument of the hon. gentleman would have some force, but as we have no evidence that either the Lords or the Commons are restricted by a rule to pursue a certain course, the argument is without force. In this case we do not argue whether it is convenient or not; it is not a question of convenience. As the honourable mover of the resolution put it, there might arise an occasion when a very few members present might take advantage—I would not say intentionally—to make a motion for a long adjournment, to the great inconvenience of large number of members, and for that reason alone, in order to prevent the Senate being taken by surprise, one day's intermediate notice ought to be given, particularly if it is for a long adjournment. The argument of the hon. Secretary of State leads one to this conclusion, that there being a difference of opinion, and if his reasoning be correct that it is inconvenient to give an intermediate day's notice, then a committee should revise the rules, and make them such as there can be no misinterpretation of their meaning.

Hon. Mr. SCOTT—Hear, hear.

Hon. Sir MACKENZIE BOWELL—But as the hon. gentleman from Richmond says, that is not the question before the House. The question is what is the meaning of this rule. I think he has given sufficient evidence from the practice of the House in the past, alone, to show that, however, much we may have deviated from the rules of the House, his resolution is correct. The Speaker in giving his decision the other day made a statement which was not only useful, but strictly correct. We have been in the habit, unfortunately, for some time past of paying very little attention to the rules. We have gone on in a slip-shod, haphazard way, and the Speaker called the attention of the House to that fact that he was justified in giving the decision he rendered at the moment, by the violation of the rules which had been so constant that he did not think it was proper under the circumstances to rule against the hon. gentleman's motion. If the rules are not right, let us amend them, but in the meantime I cannot conceive how any body who reads that rule can put any other construction upon it than that stated by the hon. gentleman from Richmond.

Hon. Mr. DANDURAND—The hon. gentleman from Richmond has discussed rule 13 and come to the conclusion that a motion for adjournment is one which initiates a subject of discussion, and consequently falls under that rule. It apparently has not been the consensus of opinion in this chamber for a number of years, and I wonder if, when it was framed, and even when it was amended, it was in the minds of those who had anything to do with it, that questions of adjournment, which are questions of daily routine, should fall under this class. The hon. gentleman has read quite a number of instances when apparently two days' notice has been given. He has cited some cases where a notice was given on Friday for the following Monday, which would not sustain his own contention, because if the notice was given on Friday it would only appear on the orders the following Monday.

Hon. Mr. MILLER—The member may have conceived that he was giving an intermediate day's notice.

Hon. Mr. DANDURAND—I would draw the hon. gentleman's attention to this fact, that even if there had been in the early years of confederation an intermediate day's notice given, the Senate was not in the spirit of the procedure better informed than it has been lately, because notices, up to a few years ago, were laid on the table of the

House during the sitting, and only appeared on the orders the next day. This was following the practice of the House of Commons, but I contend with the hon. Secretary of State, that the members of either House under that practice were no better or longer informed than they are now under the present practice. I know that on a question raised by the hon. member from Stadacona (Hon. Mr. Landry), the House decreed that henceforth notices should no more be handed in to the Clerk of the House to be printed the next day, but should be read aloud to the House.

Hon. Mr. LANDRY—That was good for a session only.

Hon. Mr. DANDURAND—That may be. I was not quite sure as to the procedure followed up to then, but during that session, and the following sessions as well, the practice prevailed of giving oral notice in order that the House should be seized with the matter contained in that notice, and, therefore, the members have been receiving twenty-four hours' notice just as heretofore under the other system. I contend, therefore, that under the present system, the Senate has longer notice than was given under the old practice, because then they had only twenty-four hours' notice—from the time of the publication of the notice on the order paper. In the House of Commons members are informed just one day before—when they see the notice in the Votes and Proceedings. It seems to me we might go on under the same practice that prevails to-day. I admit, however, with the hon. gentleman from Richmond, that no snap motion should be adopted without notice. I am not interested one way or the other, except to maintain the prevailing practice, and if this meets with the views of a certain number of my hon. colleagues I will move the following amendment:

That all the words in the said motion after 'House' in the second line be stricken out and the following substituted therefor:—'Shall require a notice to be given not later than the sitting day next following that on which the motion was made.'

That would be continuing the same practice which has prevailed for a number of years.

Hon. Mr. MILLER—I am afraid that motion would not be in order, because it is a motion to amend the rules. We have a very formal process to go through to amend a rule. The House must be summoned.

Hon. Mr. DANDURAND—I was simply proposing to amend the hon. gentleman's motion.

Hon. Mr. MILLER—My motion is declaring the meaning of rule 13.

Hon. Mr. DANDURAND—I had no other intention myself but to make that rule clear. It is practically declaring that we have understood up to this day that questions of adjournments did not fall under rule 13. Of course it does not mean an alteration of the rules. It would be for this session only, and we could later on have a special sitting for the alteration of the rule.

Hon. Mr. LANDRY moved the adjournment of the debate.

Som hon. GENTLEMEN—Six o'clock.

Hon. Mr. LANDRY—We have three minutes yet.

The Speaker left the Chair.

After Recess.

Hon. Mr. SCOTT—I believe my hon. friends from Delorimier and Richmond have mutually agreed to withdraw their motions and we can at some future day, not far distant, make the rule clear.

Hon. Mr. DANDURAND—With the permission of the House, I wish to withdraw my amendment.

Hon. Mr. MILLER—Then I have no objection to withdraw my motion. My simple desire was, in the most unobjectionable way, to get the opinion of the House on the rule, and if there is an understanding that steps will be taken at some future day to revise the rules. I certainly have no objection, but that will be a matter for the consideration of the House, and I will not be bound to vote for any such motion when it comes up.

The SPEAKER—Is it the pleasure of the House that the motion and amendment be withdrawn?

Hon. Mr. LANDRY—I suppose those two motions can only be withdrawn with the unanimous consent of the House. Before giving my consent I want to know if

there is any rule which prevents the Speaker putting a motion to adjourn the debate before six o'clock.

Hon. Mr. WATSON—The leader of the opposition insisted on calling it six o'clock when the hon. gentleman made his motion.

Hon. Mr. LANDRY—The leader of the opposition may call six o'clock when it is three minutes to six, but when I put a motion before six o'clock it is my right to have it put before the House, and in future when I propose to adjourn a debate, even if it is as late as two minutes before six, I shall insist upon my right. I suppose the withdrawal of these two motions means that something will be done to make our rules clear.

Hon. Mr. SCOTT—Yes.

Hon. Mr. DANDURAND—The hon. gentleman is very lucky that his motion to adjourn the debate was not put, because he could not speak now during the same sitting.

Hon. Mr. LANDRY—But I am in order.

Hon. Mr. MILLER—With regard to my motion, before I came into the House, I stated to a friend the course I intended to adopt, and it is this: If the amendment had been pressed it was my intention to ask for the ruling of the chair on that amendment. If the ruling of the chair had been against me, my intention was to ask leave to withdraw my motion with a view to raising a point of order, and question the ruling of the chair on another occasion. I withdraw my motion and accept the suggestion of the hon. Secretary of State to avoid that unpleasant way of having the matter settled, and with a view, if considered necessary, to a subsequent amendment of the rule.

The motion and the amendment were withdrawn.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

INQUIRY.

Hon. Mr. DAVID inquired :

Whether the amount deposited by the Mutual Reserve Fund Life Association is still retained as a guarantee for the Canadian policy-holders only, under the old system, and whether another deposit has been made for the benefit of those who are insured under the new system ?

Hon. Mr. SCOTT—The amount deposited by the Mutual Reserve Fund Life Association, now the Mutual Reserve Life Insurance Company, is still retained for the benefit of Canadian policy-holders exclusively. A portion thereof was deposited since the giving of the notice prescribed by section 42A of the Insurance Act.

MOTION.

The Order of the Day being called for resuming the adjourned debate on the order

By the Hon. Mr. DOMVILLE :

That he will move for the appointment of a Select Committee of five to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, with power to send for papers, persons, telegrams and records, to employ clerical services, and with leave to report from time to time, the committee to be composed of the honourable messieurs :—

Hon. Mr. DOMVILLE said : I do not propose to tax your good nature nor to dwell too long on what I have to say, because I think I have placed sufficient before the House to justify the request for the appointment of a committee. I propose to read two short letters and make a few remarks and I am done. I have a letter from Messrs. Russell and Winslow, barristers, 253 Broadway, N.Y. They had evidently seen a report of this debate, and as they were interested —I do not know who they are—they write me :

Over a year ago we instituted a suit against the said company, wherein thirteen Tennessee policy-holders were the complainants. This suit was brought in the United States Circuit Court in equity. Mismanagement, insolvency and fraud were alleged in the bill, and it was also alleged that the attempted reincorporation was illegal. The prayer for relief is a general administration of the assets for the benefit of the policy-holders, the company being a mutual one.

I will show you how it is illegal, and I will show that they are not doing business according to law. The letter continues :

The prayer for relief is a general administration of assets for the benefit of policy-holders, the company being a mutual one. They joined the association as respondent and they jointly demurred to our bill of complaint, &c.

There they are in the Supreme Court charging this company with mismanagement, insolvency and fraud and that the

attempted reincorporation was illegal. I have a letter from J. D. Wells, dated 5th April. He was vice-president of the company, and I read his affidavit and his statement to this House. He says he will be only too glad to come up here and substantiate all the charges that he has made, and that he will bring further evidence in support of what I have said. Those two letters I think cover all that I want to say on this subject. There are more letters from the policy-holders, but I think one or two good letters will substantiate the case and it is not necessary to read any more of them. From papers in my possession, that I have read, it is evident that the whole of their business has been dead, that they have made away with the funds of the company, that they have played ducks and drakes, so to speak, with the assets, as I showed the House yesterday, that while paying dividends they had an apologist on the floor of this House saying they were not doing very well. I read to you yesterday their own document proving my case in that matter. I wish to read two clauses from the Insurance Act. That Act is made to cover straight life, or old line life as they call it, and mutual and assessment life insurance companies. There is a section of the letter that deals solely with mutual companies. It says if they are Canadian they must come under certain regulations, but if they are foreign companies, they must make a deposit of $50,000 and as much more as the department may ask for, and it says what they can do and what they cannot do. That, I think, is what this honourable body has to do with in my complaint. It was enacted some years ago as law, so I do not hold any government responsible. I have not read the debate on this question which took place in 1885, but no doubt they had in their mind that many people were willing to pay so much a year, as calculated by an actuary, to the friends of one another, their heirs or successors, the sums they were assured for, and that the management in New York, or whoever it might be, was simply a committee of that company to carry out this business, that the committee was not there to exceed their powers and not there to make anything except what the law gave them, and therefore the argument I have heard given, not in this House, was: 'Why did you go into this company? You knew what you were doing and you must take the consequences.' My answer to that is, we have the Insurance Act. That Act declared what they could do, and they violated the Insurance Act and acted illegally. I will read you two clauses to prove my contention. Having stated to you that the intention of the law was that we should assess one another through a committee and pay one another, I will read two clauses of that Insurance Act to this House. I refer to section 3, subsection 4, which reads as follows:—

> Death claims shall be a first charge on all moneys realized from assessments, and no deduction shall be made from any such death claim on any account whatsoever.

That is the law of the land. How could they pay dividends? How could they make a contract as they did with Mr. Harper? They entered into a contract, as I showed you, by which they were to give him and his heirs forever 20 per cent on all the business this company did. It was then an assessment company, not as it is to-day, an old line company. He there, in defiance of this law, made a contract with himself. As the president of the company, he and his officers passed it at a board meeting, made a contract with him, giving him a deed of 20 per cent of all the receipts of the company whenever he died, and when he died, as I have shown the House, from the affidavit of Mr. Wells, he assigned this claim against the company to his widow and gave Mr. Burnham, the present manager of the company, 25 per cent of it. Now, here Mr. Burnham succeeds the present president, succeeds to that bargain made in violation of this law, and he is receiving 20 per cent of the assets. I think it is about $20,000 a year that I read you as his share when the law says they shall not take our money for anything but to pay just claims. Is that not clearly a violation of the law? Now it goes further. Subsection 5 reads:

> No portion of any moneys received from assessments for death claims shall be used for any expense whatever, and every notice of every assessment shall truly specify the cause and purpose thereof.

That is to say, when the committee come together, say there are twenty, or thirty, or fifty, or one hundred men dead, it is absolutely necessary we should raise this money, and

they notify all those concerns that they have made assessment No. 91, or whatever it may be, for the purpose of paying off the death claims which had just matured, but not to pay dividends, not to take bonuses for themselves, and not to be able to tax us to pay this contract which they had made with their president. That is a matter which anybody who runs may read. With the law of the land before us, I suppose somebody knew something about it, we throw in the teeth of the insured the statement that they should know what they are doing, and they might fairly throw back at us and say, 'there is the law, we should be protected.' Every man that goes into the company is not supposed to have to use the law to fight a great corporation when there are others who should do it. It is not the duty of a policyholder, perhaps a widow or an orphan with a guardian, to go into law courts and say, 'this company is not carrying out the law.' It should devolve on somebody else. I am very much surprised to think that after very nearly three years during which I have been attacking these people on behalf of the public, they are still doing business, and everybody knows from the press of America that they have violated the laws of Canada. Therefore, we cannot charge the people insured with having been negligent, but they must find some reason why they should have taken the millions of the public and placed the money in their pockets to pay dividends, or to make contracts with the president of the company. Is it right that he should take $60,000 a year out of the people of Canada, insured in the company, and put it into his own pocket? Could such a thing be believed? How was it known? Who was to know inside their closed doors what they were doing? What is there in the public returns to the government to show it? There was nothing in their sworn statement to disclose it. When they get into court, it leaked out through Mr. Wells, Mr. Vrooman and others, that they were doing away with the funds of this company, and taxing the people to pay themselves. On those two clauses, I would almost risk my case, without going any further into the matter, but as a member of it, I made this charge, with the trust imposed upon me, feeling my responsibility to this House and to the country for any statements I make, because if my statements were scandalous, and I had no ground for what I am putting before the Senate, there would be only one thing for me to do, and that would be to make my bow to the Speaker, and leave the Senate for ever. How could I sit with hon. gentlemen whom I see now surrounding me, having appealed to them in behalf of poor people, if when the matter was threshed out it was discovered that I had submitted a case that had no foundation either in facts or figures. I could no longer sit in this House, because every motion I made afterwards or anything I attempted to do, I would have thrown in my teeth all the time the statement, 'You took advantage of us in the past; we cannot trust you in the future.' Therefore, I would be discredited in this House. With reference to the company, why should they object to having their affairs investigated before a committee? If they are right, would it not reinstate them before the whole world? Would they not be able, through the press, to say that these charges were not true and that they come out of the investigation like a dove with unsoiled wings. They should be the very last people to object, because if the motion for this committee were defeated and the papers did not go to a select committee of this House, they would have cast up to them far and wide the charge that they dare not face an investigation of parliament. Why should they not rather come and say, 'Gentlemen, we think our case is right, we think perhaps you would be lenient with us and would do anything you could to assist us in every way to put this association in proper shape.' That is their duty; it was not their duty to spring a Bill on this House, and ask us to pass the measure, as I showed the House, by the brief which I produced, where it was laid down what parliament was to do. The Bill was to go to the Committee on Banking and Commerce, and we were to be sent there, and were to have a committee of our own, and our papers were to go to them. They were going to burk this committee and block us for the session. That is the course they propose. I complain that advantage has been taken in this way, and I do not for one moment believe that the Senate will ever allow the Bill to go a stage further until this matter is threshed out. When

these charges are made good, it will be time enough for us to say what should be done, and what is the best step to take. I do not think we should pass a Bill to whitewash them and have these charges hanging over them. If an attempt is made to force the Bill through, I shall have something to say on that question. I therefore move, seconded by Hon. Mr. Landry :

For the appointment of a select committee of five to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, with power to send for papers, persons, telegrams and records, to employ clerical services, and with leave to report from time to time, the committee to be composed of the Honourable Messieurs Legris, Baker, Cloran, with the mover and the seconder.

My reason for making this committee a small one is that I know from past experience in the Commons that it is impossible to do anything with a large committee. It is difficult to get them together. For instance, with this adjournment we members will be spread all over from Dan to Beersheba. I have limited it to a small committee of hon. gentlemen who, I feel sure, will do their duty. It is not necessary to say that they would do their duty, because they must do it.

Hon. Mr. SCOTT—I think as the hon. senator from Toronto has charge, with the approval of the Finance Department, of a Bill which was intended to remedy any wrongs so far as they could be remedied, and at all events to make an offer to the people who are so unfortunate as to have been members of this association on the assessment plan, that my hon. friend might let this matter stand until the hon. gentleman from Toronto is present. My hon. friend from Rothesay found the House very tolerant. They indulged him to a great extent. He has taken up a great deal of time unnecessarily, as I think, because this is not a court of law ; it is utterly impossible for us to grant him any relief. If this association has done wrong, the courts of the country are open to him and to any other policy-holder. But parliament is not the place to obtain redress. The Mutual Association have complied with the insurance law as it now stands on our statute-book. If they had failed in doing it, and the attention of the Finance Department were called to the fact, they would be compelled to make good their deposit or to stop doing business. But is parliament going to override the law of the land by directing some proceeding which it is absolutely impossible to carry out ? I am surprised the hon. gentleman did not foresee that parliament cannot do any more than expose the business of the company. If they have complied with the law of the land, and if their deposit has been kept up, as I apprehend it has been from the answer I gave the senator from Mille Isle (Hon. Mr. David) a few moments ago, which was furnished me by the Finance Department, how is parliament going to intervene ? They might condemn the methods of the company ; I daresay they should be condemned, and it is a great pity they should not have been condemned a great many years ago, and the people who have been so unfortunate as to hold policies could have got out of the company. But why the time of parliament should be taken up with this inquiry is a matter I do not understand. In the course of thirty odd years' experience, this is the first time I have known any proceedings of this kind to be undertaken by parliament. No good that I can see can arise out of it other than exposing the affairs of the company. If it is going to benefit my hon. friend, let it go on, but at the same time where an hon. member of this body has charge of a Bill in the direction, at all events, of offering him some opportunity to escape from this unfortunate disaster, I think this committee ought not to be struck until that hon. gentleman is present. I do not think it is consistent with the equity which usually prevails in the House. No progress can be made because the House will adjourn in a very short time, and therefore under the circumstances, I suggest that we allow the motion to lie on the table until the hon. gentleman (Hon. Mr. Kerr) is present.

The SPEAKER—On the whole, the most convenient way is for some hon. gentleman to move that the debate be adjourned. This motion has been standing now for several days. The hon. gentleman has not made his motion till to-day. This is his third address, and the hon. Secretary of State wishes the motion should stand again. The better way is for some hon. gentleman to move the adjournment of the debate.

Hon. Mr. CASGRAIN (de Lanaudiere)—I move that the debate be adjourned until the 19th May.

Hon. Mr. DOMVILLE—I have not made the motion three times.

Hon. Mr. SCOTT—The hon. gentleman has been making speeches without any point.

Hon. Mr. DOMVILLE—That is not fair. The hon. gentleman knows I was choked off day after day. The hon. gentleman himself said he was bringing in a government Bill, and then the hon. gentleman said, no, that he was mistaken about the whole thing. He must not blame me, therefore, when I put it off for that reason. Then the hon. gentleman from Toronto (Hon. Mr. Kerr) asked me to put it off until Friday. I did so, of course, being willing to oblige him, because I was not taking up this matter in any haphazard way, and to my surprise a Bill was introduced. Why did it not emanate from the Insurance Department? Can any one from New York come and draw a Bill, such as I have in this brief, and ask parliament to put that Bill through? Why did the Insurance Department not take hold of it? They were the people to bring it in if there was anything wrong. If there was nothing wrong, why bring in the Bill? My hon. friend, I think, was rather sarcastic to me. I tried to keep in bounds. I have not asked to override parliament and it is rather sarcastic for him to say that I have. It is the gentlemen from New York who are trying, in the corridors of this House every day, lobbying the senators, to override parliament. You cannot do anything in the law courts. If you go to the law courts, what will they say? What charge are you going to make against this company? What are you going to do? If they have been misappropriating funds in New York, what have the law courts here to do with it? You will be told to go to New York. It would be a nice job for us to go to New York where they have 36,000 cases in the courts not yet heard. We would be bankrupt and not able to come back on our uppers. The hon. gentleman is further sarcastic—I do not think he could be serious. He says they have complied with the law? What have they complied with? That is with reference to the deposit, but that does not go everywhere. I can show him the clause where it says that their books shall be open for inspection by the department, and if they were open for inspection by the department, why did not the department ascertain the facts and then, as the hon. gentleman says, give them a chance to escape? That is just what I propose not to do. I propose to bring their noses to the ring-bolt in this country, and ask parliament to decide whether the people are to be robbed as they have been robbed, or whether they are to be protected by the laws.

Hon. Mr. SCOTT—How are we going to help them? I can see no possible way of doing it. I see no possible avenue by which parliament can assist them.

Hon. Mr. McMULLEN—I am very sorry indeed that my hon. friend from Rothesay is not within his right in dealing with this question here. We all know very well—at least those who have had anything to do with this company know—that a mistake was made in 1885 when a law was passed permitting that company to enter upon the business of life insurance simply by making a deposit of some $50,000 with the government of the country. There are large numbers of people in this Dominion who are deeply interested in what is going to be done in regard to this company. I admit that there is a Bill before the House for the purpose of amending the law, to put them in shape that they can still carry on business, but before we proceed to pass that Bill, we should certainly have a very clear and distinct understanding with regard to the pernicious manner in which they conducted business in this country ever since they obtained their license in 1885.

Hon. Mr. CASGRAIN (de Lanaudiere)—I rise to a question of order. The hon. gentleman can only speak on the question of adjournment.

Hon. Mr. McMULLEN—Before the motion for adjournment was made at all, I rose to speak on the main motion, and I hardly think it is right to confine me simply to the question of adjournment. We are discussing a very important matter, and I think we have a right to be heard. If I am not right, I am prepared to sit down. I rose when the Speaker was about to put the ques-

tion, but gave way for the hon. Secretary of State. There are a great many people who are deeply interested in this matter. As I stated to this House, they carried some $22,000,000 insurance which has been reduced to some $8,000,000. That leaves some $14,000,000 in policies held by the people of this country that have actually lapsed. These people must have collected from five to six hundred thousand dollars a year out of the people of this country for a great many years. Now we admit that a mistake was made in 1885, and we must be exceedingly careful that the mistake is not repeated, and the best way we will ever come to a conclusion of what is best to do with the company is to probe the transactions that have taken place to the bottom, before we start to legislate anew. We want to find out what these people were guilty of and what has come of the money that was contributed by the people of this country for the last fifteen or twenty years. What have they done with it? What has been their course of conduct, and what is the standing of the company to-day? We cannot ascertain that unless we grant the committee asked for. I do not at all challenge the position taken by the hon. Secretary of State. Perhaps it is an unusual proceeding, but it was an exceedingly unusual proceeding in 1885 to give them a license to do business in Canada at all. I say the best thing we can do is to guard against such evils in the future. The company has been a curse to this country. It came in and did business, taking an enormous amount of money out of the people's pocket, and the people are anxious about it. When I was home recently half a dozen people inquired of me 'What is going to be done with the company? Is there any hope of getting anything out of it? Is there anything left for us at all? What have they done with all the money?' We cannot answer all those questions unless we get the committee for which my hon. friend has asked. With regard to the adjournment of the debate, I do not htink it right, if we intend to grant the committee at all, to postpone action. We may as well grant it now as at any future day. What harm can come of it? What is the object of the adjournment? The Bill introduced by the hon. gentleman from Toronto will come before us, and we are willing to give it consideration. I have no personal antipathy to the New York Reserve Company. I am desirous, by the legislation that will be enacted under this proposed Bill, to put the policyholders in the very best shape we can put them. I sympathize with them and am willing to do the very best I can for them, but I want to find out how the means of that company were squandered and scattered, and let the public see and know what has been done with their money, and let us try in the legislation that we enact under that Bill to guard against the perpetration of any such disaster again. Now, let us have the investigation. It may be something unusual, but I say by all means let us have it. We were saying to-day that we have no business before us: here is a matter that will give us something to do, a matter of vital interest to people of this country. There are hundreds of thousands of policy-holders who have their eyes on the Senate to see what we are going to do with this matter. Are we going to adjourn and refuse the committee and say nothing about it? I do not think we should adopt that course.

Hon. Mr. DANDURAND—It seems to me we should hesitate and ponder before agreeing to give the committee which is sought for by the hon. gentleman from Rothesay. We have heard him on different occasions explaining the diverse reasons which he has laid before us. He said at a certain stage of his speeches that we were the judges to whom he would apply for a remedy, if there was a remedy to come out of the proposed investigation. If we are the judges, I think it is quite an important move he is making in asking for a committee to be appointed with the right to send for persons and papers. We know where we begin, but we never know where we end. We do not know how much money it may cost and it seems to me that if we were judges in this matter, we should not appoint a committee on an exparte statement. We should hear both sides of the story. My hon. friend read a number of letters from abroad received from parties he does not know, and parties he never heard of. He received letters from people throughout Canada and some from the States. He did not need to tell me that when there was a shrinkage in the amount of insured from $22,000,000 to $8,000,000, that very many

policies must have lapsed. I have some of the policy-holders around me here in the Senate. I know exactly the plan that was followed by this company. They were doing business on the assessment plan, and the assessed paid less than they should have paid for the legal reserve. They kept the reserve in their pocket, and now they have to get young men in, bring in new blood, or new money to pay the claims. The older generation of policy-holders have now to pay the piper, and tax themselves each month to pay the death claims. It will go on increasing till the moment when there will be but two policy-holders living, and the one to die first will be the lucky one, because his heirs will collect the money from the other.

Hon. Mr. LANDRY—Is the hon. gentleman speaking for or against the adjournment of the debate ?

Hon. Mr. DANDURAND—I apologize to the hon. gentleman and to this House for having digressed from the point I wished to make. This is a very important matter which should receive the attention of this chamber, but I beg leave to differ from the hon. gentleman from Rothesay (Hon. Mr. Domville) when he asks now that we should appoint a committee when there is a gentleman who has been good enough to go into the matter and examine the documents so as to lay before us a brief from the insurance company and state their side of the case. I do not know the facts in regard to the matter except what I gather from conversations with insured people whose policies have lapsed and those who are carrying the burden. It seems to me reasonable that the request of the hon. Secretary of State should be acceded to. It may be that there is a perfectly clear defence to the motion of the hon. gentleman. As to the Bill which is proposed, and the measure of relief it will afford should it be amended, or should another means of relief be found, will all come before the committee. There is matter for reflection in that measure, and if we can better the condition we will.

Hon. Sir MACKENZIE BOWELL—In what way will the Bill meet the case put by the hon. gentleman from Rothesay ?

Hon. Mr. DANDURAND—Supposing the hon. gentleman from Rothesay had not moved for a committee and this Bill came and was referred to the Committee on Banking and Commerce—I suppose that is where it should go unless it be referred to a special committee—I am quite sure, as it is a Bill of such importance that it alters contracts, that all the parties interested, who held contracts and were insured, could appear and be represented by attorneys and could state the facts, but I do not say now I will not vote for the committee, but it seems to me that on the ex-parte statement we should not plunge into this investigation before hearing the other side.

Hon. Sir MACKENZIE BOWELL—But the Bill only applies to the present policy-holders who stand right before the company. It only affects the man who has paid his premiums and assessments up to the present time. These are the only persons interested in the proposed Bill. My own view is that it is a very good Bill, so far as I have been able to look at it, but it does not deal at all with the charges made.

Hon. Mr. SULLIVAN—Allow me to say a few words as to the manner in which this question strikes an uninterested member.

The SPEAKER—Is the hon. gentleman speaking on the motion to adjourn ?

Hon. Mr. SULLIVAN—Yes, I say that it is a most extraordinary mode of action, to my mind. The hon. gentleman moving an adjournment did not appear to me to be anxious about any other matter than postponing the debate. Here is an hon. gentleman who is within his right in bringing a matter before this House, assuming he does it from proper motives, and he deserves the highest encouragement and the support of every hon. gentleman of this House, if we assume his motives to be good and true. Did he cause the delays ? The delays, as I understand them, were caused by the government, and in other ways, but not by himself. He had necessarily to delay it. He brings the matter up and he comes at length to what he hopes is the fruition of his labours for so many days. The great amount of labour he has gone through and the figures he has waded through and the correspondence he has read and the books he has studied, I have some idea of, and now the man is to be snuffed out in a most ungenerous manner, and in a matter not according to the rules of the Senate. If the hon.

gentleman (Hon. Mr. Casgrain, de Lanaudière) wanted to adjourn the debate to speak on it, of course it should have been arranged before, but the idea of a man going on with the debate and then having an hon. member rise up and move an adjournment is most extraordinary, and I do not see that it should have any support. I have no interest in this matter, yet I think it is a fact patent to every one here that there is not an hon. gentleman of the Senate who will stand up and say that any one of these statements is not correct. Then, if they are not challenged, if they are true, what reason should there be to hesitate in granting the motion? you want to prescribe a remedy before you ascertain the disease. Examine the case first, find out the disease, and then prescribe a remedy. What is this Bill? It does not require any astuteness in politics to see it. It is a Bill brought in here evidently to possibly divert the action of the hon. gentleman from Rothesay. I give him credit for the honesty of purpose which he is showing. No hon. gentleman entering this Senate has since his advent here brought up measures of more importance and benefit than that hon. gentleman has. They are within the range of good, better and best. The first measure, I remember, that he introduced was one to raise the value of the British shilling. Was not that good, positively good? The next was to encourage the production of one of the most beautiful and interesting and useful metals ever discovered in this world, aluminum, which will be used in all cases where copper and tin could be possibly used.

Hon. Mr. FERGUSON.—Have we a prisoner at the bar?

Hon. Mr. SULLIVAN—No, but I may tell you I have seen you wade through a mighty mass of literature and no one ever said a word to you. You should not laugh at anybody. I can recall where I tolerated your conduct because I had mercy on your own feelings. I, who seldom trouble this House in the heat of debate, not being thoroughly acquainted with the mode of procedure, indulged in a little excess of excitement, which is pardonable; it lies very badly with you, Sir, an old and experienced parliamentarian, to come and throw the shafts of ridicule and try to make humour out of me. You should be unworthy of such a thing.

Hon. Mr. FERGUSON—Allow me——

Hon. Mr. SULLIVAN—No, I won't allow you. You can get up when I am through.

Hon. Mr. FERGUSON—I rise to a point of order.

Hon. Mr. SULLIVAN—Well, you don't rise to a point of order. But what is it?

Hon. Mr. FERGUSON—I rise to a point of order——

Hon. Mr. SULLIVAN—No—well, state it.

Hon. Mr. FERGUSON—My point of order is that the hon. gentleman has been addressing me personally for the last five minutes.

The SPEAKER—I think the point of order is well taken.

Hon. Mr. SULLIVAN—I do not know what other way to address the hon. gentleman. I will call him the hon. member from Prince Edward Island or Marshfield. We will take Marshfield. When I spoke of the hon. gentleman I meant the hon. member from Marshfield. All I wish to say is that the hon. gentleman from Rothesay introduced this measure in good faith, and he has a right to consideration. None of the delays were caused by him, and it ill-becomes any hon. gentleman in this House to treat this matter with any degree of levity. If this complaint exists in a matter so intimately connected with the welfare and well-being, and even the lives of the people of this country, surely something should be done at once. It will have an effect, not for this particular company, but will be a warning for all insurance companies that they must do what they undertake to do, and that they must guard the funds of the people. I remember when this company started that I did not think they were on a proper basis. I thought they were giving insurance at too cheap a rate. I examined some cases for them, but that has nothing to do with it. I think the company is conducted on a bad basis, and mismanaged. The Department of Insurance does not amount to a great deal to allow such flagitious conduct to go on, and I think the hon. gentleman from Rothesay in bringing the matter before us, and endeavouring

to obtain as good a remedy as he can, deserves the thanks of every hon. gentleman in this House, and every honest man in the world.

Hon. Mr. FERGUSON—The motion of adjournment is a very proper one at this stage of the discussion of this question. Time should be allowed to intervene, and a Bill that has been introduced as a remedy for the evil that the hon. gentleman has been pointing out to the House so eloquently and at very great length should be considered, and when we reach that stage it will be found, after we enter upon a discussion of a remedy, whether there is a necessity for probing the matter any further by way of investigation. For my own part, I think such a committee as the hon. gentleman is proposing to strike for this purpose will not be effective or useful, while it will be attended with a vast amount of expense. I may change my opinion, however, after the subject is ventilated still further. As to these gentlemen in New York, to whom my hon. friend has given such an unenviable reputation, I think there is nothing they would like better than a free trip to Ottawa at the expense of Canada, and that is the only way they could be brought here, and the expense would be great. However, if any object could be attained, I am quite ready to support the motion for the committee proposed by the hon. gentleman, but we ought to take up the Bill which has been proposed, and consider it very carefully, and in connection with the discussing of it we would find out what the real difficulty is, and ascertain whether an adequate remedy would be furnished by that Bill; and if that remedy was not sufficient, we could make it adequate. Possibly we can, and perhaps we cannot; but I think it likely that we can. With reference to my interruption of the hon. gentleman from Kingston, a few moments ago, inquiring whether there was a prisoner at the bar, I saw the humorous position my hon. friend took in defending the hon. gentleman from Rothesay, and giving him such a good reputation generally. I wanted to know if the hon. gentleman from Rothesay was on trial. I did not think he was aspersed in such a way as called for defence. I made the interruption in a pleasant way, and did not intend to give offence. I just called attention to the kind of defence my hon. friend was putting up for the hon. gentleman from Rothesay. To my mind, the great difficulty in this matter lies not so much in any mismanagement of the affairs of this particular company, not so much in dishonest conduct on the part of officials of that company, as in the fallacious system of insurance that has been carried on by that company.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. FERGUSON—When we licensed assessment companies from the United States or assessment companies in our own country to do business in Canada, I believe we made a very great mistake, and the trouble that has arisen has been in consequence of licensing and recommending to the people, as the government and parliament of Canada did, a fallacious system of life insurance. The premiums have not been adequate. In fact, the lapses, about which we have heard ever so much, occurred in this way: that the assured had died and default was made in paying his family the amount insured. Of course that was very bad, but where a person allowed his insurance to lapse, under the assessment principle, assuming the company were up to the time of their lapsing, meeting all their death claims, I do not see that there was any great loss incurred by the policy-holders. They were insured up to that time, and all the assessment company professed to do was to provide for the actual cost of insurance with a small amount to cover expenses. When insurance has lapsed, I believe the advocates of assessment claim that all they had been taking out of the insured was the cost of carrying the risk, and therefore they had not any permanent interest, and any time they dropped out it was a square account. As my hon. friend from Montreal said, they never contributed anything to a reserve fund. This Bill tries to provide a reserve amount for these people in various ways. If they come under the regular plan they will have a reserve provided for them, a scheme by which they would get an interest in the reserve from the time they first insured under the assessment plan, as that plan did not contemplate a reserve at all. No hon. gentleman in this House has a

greater dislike to the assessment principle of insurance than I have. I have watched its operation and I know many people who have been disappointed in regard to it, and I have seen those schemes of insurance dropping to pieces. That happened all over the United States and where Canadians were involved, they also lost their interest in that way, by the winding up of the companies or by their own action in allowing their policies to lapse. The whole principle is wrong and vicious, and has created the difficulties my hon. friend has been describing. That is the main cause of the trouble. Under the assessment principle, as soon as confidence goes, the whole thing disappears like snow in April, and when these gentlemen commenced to quarrel amongst themselves, and to indulge in the recriminations the hon. gentleman has been presenting to the House, confidence was withdrawn and those people who were insured withheld their assessments, and lapses were the consequences. Perhaps I may change my mind after we advance further in the consideration of this question, but I am afraid we cannot do much good by attempting to investigate the quarrels between these gentlemen in New York. I know it will cost a great deal to do it, and I am afraid you will find that we have entered upon a task which is greater than we anticipate at this stage, and that the results would not be satisfactory; while, on the other hand, the Bill which has been proposed by the hon. gentleman from Toronto attempts to deal with the situation of our own Canadian policy-holders, and to do the best we can for them under the circumstances in which we are placed. That is our prime duty. That is what I conceive to be almost our only duty. If we were to attempt to investigate the affairs of every foreign company that does business in Canada and bring their head officials before committees of this House, we would find we had a difficult and interminable task before us which would not be likely to result satisfactorily. Of course I may change my mind and agree to the investigation, but I think at this stage it is as well to agree to the motion for adjournment to allow matters to develop, and after they have so developed we may see our course clear.

Hon. Mr. DAVID—The question of adjournment embarrasses me. I fear it may be the means of getting rid of any investigation.

Hon. Mr. LANDRY—Hear, hear.

Hon. Mr. DAVID—And that it may, perhaps, put us in a bad position, and render ineffective the noble efforts by the hon. gentleman from Rothesay on behalf of those who, like myself, have lost money in the Mutual Reserve Fund Association. That association ought to change their name; they should be called the Mutual Life Association without reserve. I speak in the name of all those who, like me, after having for fourteen or fifteen years paid premiums on insurance from five to ten or twelve thousand dollars to that society, who have been obliged to drop their policies because they could not pay more than they had paid, because their premiums were doubled. It took a good part of my revenue to pay my premiums. I belong to the old class of those who have dropped their policies, and to a new class of those who have retained something of their policies. I have kept $2,000 which I had from 1892, so I am interested with those considered as dead, those who have dropped their policies, and I belong to those who are still living, but kicking and paying, and perhaps who are expected to die also the same death. I am interested for both classes, and wish to do everything in my power in their behalf. Self-interest naturally forces me to take that position, and at the same time, the interest of my fellow-countrymen in the same way. Now I am inclined to think that if we want to know whether the present debate is good or not, and for the benefit of those who are living and kicking and paying as I have been during twelve or fourteen years, if we are to know whether that Bill contains the clauses it ought to contain in order to make it beneficial and efficient, then I think that an investigation would have a good effect, and it is the only way to pass a good judgment on that Bill. The company come before parliament. They apply to us to have a new lease of power. They are not satisfied with having drained our money for the past fifteen years; they have taken millions out of our pockets, and they want to take more money; and I think it is now time to make our conditions. We should limit their power—give them what they want, but on certain conditions. The mass of facts and

information which the hon. gentleman has put before this House should help the government to do what is required. We will have ascertained what they have done with the millions which was put in their hands, and it will explain the surpluses which they have been boasting for years, what they have done with the $1,500,000 which they claim to have had in their possession in 1895. How is it they have paid dividends when they were on the eve of doubling the premiums? We will have the right to ask them what they intend to do to protect those who have paid for fifteen or twenty years, and what they are supposed to do for those who are still paying, and what they will do with regard to their new mode of doing business. What guarantee will the people have that they will conduct their business better in the future than in the past? We know their statements and declarations for the past fifteen years. We know those statements were not true; what guarantee have we that their statements now are true? I think an investigation is necessary, and if that investigation could be made at the same time as the Bill is considered before the Committee on Banking and Commerce, I would have no objection. I am not familiar with the procedure of this House and I do not know that it is possible, but if the debate is adjourned, I think the Bill will pass, and there will be no investigation.

Hon. Mr. DOMVILLE—Hear, hear.

Hon. Mr. SCOTT—No, no.

Hon. Mr. DAVID—I appeal to the members who know the procedure. I have no objection to consent to an investigation being made by the Committee on Banking and Commerce, provided that we have a guarantee that there will be a thorough investigation.

Hon. Mr. GIBSON—I have several letters of complaint with regard to this company, and have been quietly remaining in my place in the House to see what offer would be made by some one in behalf of the company. Their solicitor promised me on more than one occasion to come and explain what the company propose to do, and I fail to see how we can get the company to guarantee anything unless they are brought before a regular committee of the House, or before a special committee, as moved by the hon. gentleman from Rothesay. As far as I understand the matter, we would not have heard from this company at all, because they were not asking for legislation, and nothing was heard from the company until the hon. gentleman from Rothesay made his complaint in the House. Then the company bestirred themselves, and how do we know that this Bill which is before the House, although not before the committee yet, is making sufficient provision for those who have claims against this company? In my judgment, the only way that that matter can be fairly arrived at would be to hear the complaints that have been made against the company and let the company refute those complaints if it is in their power to do so. And then the committee, and the House will be prepared not only to accept the Bill of the hon. gentleman from Toronto, but to improve it along the lines suggested so that the people of Canada will be protected, not only in regard to the past, but for the future. It seems to me that the committee may be too small, or if the matter goes to the Committee on Banking and Commerce that committee should have special powers so that it would be dealt with by a committee with the power sought for the special committee, to send for persons and papers, and so on, and have the whole matter threshed out on its merits. There is no use saying we should accept this Bill because it has been proposed by the hon. gentleman from Toronto, and shown by him to the officials of the Department of Insurance. It is not for this House to accept a dictum of that kind. We must deal with it on its own merits. I have suspended my judgment until I have heard both sides. I have not made known the complaints I have on my desk. We must be fair to the company and at the same time fair to those who claim to have been wronged. I agree that a thorough investigation by a committee should be made, and that the whole matter should be sifted from beginning to end, and if it is in the province of this parliament, sufficient provision should be made to prevent a repetition of that wrong-doing. Statements have been made on the floor of this House on the responsibility of one of its members, and hon. gentlemen should pause before bringing to light any legislation until both sides have

been heard. Under these considerations I think, if the hon. gentleman would withdraw his request for a committee, and trust to the regular committee of this House and ask the committee to be given the same powers as he seeks for the special committee, we will get at the whole matter and this company would be summoned before parliament. If they were here and the matter investigated before the Standing Committee, we would see what provision they propose to make. They have asked for no legislation and in order that a compromise may be effected, the hon. gentleman is bringing in a Bill. Whether that covers the case fully as set forth by the hon. gentleman from Rothesay, I am not sufficiently acquainted with the law to say, but I think those interested in the company, like the hon. gentleman from Rothesay and the hon. gentleman from Mille Iles, would be in a fair position to say what we were called upon to do. It is not the duty of the House to suspend action until the Bill comes down. We should be in full possession of all information.

Hon. Mr. BEIQUE—We all sympathize with the two classes to which my hon. friend referred, the dead and the living. From the attention which I have been able to give the Bill presented to this House by the hon. gentleman from Toronto, I am under the impression that the Bill can be amended so as to afford relief to the policy-holders who have allowed their policies to lapse as well as to those who are still insured in the company. I speak advisedly, because I have consulted with a party, without naming the authority, and he saw no objection to the suggestion which I made. I may say also that from the attention I have given the debate, and from the examination I have been able to make of the reports of this company, I am very strongly under the impression that an investigation is necessary, and that a proper investigation should be made, but I believe that it would be premature to strike the committee, which has been named in the motion, and that the better way is to adjourn the matter until the 19th May. The Bill which is now before the House is a Bill to amend the insurance law. It cannot pass during the present week. It has been decided that this House adjourn on Thursday until the 18th May, and therefore it will be only when we re-assemble that this Bill will be seriously considered, and then I think both matters should be considered together by the same committee. It not only is a matter affecting this insurance company. It is quite plain that our insurance law is defective. It is liable to abuse, and it has been abused and thousands of our countrymen have been made the victims of the systems which have been carried on by this company. Now it is for us to give all our attention to the matter, and devise the best means of amending the general law and also of coming to the rescue of the unfortunate people who have dealt with this company. It would be the best way to appoint this committee, but in my humble judgment the proper course is to adjourn the debate, so that when we take action in this matter we will deal at the same time with the Bill.

Hon. Mr. POIRIER—Out of deference to the leader of the opposition and courtesy for the hon. gentleman from Toronto, who has introduced a Bill to amend the Insurance Act, I shall vote for the adjournment of the debate, but without binding myself any further in the matter. This is one of the most important questions that have come before this House. The hon. leader of the government says there was no precedents for a special committee. It may be we have no precedent for an exactly similar investigation, but we have had special committees to investigate political scandals. This, hon. gentlemen, stands pretty close to a political scandal. In this matter we have hundreds and thousands of suffering people who are to-day looking to us for redress, or at least for some vindication, and for having this matter thoroughly sifted. One thing surprises me, and that is that it should have been necessary for my hon. friend from Rothesay to bring the question before the government and the public. Have we not a Finance Department? Have we not a bureau charged expressly with the duty of looking into insurance questions? Are not those officials highly paid to do their duty, to be guardians of the public money? How is it that no cry has been raised by them? Certainly there is something rotten in this matter beyond the realms of Denmark. There is something rotten, apparently, in our laws concerning insurance. I will not say that the rottenness extends any further, but I will maintain that

this whole question should be investigated, and investigated thoroughly. It is our duty to the public, our duty to ourselves. If, as is almost apparent, this Bill introduced by my hon. friend from Toronto, is brought in to burk any further inquiry, I shall certainly take as strong an attitude as I can against it, but I will not condemn the Bill further before the promoter of it is present. In the meantime, I shall vote for the adjournment. My future actions will be to have the fullest possible investigations in this matter.

Hon. Mr. ELLIS—As I seconded the motion, I merely did so in an informal way. I have an open mind on the whole question, but it did appear to me not unreasonable, as the Senate will adjourn the day after tomorrow and nothing can be done until we re-assemble, to adjourn the debate, as nothing can be lost by the postponement. I am very much impressed with the facts stated by the hon. gentleman from Rothesay. They certainly require investigation, and if it were a finality of the matter, I would vote for the investigation, but there is time enough, and nothing can be done in the meantime.

Hon. Mr. DOMVILLE—I have not spoken to the motion, so I suppose I may say a few words.

The SPEAKER—I was under the impression that the hon. gentleman had spoken.

Hon. Mr. DOMVILLE—No. I do not think my hon. friend from Marshfield was quite correct. He might have taken up the matter in a very different way. While he was defending the association, he refuted nothing. I had charged fraud and mismanagement in the way they did business. Every hon. gentleman in this House knows my position. I understand the responsibility of the move I am making. I asked for a committee because I wanted to show fraud and mismanagement, and what objection can there be to that? I am not working for myself; I am working for the widows and orphans, but in deference to the wishes of the House, I am willing to consent to the adjournment, on condition that the Insurance Bill is not permitted to override in any way my motion for a committee. I do not want it understood that by my consenting to adjourn the debate until May 18, that the Bill will be proceeded with before my motion, or be permitted to take precedence, or be used as a method of burking my committee. If that is understood, I am quite willing to accept.

Hon. Mr. SCOTT—Hear, hear.

The motion was agreed to.

DELAYED RETURNS.

Hon. Mr. FERGUSON—Before the Orders of the Day are called, I wish to ask my hon. friend the Secretary of State if he would kindly inquire why papers that were ordered by this House in an address carried early last session in reference to the affairs of the Anglo-American Telegraph Company have not been brought down. My hon. friend will remember that I once or twice asked about these papers before the termination of last session of parliament, and I had one kind of an answer or another furnished by his colleagues.

Hon. Mr. SCOTT—I do not remember at this moment, but I will have the matter looked up and see if information can be obtained. Is the information available?

Hon. Mr. FERGUSON—Certainly, the correspondence between the government and the Anglo-American Telegraph Company. I am aware that there is a great deal of it.

JURISDICTION OF EXCHEQUER COURT ACT AMENDMENT BILL.

FIRST READING.

Hon. Mr. BEIQUE introduced Bill (I) An Act to amend the Act respecting the jurisdiction of the Exchequer Court as to Railway Debts. He said: Last year there was an Act passed by this House and the House of Commons, intituled an Act to amend the Acts respecting the jurisdiction of the Exchequer Court as to Railway Debts. It provided for the appointment of receivers to railway companies, and the Bill which I am now presenting is for the purpose of reproducing two sections of the Winding-up Act, one for the purpose of preventing suits, unless with the permission of the court, and the other for the purpose of suspending the action of the directors unless with the sanction of the court.

Hon. Mr. LANDRY—Will the government take charge of that Bill?

Hon. Mr. BEIQUE—The Bill has been approved by the Minister of Railways.

The Bill was read the first time.

CAMPBELLFORD, LAKE ONTARIO AND WESTERN RAILWAY COMPANY BILL.

SECOND READING.

Hon. Mr. WATSON, in the absence of Hon. Mr. Kerr (Cobourg) moved the second reading of Bill (No. 10) An Act to incorporate the Campbellford, Lake Ontario and Western Railway Company.

Hon. Mr. SCOTT—My attention has been directed to this Bill as being the first that has been introduced this session in view of the order made last year, wherein a local Bill, a Bill in the province of Ontario, a clause was inserted that it is a work for the general advantage of Canada, and special directions are given as to what is to be observed where that clause is introduced. I simply call the attention of the committee to this fact, so that they will bear in mind when the Bill comes before them, that there is a proposal to give to the federal parliament power over local railways.

Hon. Mr. BEIQUE—It would be for the Striking Committee to appoint a committee to deal with it.

Hon. Sir MACKENZIE BOWELL—No decision was arrived at upon the point raised by the hon. gentleman. It was discussed very often as to how far the federal authorities could grant charters for the construction of roads exclusively within one province, but that has always been overcome by inserting the words as provided in the constitution 'for the general benefit of Canada,' and this would be precisely in the same position. There is a committee suggested by the hon. gentleman from De Salaberry.

Hon. Mr. BEIQUE—One of the rules of the House was amended last year by unanimous consent to provide that all those Bills would stand referred to a committee on legislation composed of nine members, but that committee has not been appointed yet.

Hon. Mr. DANDURAND—It was not appointed, because when we discussed it in the Striking Committee, it was represented that the procedure at the preceding session had not been regular, so we asked leave to sit again to examine into this question.

Hon. Mr. SCOTT—I think one element to be observed was that the municipality through which the road passed should be advised, and it seems to me the six weeks accompanying notice the proposal to ask parliament for a Bill of the kind should contain a notice sent to all the municipalities through which the railway was to run.

Hon. Sir MACKENZIE BOWELL—No, that was only so far as it interfered with municipal right.

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

SECOND READINGS.

Bill (18) An Act respecting the Manitoba and Northwestern Railway Company of Canada.—(Hon. Mr. Young.)

Bill (25) An Act to incorporate the Whitehorse and Alsek Railway Company.—(Hon. Mr. Young.)

Bill (33) An Act respecting the Vancouver, Victoria and Eastern Railway and Navigation Company.—(Hon. Mr. Templeman.)

THIRD READING.

Bill (A) An Act for the relief of James E. Taylor, together with the evidence.—(Hon. Mr. Lougheed.)

The Senate adjourned.

THE SENATE.

Ottawa, Wednesday, April 27, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

MUTUAL RESERVE LIFE ASSOCIATION.

INQUIRIES.

Hon. Mr. DOMVILLE inquired of the government re Mutual Reserve Life Association, so-called, formerly called the Mutual Reserve Fund Life Association:

1. How much was paid in by the Canadian policy-holders on the policies noted in the return brought down to the Senate from the Insurance Department as lapsed or surrendered?
2. State amount lapsed and surrendered for years 1890-1904, inclusive.
3. State amount paid on such policies previous to the time they lapsed or were surrendered, as premiums or special assessments.

Hon. Mr. SCOTT—The answers are as follows :

1. The returns made to the department do not contain the information asked for.

2. Particulars are given in the following schedule :

Year.	Surrendered.	Expired.	Lapsed.	Total.
		$		$
1890		*1,637,250		1,637,250
1891		2,027,000		2,027,000
1892		2,377,500		2,377,500
1893		2,297,000		2,297,000
1894		2,733,250		2,733,250
1895		2,458,500		2,458,500
1896		2,749,500		2,749,500
1897		3,218,000		3,218,000
1898		5,861,500		5,861,500
1899		7,533,500		7,533,500
1900		5,655,427		5,655,427
1901	51,500		4,998,750	5,050,250
1902	221,000		2,305,601	2,526,601
1903	40,303		1,094,933	1,135,236
	312,803	38,548,427	8,399,284	47,260,514
			38,548,427	
Total			46,947,711	

* Including $28,000 not taken.

NOTE.—So far as the department is aware, there is no difference between the policies returned as expired prior to 1901 and those returned as lapsed since that date.

In reference to the third question, I may say that the returns made to the department do not furnish the information asked.

Hon. Mr. DOMVILLE inquired of the government :

1. Is there anything to show in the Insurance Department why the Mutual Reserve Life Insurance Company, for the years 1900, 1901, 1902, 1903, did not collect, under the policies issued prior to the changing of the corporate name from the Mutual Reserve Fund Life Insurance Association :—

Membership fees ;

Annual dues ;

Medical examiners' fees ;

Assessments—mortuary ?

2. In returns made by the company to the Insurance Department for the years 1900, 1901, 1902, 1903, under the head of Income in Canada, Premiums, is it in lieu of, or equivalent to, the question asked in No. 1 ?

3. If so, under what rule, system or calculation was the amount of $1,254,538.18 collected as premiums, in the years 1900, 1901, 1902, 1903, in Canada ?

4. In the years above named there appears, from the insurance reports of the department, total collected as liens in payment of premiums $173,935.32. Does this amount still remain as liens taken against policies ?

5. If so, are such liens bearing interest, and are policies loaded down with this lien and annual interest thereon ?

6. How is such interest calculated ?

(a.) Is it calculated every two months, when the assessment is made, or annually on the four premiums, or in one sum ?

(b.) If so, how is the interest account on such policies kept ?

(c.) Or is it compounded ?

Hon. Mr. SCOTT—The answers to the questions are as follows :

1. The department is not aware that the company did not collect in 1900, 1901, 1902 and 1903, membership fees, annual dues, medical examiners fees and mortuary assessments under such of its policies as provide therefor.

2. The source of revenue referred to in No. 1 is included under the heading premiums' in the years mentioned.

3. The amount of $1,254,538.18 reported as collected in premiums for the years named is the total amount in respect of its policies of all classes. The statements made to the department do not show how such premiums have been calculated or arrived at.

4. The amount of liens in force at the 31st December, 1903, as given by the company's return of Canadian business is $84,576.63.

5 and 6. Without having positive information inasmuch as the returns to the department do not contain it, it is presumed that the liens in force bear interest and that the amount thereof if not paid when due is added to the principal.

GRAND TRUNK PACIFIC RAILWAY.

INQUIRY.

Hon. Mr. MACDONALD (B.C.) inquired of :

The government, more particularly the honourable member of the cabinet from Victoria, if any effort was made, or suggestion offered, to the promoters of the Grand Trunk Pacific Railway to include in the contract now before parliament a stipulation that construction work should be commenced on the Pacific coast simultaneous with the commencement of construction at Winnipeg, before the contract was signed ?

He said : Whatever differences of opinion there may be about this Grand Trunk Pacific Railway scheme, the Bill is bound to become law, and, as my hon. friend from Victoria knows, there is a great deal of anxiety among people that construction on

the Pacific coast should be commenced simultaneously with that at Winnipeg, or the east, and I think they will be gratified if the hon. gentleman could tell us that an effort has been made to have the contract contain a clause to compel the commencement of construction on the Pacific at the same time as at Winnipeg, and whether the company would not accept a suggestion of that kind

Hon. Mr. TEMPLEMAN—I am afraid I cannot quite satisfy the curiosity of my hon. friend in respect to the question as to whether any effort has been made, or suggestion offered, in regard to the commencement of construction of the railway on the Pacific coast simultaneously with the commencement of construction at Winnipeg. The agreement made with the Grand Trunk Pacific for the building of another transcontinental line has been printed and must speak for itself. In that agreement there is no stipulation that the Grand Trunk Pacific shall begin construction on the Pacific coast or for that matter shall begin construction at Winnipeg. It is left entirely to the company to determine where construction shall begin. As in the case of the Canadian Pacific Railway, as my hon. friend will remember, there was no stipulation that construction was to begin on the Pacific slope, yet notwithstanding that omission, the construction of the Canadian Pacific Railway did begin and was prosecuted for many years in the province of British Columbia within a few miles of the coast, and at other points on the line. The contract made with the Grand Trunk Pacific Railway Company includes many onerous conditions. The railway has to be completed in seven years, and necessarily the company will have to commence construction on the Pacific coast if they intend to complete the railway within the specified time. The railway company have evinced every inclination to commence work in the west by having for the last year surveying parties in the mountains of British Columbia. As a matter of course, it will take the company much longer to locate the line through the province of British Columbia than on the prairies of the Northwest and for my part I have no doubt whatever that, as a purely economical proposition, the Grand Trunk Pacific must commence construction on the Pacific coast. I am not a railway expert, but I think it would be perfectly absurd for the railway company to assume that they could complete that great railway in seven years unless they commenced work on the Pacific coast. It will be made more economical for them to carry their supplies to Port Simpson, or whatever port is ultimately selected as the terminus on the Pacific coast, and commence construction from that point. As I have said, there is no condition in the contract. The government have not thought it necessary to tie down the company as to where they shall begin construction. They are not required to commence construction at Winnipeg. They begin at any point on the line they like. All we require is that they shall begin the road and complete it within a given time.

STEAMSHIP SERVICE BETWEEN PRINCE EDWARD ISLAND AND BRITISH PORTS.

INQUIRY.

Hon. Mr. FERGUSON inquired :

Whether it is arranged to have direct sailings of steamships from Charlottetown to British ports during the present season of navigation ; and if so, when will these sailings begin, and how many will there be ?

Hon. Mr. SCOTT—In answer to my inquiry the Trade and Commerce Department say that no arrangement has been made up to the present time. If I get any further information later on I shall be very glad to communicate it to my hon. friend.

TELEGRAPHIC COMMUNICATION WITH PRINCE EDWARD ISLAND.

Hon. Mr. SCOTT presented a return to an address of the Senate, dated 6th October, 1903, for all communications between the government of Canada or any member thereof and the Anglo-American Telegraph Company, any other telegraph company, the provincial government of Prince Edward Island, any board of trade in Prince Edward Island, or any other province, and any representative of Prince Edward Island in the House of Commons respecting the improvement of the telegraphic service between Prince Edward Island and the mainland of the Dominion. He said : The only papers I have so far found are correspondence which be-

gan during the early part of last year, March, and continued for some time, which I will bring down now. If I find anything further later on, I shall be glad to bring it down also.

Hon. Mr. FERGUSON—I might assist the hon. gentleman in his search. I had the advantage of seeing a mass of correspondence conducted by Sir Louis Davies, when he was Minister of Marine and Fisheries. I am not sure whether they were in the department or not, but they throw a great deal of light on the subject. That correspondence is quite voluminous, at least twenty times as large as this. I have no doubt Sir Louis Davies will assist my hon. friend in getting the correspondence in complete form.

BILL INTRODUCED.

Bill (22) An Act to incorporate the Brantford and Hamilton Railway Company.—(Hon. Mr. McHugh.)

THIRD READINGS.

Bill (12) An Act respecting the Montreal, Ottawa and Georgian Bay Canal.—(Hon. Mr. Edwards.)

Bill (19) An Act respecting the Atlantic, Quebec and Western Railway Company.—(Hon. Mr. Dandurand.)

Bill (16) An Act respecting the French River Boom Company, Limited.—(Hon. Mr. McMullen.)

Bill (21) An Act to incorporate the Pontiac and Interprovincial Railway Company.—(Hon. Mr. Edwards.)

Bill (20) An Act to incorporate the Cascapedia Manufacturing and Trading Company. —(Hon. Mr. Gibson.)

Bill (23) An Act respecting the Collingwood General and Marine Hospital.—(Hon. Mr. Kerr, Cobourg.)

SECOND READINGS.

Bill (24) An Act respecting the Canadian Fire Insurance Company.—(Hon. Mr. Loughеed.)

Bill (27) An Act respecting the Real Estate Title Guarantee and Trust Company.—(Hon. Mr. Casgrain, de Lanaudière.)

PETITION OF RIGHT ACT AMENDMENT BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of Bill (38) An Act to amend the Petition of Right Act. He said : The Department of Justice have found that after a fiat had been granted to file a petition of right, the solicitors have, in some cases, made changes altering its character, and in order to prevent any change of that kind, which is highly improper, the present Bill proposes that when a fiat has been once granted, the Secretary of State shall file a petition in court and thereafter no change can be made. It will be the duty of the solicitors to observe that.

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

PORTRAIT OF SENATOR WARK.

The SPEAKER—The portrait of the hon. Mr. Wark will be unveiled to-morrow afternoon at 2.30, and I trust there will be a large attendance in the Senate. The ceremony will take place in this chamber.

The Senate adjourned.

THE SENATE.

Ottawa, Thursday, April 28, 1904.

The Senators met at 2.30 P. M.

Senator Wark was introduced, escorted by the Hon. R. W. Scott, Secretary of State, and the Hon. Sir Mackenzie Bowell, and took the Speaker's chair, the members and visitors present standing and applauding.

Hon. Mr. POWER, Speaker of the Senate, read the following address, the senators and visitors standing :—

To the Honourable David Wark.

Dear and honoured Sir,—We, your colleagues in the Senate of Canada, have thought that your reaching, while an active member of our body, the great age of one hundred years should not be allowed to pass unnoticed and have resolved that the event be signalized by placing in our gallery a painting which will enable future generations to look upon the countenance with which we are happily familiar.

We may be permitted to call attention to some points which show over how wide a historical field your life's journey has extended. Born when William Pitt, worn out in the struggle with the great Napoleon, was drawing near the close of his career, your memory can distinctly recall the battle in which the principles

for which the British statesman contended finally triumphed: You left your native Ireland for New Brunswick in early manhood, before the days of Catholic Emancipation and long before the passing of the Reform Bill of 1832.

You settled in the home of your adoption when the province was still practically a Crown colony and took a part in the prolonged but bloodless campaign which replaced an irresponsible administration by one controlled by the wishes of the people. During the latter part of the contest, you, in the prime of life, fought for popular rights as a member of the elective branch of the provincial legislature; and, after the battle was finally won, you passed, fifty-four years ago, to the Upper House. This, it may be observed, was four years before the Crimean war.

Called to the Senate at a mature age, you are now, with a single exception, the only survivor of those appointed by Her late Majesty in 1867.

In both Houses of the provincial legislature and in our own body you always devoted your talents and energy to parliamentary work with a single eye to the good of the people, and—particularly with respect to education and interprovincial trade—took effective action in New Brunswick which anticipated what has since been done throughout the Dominion.

Speaking of you as a senator, we may be allowed to say that, while you have been energetic and persistent in your efforts to bring about what you have deemed to be for the public good, you have never been impatient or intolerant towards those whose opinions differed from your own, while your courtesy and your kindliness of disposition have been proverbial among your colleagues. As a result, the present action of the House is unanimous and gives expression to the sincere sentiments of your colleagues of all shades of opinion; and we all unite in the hope that the Almighty may be pleased to prolong for years a life which has throughout been lived with a continued consciousness of His Divine over-sight.

L. G. POWER,
Speaker,

On behalf of the members of the Senate.

The Senate, April 28, 1904.

Hon. Mr. WARK, on rising to speak, was greeted with prolonged cheering. He said: I thank you for this very flattering address. I never expected anything of the kind, nor do I think I deserve it, but at the same time I feel deeply grateful to you and to those whom you represent for such an expression of kindness and friendship. There is no part of it with which I agree so heartily as the last sentence. I join with you most cordially in the belief that God exercises a wise Providence over the affairs of this world, and especially over the affairs of this empire, that he intends to make it a powerful, populous and prosperous empire, united under our Gracious Sovereign in a policy of peace, and that it will be greatly blessed under His guidance in bringing about the happy time when the earth shall be filled with the knowledge of the Lord as the waters cover the sea. I thank you again for your kindness and for the kindness of the whole House. (Cheers).

Hon. Mr. POWER—Strictly speaking, I suppose I should call first upon the representatives of the Senate, but inasmuch as the other House is about to meet, it would be perhaps better if I should change the order of proceeding a little. I therefore call upon the Honourable the First Minister to say a few words. (Applause.)

Right Hon. Sir WILFRID LAURIER—Senator Wark: It is my pleasure as well as my privilege, to-day to join my friend, Mr. Borden, the Leader of His Majesty's opposition in the House of Commons, in presenting you on this occasion the congratulations of the body to which we both belong, the House of Commons of Canada. We are taught in Scripture that he who honours his father and mother shall be rewarded with long life. I am sure, therefore, Sir, that going back almost one hundred years, you must have been a very good boy, for you have been rewarded not only with long life, but rewarded also with all the blessings of life in your family and, if I may say so, in the respect, the esteem, the veneration and the affection of all your fellow-countrymen. Going back through the course of your long life, you have passed through a most remarkable period in the world's history. You go back not only to the battle of Waterloo, but you were born even before the battle of Trafalgar. You have seen the long struggle which was waged in those years for supremacy and which ended in a manner which, although it might be disappointing to many, was perhaps the best solution for the world's liberty. You have seen the long reign of Her Majesty, and at last you see the first days of the reign of King Edward VII., who perhaps will live in history in a manner which will be most acceptable to you, that is to say, as Edward the Peace Maker. We all rejoice that you have seen these long days and hope your good wishes will be realized, and we pray God that He may still prolong your life for many years to enjoy the respect and affection of your fellow-countrymen. (Cheers).

Hon. Mr. POWER—I have the honour to call upon the leader of the opposition.

Mr. BORDEN—Mr. Wark : I desire on behalf of those who sit to the left of the Speaker in the House of Commons to add our hearty and most sincere congratulations to you upon this memorable occasion. Let me say it is an occasion on which Sir Wilfrid Laurier and I are happy to sit on the same side of the House and join in doing honour to you. Your life has been a most eventful one. For more than a generation you have lived beyond the limit assigned by the Psalmist to the age of man. During all that time you have devoted yourself without stint to the public service, and in that regard it seems to me that you have set a very high and a very worthy example to all your fellow-countrymen throughout Canada. Indeed, even at your advanced age your efforts have sometimes been too strenuous for us in the House of Commons. If I mistake not it was two years ago that you objected strongly that the Senate should be kept waiting for legislation, because you desired to leave Ottawa and go to your home and attend to your own business, a very worthy aspiration on your part and one, I am sure, in which all of us in the House of Commons join heartily at the present time. Let me once more on behalf of those, who like myself, sit on the left of the Speaker, extend to you our good wishes for all health, happiness and prosperity in the future. (Cheers.)

Hon. Mr. POWER—I now call on the Honourable Mr. Scott.

Hon. Mr. SCOTT—My dear colleague : It has been my good fortune to be associated with you now for over thirty years in this chamber, and during that time I have had very many opportunities for knowing those elements in your character that have endeared you so deeply to the members of the Senate on both sides. As has been observed in the address which was presented to you, your course in the Senate has been one we all could admire. While adhering strongly and decidedly to your own political views, you have always been forbearing and considerate to those who have differed from you. In fact, one of the special elements of your character has been the tolerant spirit to which reference has been made, and the breadth of view which has marked your expressions on all occasions. The singular equanimity of your disposition has been the peculiar feature in your successful career. Among the many instances that might be quoted of the value of your life, I might cite one which I think is worth being remembered. It is, that the first impulse given to the expansion of our present Dominion was due to you, when in 1847 you moved a resolution in the provincial legislature of New Brunswick, expressing the hope that the sister provinces would abolish the custom-houses that then divided them. That certainly was the forerunner of the confederation of this Dominion. I join in the hope also that is expressed in the address that has been presented to you, that you may be long spared to be a member of this chamber. The beautiful language used by you a few moments ago in answering the address gives us the best assurance that you retain in your old age that wisdom which is so valuable to a legislator. (Cheers.)

Hon. Mr. POWER—I have now the honour to call upon the leader of the opposition in the Senate.

Hon. Sir MACKENZIE BOWELL—Mr. Wark : In the many years I have been associated with you on committees and in this chamber, our intercourse has been of the most pleasant character. It is true that we have not always agreed upon the questions which were under discussion, but that never affected the personal relations which existed between yourself and myself. I do not know of any event in my thirty-four years of parliamentary life of which I felt prouder than when, at the opening of this session, I had the honour of introducing you in the chamber after you had served your country for so long a period, and arrived at such a ripe age. It is not necessary that I should enter into the events of the last hundred years. Reference has been made by the premier and also by the leader of the opposition of the other House to very important events which have transpired during your long life, to which I need not refer, I heartily concur in the personal tribute awarded you by the Secretary of State. I express the sincere hope that we may all live to see you sitting here, if not as Speaker, at least as an

honoured member of this House for many years to come. The Secretary of State and myself had the great honour of introducing you to the Speaker's chair to-day. I only hope that the younger members by whom we are surrounded to-day, may have a like honour with some other senator after he has attained the advanced age which you have reached. (Cheers.)

The premier and several members of both Houses then congratulated Mr. Wark personally.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

THIRD READINGS.

The following Bills, reported from committee, without amendment, were read the third time and passed under a suspension of the rules.

Bill (F) An Act to incorporate the Cedar Rapids Manufacturing and Power Company. —(Hon. Mr. Domville.)

Bill (10) An Act to incorporate the Campbellford, Lake Ontario and North Western Railway Company of Canada.—(Hon. Mr. Kerr, Cobourg.)

Bill (18) An Act respecting the Manitoba and North-western Railway Company of Canada.—(Hon. Mr. Young.)

WHITEHORSE AND ALSEK RAILWAY COMPANY.

THIRD READING.

Hon. Sir ALPHONSE PELLETIER from the Committee on Railways, Telegraphs and Harbours, reported Bill (25) An Act to incorporate the Whitehorse and Alsek Railway Company.

Hon. Mr. YOUNG—I move the suspension of rule 70 so far as the same relates to this Bill.

The motion was agreed to.

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

Hon. Mr. SULLIVAN—Where is Alsek ?

Hon. Mr. TEMPLEMAN—The Whitehorse is in the Yukon Territory, just some little distance north of the boundary line of British Columbia. The Alsek mining district is 50 to 100 miles from Whitehorse, and still east of the Alaska boundary.

Hon. Mr. SULLIVAN—Fifty miles ?

Hon. Mr. TEMPLEMAN—Something of that kind. There is very valuable and rich gold there.

Hon. Sir MACKENZIE BOWELL—The intention is to make connection from the Pacific in Alaska to tap the Yukon. I fancy that is the object of the Bill.

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

PRINTING OF MINUTES OF PROCEEDINGS.

Hon. Mr. LANDRY—I want information from the government or from this House. I do not know who is in charge of the business, or what procedure is to be taken to have a few copies of the Minutes of Proceedings, when we want to get them. I applied at the post office. We cannot get any there. I went to the distribution office, and I was told there were none. There were only two or three copies, and we could not get them there. I sent to the Printing Bureau, asking to buy some, I was ready to pay any amount, and they refused. We cannot get them for our money there.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman's money is not good.

Hon. Mr. LANDRY—I hope the King's shilling will come into force very soon, so that we may have a chance at that time, but I want a remedy for this kind of business. I hope when an hon. gentleman wants to obtain a few copies that he will be able to do so. I asked for the Votes and Proceedings of the House of Commons. I want to get a few copies to send away, offering to pay for them, and they would not give them to me.

Hon. Mr. SCOTT—I do not suppose they have any for sale there. They do not keep them. They send them all up to the Distribution Office. The number is regulated by the Printing Committee. They fix the number that is printed, which I think is one for each member, with a certain number over, I do not know how many. I shall be glad to make inquiry. It cannot cost much to print a few extra copies. There should be enough printed, so that if a gentleman wants a few extra copies, he can get them.

I do not know the regulation, but it depends on the number fixed by the Printing Committee—the joint committee of the two Houses.

Hon. Mr. GIBSON—I have the honour of being chairman of the Printing Committee, and I may say that there is a limited number distributed in the House of Commons, and I do not think they ever contemplated any hon. member of this House asking for twenty-five extra copies. I dare say there would be no trouble in getting them, if they had them, but hon. gentlemen will understand that if twenty-five extra copies were printed every day, it would mean an additional expense, and the committee have been trying to cut down expenses. In spite of the economy exercised by the committee year by year, the Printing Committee have hard work to keep within the appropriation, and these matters are regulated by a joint committee of both Houses, but if at any time the hon. gentleman wishes a few extra copies and asks for them in advance, he can get them from the King's Printer. The number requisite for the use of the members only is sent to the Distribution Office.

Hon. Mr. LANDRY—I am ready to point out the number I want in advance, and willing to pay for them.

Hon. Mr. GIBSON—There should not be any trouble about that. If the hon. gentleman would notify the King's Printer in advance that he wanted twenty-five extra copies he would be able to get them.

UNVEILING OF SENATOR WARK'S PORTRAIT.

Hon. Sir MACKENZIE BOWELL—Before the House adjourns I should like to make a suggestion that as the events of to-day are not very likely to occur very often, and as they are of a somewhat important character, the proceedings of to-day be made a record of the Senate by placing them in the official report of the debates as an appendix. I spoke to the hon. Secretary of State and he fully approves of it and with the consent of the Senate I move that the proceedings of to-day in the unveiling of the portrait of the Hon. D. Wark be made a record of the Senate by inserting it as an appendix to the official reports of Debates.

Hon. Mr. WATSON—I suggest before the motion is concluded that there should be added to that a provision that the address be engrossed.

Hon. Sir MACKENZIE BOWELL—We might make that a separate motion. The suggestion is a very good one. The address presented to the hon. gentleman should be engrossed and handed to him, but that is a separate matter altogether.

The motion was agreed to.

Hon. Mr. ELLIS—While it is all very well to have it in the Debates I think it should be reported in the Journals of the House as well. We should have an entry on the Journals to which we often refer.

The SPEAKER—It might be inserted as an appendix.

Hon. Mr. ELLIS—I think hon. members of the Senate who are not now present and who were present to-day at the ceremony, might be recorded as being present to-day. Hon. gentlemen who were present at the ceremony would like it recorded that they were in attendance, which otherwise our record would not show.

Hon. Mr. SCOTT—I move that there be an entry of the proceedings also in the Journal together with the names of the senators who were then present. It may be added to the motion of the hon. leader of the opposition.

Hon. Mr. MILLER—It is a very unsual thing to do. I do not think it at all in order. I do not raise any objection but we are going quite far enough when we adopt the motion of the hon. leader of the opposition.

The motion was agreed to.

Hon. Mr. WATSON moved that the address be engrossed and framed and presented to the Hon. Senator Wark by His Honour the Speaker.

The motion was agreed to.

THIRD READING.

Bill (17) An Act to confer on the Commissioner of Patents certain powers for the relief of the Honourable Charles Algernon Parsons.—(Hon. Mr. Gibson.)

KING'S SHILLING LEGAL TENDER BILL.

ORDER OF THE DAY POSTPONED.

The Order of the Day being called :

Second reading (Bill E) An Act to make the King's shilling a legal tender in Canada.—(Hon. Mr. Domville.)

Hon. Mr. SCOTT said : As this Bill interferes with the Currency Act, and I have not had the opportunity of consulting the Finance Minister on the subject, I would ask my hon. friend to let it stand. It interferes with our own currency and I ought to consult the Finance Department before any action is taken. I move that the order of the day be discharged and placed on the order paper for the 25th May.

Hon. Sir MACKENZIE BOWELL—I was under the impression that there was a law regulating the value of an English shilling ?

Hon. Mr. SCOTT—No.

Hon. Sir MACKENZIE BOWELL—I have not looked it up.

Hon. Mr. SCOTT—There is a law which distinctly declares that no other than the silver currency which has been coined for circulation in Canada shall be legal. That means of course our silver as well as our gold and copper coins, and our statute is very positive that no other coins than those that are specially coined for Canada can be received in circulation.

Hon. Sir MACKENZIE BOWELL—My hon. friend will remember that during the time Sir Francis Hincks was Finance Minister a Bill was introduced establishing the value of United States silver. Has my hon. friend any recollection as to whether that Bill was ever repealed?

Hon. Mr. SCOTT—I recollect the occasion.

Hon. Sir MACKENZIE BOWELL—The country was flooded with United States silver just after the war and it became a nuisance. Sir Francis Hincks introduced a Bill establishing the rate as 20 cents for a 25 cent silver coin of the United States. The United States half dollar which is now passing in Canada is taken at its face value, 50 cents, when if that law is enforced it is worth only 40 cents. My own view of the matter is that if that law is still in existence it ought to be enforced, because the country is becoming flooded with Yankee silver all through, particularly on the Pacific coast, and you can never travel on the railways without having United States quarters and half dollars put into your hands. We should have our own silver. I am not in favour of what they call a retaliatory policy, believing we should do that for ourselves which we think is right, but I do know that if you cross the line and present a ten cent Canada coin they will not take it without a discount or they will probably refuse it altogether. In New York, if you present a Dominion bill, issued by the government, they will demand a discount.

Hon. Mr. McMULLEN—Hear, hear.

Hon. Sir MACKENZIE BOWELL—Now, treat them precisely in the same way. I hope that some step may be taken in the matter. If our banks were to declare that they would not take it on deposit that would put a stop to it, but we must have a much larger issue of our own silver and smaller bills in order to meet the demands of the trade of the country without having to take United States currency.

Hon. Mr. ELLIS—As the publisher of a very excellent newspaper, no doubt the hon. leader of the opposition has numerous subscribers from the United States who remit him money. It is a question whether he would not be bothered if such a law were in force. The banks of St. John have adopted a plan which seems to me an easy one. They take United States currency and remove it from circulation. It costs very little to send it by express to the United States, and both the silver and the paper money is sent out of the Dominion. Let the banks of the leading cities get rid of it in that way.

Hon. Sir MACKENZIE BOWELL—My hon. friend would do precisely as all newspaper men do, give a discount, and when a Yankee sends a dollar allow him the difference between the value and that at which he receives it.

Hon. Mr. YOUNG—I think the hon. gentleman has recollected the circumstances so far as the currency is concerned accurately, but my impression is that certain banks do not take United States silver at par. Some banks receive it at a discount. My object

in saying a few words at the present moment is to call attention to another circumstance in connection with our silver, and that is the striking resemblance there is between the $4 Dominion bill and the $1 bill, which leads to a great many mistakes being made in making the change in the country, and while we are discussing currency I should like to suggest to the government that they would be doing a very necessary act if they would so change the plates that the $4 bill would have some mark distinguishing it at a glance from the $1 bill. Much inconvenience is felt owing to the fact that there is such a strong resemblance between the two.

Hon. Mr. BEIQUE—There was a movement three years ago in the direction mentioned by the hon. leader of the opposition. The banks adopted a practice of sending out of the country all the United States money they received instead of keeping it in circulation, and merchants and companies, amongst others the Montreal Street Railway Company, issued orders to their employees not to receive United States money, but this practice was discontinued. Many tourists from the United States come to Montreal and spend a large amount of money, and if their currency was not accepted they would not buy the goods. Of course our people are not obliged to accept United States money, but they do so because they feel that it is in their own interest. Every one is free to accept or refuse United States currency, or put such value on it as he chooses, but it is accepted in the way of business.

Hon. Mr. McMULLEN—With regard to the first point touched upon by the leader of the opposition, I may say that at the close of the civil war in the United States an Act was introduced in this country under which the Receiver General was authorized to purchase United States silver at twenty per cent discount, and re-cast it into Canada currency. With regard to the circulation of United States silver in Canada, I think it is wrong that it should be encouraged. I should like to see the banks positively refuse to take it except at a discount. I can testify to the fact that when you get beyond border states of the neighbouring country, Canadian currency will not be accepted at any figure. You could not get a bed or breakfast on a ten dollar Canadian bill or Canadian silver. We ought certainly to limit and, if possible, put out of circulation any United States currency that is circulating here. If you come down to the intrinsic value of United States silver, you find that the half-dollar is not worth forty cents. That fact is recognized by the people of the United States. In 1896 when Bryan was running for the presidency on the issue of monetizing silver at 20 to 1, the banks were in a panic. They said 'if Bryan is elected we will have to take the silver dollar, which is not worth intrinsically 60 cents, at its face value as if it were gold,' and the result was financial embarrassment everywhere simply because the silver dollar is worth very little more than half its face value. If it is not worth what it is represented to be, why should we take it in Canada ? If our law is in such a shape as to permit its circulation here at its face value, it should be amended so that our banks would take it at a discount. That would drive it out of circulation and our own silver would take its place. I hope when the Bill which the Secretary of State has asked to be postponed comes up again, that question will also be taken up and that we may have some finding on the part of the government that will cover the whole subject.

Hon. Mr. MILLER—It is a very great misfortune that our people so readily take United States currency. For my own part I do not accept it. I have come to that conclusion in consequence of my experience in Boston two or three years ago. I took a street car, and when the conductor came for my fare, having only Canadian currency, I offered him a five cent coin. He refused it. I offered him ten cents, which he also refused. I then offered him a quarter ; I had a small satchel in my hand, and being a stranger on the car, I thought perhaps he might try to appropriate my satchel. He very reluctantly took the Canadian quarter for my five cent fare. I presume he was a dishonest man, and if his employers had known what he had done, they would have censured or dismissed him. Shortly afterwards having some bank of Montreal bills which I wanted to exchange for gold, I found I could not get gold for them. I could only get silver certificates, worth at the time fifty-five cents,

and I had to take those in exchange for my good Canadian notes, worth their face value in gold. Ever since that time I have invariably refused to take United States silver, or silver certificates, even though it gave inconvenience to people, and I always explain why. All our people should do the same thing. If our neighbours will not take our money we should not take theirs. Very serious loss may occur in connection with this United States silver. We know the silver difficulty we had in the early days of confederation, and what stringent measures had to be resorted to in order to get rid of it. It is possible that a very large number of United States silver certificates may be circulating at present in Canada. At any time the United States government may undertake to redeem those silver certificates far below the face value, entailing very heavy loss upon the holders. There is another practice to which I wish to refer in connection with this subject; in travelling on our railway trains if you give the porter a five dollar bill to change he will in all probability give you back a couple of United States silver certificates, instead of Canadian currency. Something should be done to stop the circulation of United States currency, especially silver certificates, in Canada, because at any time, as I say, the United States government may call them in, giving only their value in gold for them.

Hon. Mr. SCOTT—The remedy is in the hands of the people. If they would follow the example of the hon. gentleman from Richmond, those silver certificates would soon go out of circulation. United States currency is not legal tender in Canada. It has no right to be offered and no man should accept it; but unfortunately people who live along the border and spend some of their money on the other side, take it and it goes into circulation; but of course our banks should not accept it. If the banks could only be induced to refuse absolutely to take United States silver, that is the only channel through which it could be suppressed, because there are always people in Canada who will say 'I can get rid of it with somebody else.' The law is plain and clear; you can refuse United States silver. It does not pay a debt, but of course British silver stands on an entirely different plane, although it is not, under our law, a legal tender either. Our Currency Act decrees that the only silver currency in Canada shall be silver coined in the British mint for Canada. When my hon. friend's Bill comes up, I shall be very glad to further discuss this subject.

Hon. Mr. MILLER—Does the hon. gentleman intend to oppose the Bill?

Hon. Mr. SCOTT—It stands until I get the opinion of the Finance Department.

Hon. Mr. MILLER—When it was before the House before, I heard the objection made that it was a money Bill, but I do not think it is open to that objection.

Hon. Mr. SCOTT—There is no doubt the reasons which have prompted the hon. gentleman to introduce the Bill are sound. It is very inconvenient for British immigrants arriving at Halifax or St. John to find they cannot get a loaf of bread for a British shilling, and therefore it might be wise to make some concessions to meet the case of people arriving in this country from the British islands. However, when the Bill comes up later on we can more fully discuss it and I can furnish the view then entertained by the government. I shall be glad to call the attention of the Finance Minister to the four dollar bill which, it is said, is confused with the one dollar bill. There are not many of them being printed. Most of the small bills are ones and twos. The demand for circulation has increased so enormously the last year that it has been found impossible to print them fast enough to meet the demand. The Finance Minister took an extra amount in last year's estimates for the very purpose of printing those bills, and I have not yet heard if they have supplied the demand.

Hon. Mr. SULLIVAN—I think a good deal of that United States silver is taken in this country for the want of Canadian silver.

Hon. Mr. SCOTT—I cannot say how that is. Last year we received a pretty large consignment of Canadian coin, but it is absorbed very readily. It is very difficult indeed to supply the demand.

Hon. Mr. DOMVILLE—I have no objection to the Bill standing over, because I see the Secretary of State thoroughly appreciates and has spoken in favour of what I want to do. It must stand, because really

it is a public, not a private Bill. As the hon. gentleman has not had time to look into the matter, I think it is perfectly right that the Bill should stand. What I desired to point out was that King Edward's shilling must pass for twenty-four cents in Canada. That is two cents to the penny.

The motion was agreed to.

JURISDICTION OF EXCHEQUER COURT AS TO RAILWAY DEBTS.

SECOND READING.

Hon. Mr. BEIQUE moved the second reading of Bill (I) An Act to amend the Act respecting the Jurisdiction of the Exchequer Court as to Railway Debts. He said: Last year an Act was passed providing for the appointment of receivers to railway companies which were practically insolvent, and in the operation of that law it was found that it would be a great improvement to incorporate the provisions which are to be found in sections sixteen and thirty-four of the Winding Up Act. Section sixteen provides that when the winding up order is made, no such action or other proceeding shall be commenced against the company except with the leave of the court and subject to such terms as the said court imposes. It will be seen that subsection (b) of the Bill is to the same effect. Section thirty-four of the Winding Up Act says:

> Upon the appointment of the liquidator all the powers of the directors shall cease, excepting so far as the said court or the liquidator sanctions the continuance of such powers.

This section is sought to be incorporated as section 5A.

Hon. Sir MACKENZIE BOWELL—Are the provisions of the Bill the same as the one introduced last year?

Hon. Mr. BEIQUE—The law was enacted last year, and this is to amend it by incorporating those provisions which should have been included last year.

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

SECOND READING.

Bill (22) An Act to incorporate the Brantford and Hamilton Railway Company.—(Hon. Mr. McHugh.)

PETITION OF RIGHT ACT AMENDMENT BILL.

THIRD READING.

The House resolved itself into a Committee of the Whole on Bill (38) An Act to amend the Petition of Right Act.

(In the committee.)

Hon. Mr. SCOTT—The object of this Bill, as I explained on the second reading, is that the original petition shall be the petition filed. As the law stands now, the petition is handed back to the solicitor who files it in court, but it has been found that some solicitors have taken the liberty to change it before filing, which is highly improper. The amendment is that after the petition is granted the Secretary of State shall file it in court, so the solicitor will be bound to follow up his proceedings on a petition such as he asked for.

Hon. Sir MACKENZIE BOWELL—That is an extraordinary thing for a lawyer to do—to change the petition after the fiat is issued—and the one who does it should be stripped of his gown. It is simply forgery to change a petition in that manner. The change might materially alter the petition and change the whole nature of the suit.

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—I suppose when the hon. gentleman makes the statement he must know that such a thing has been done, and that is why the change in the law is suggested.

Hon. Mr. SCOTT—Yes, that is the explanation given by the Minister of Justice. He found changes had been made which were very improper.

Hon. Sir MACKENZIE BOWELL—He was very remiss in his duty if he did not punish the solicitor.

Hon. Mr. SCOTT—Under this Bill the petition does not go back to the solicitor; it is filed by the Secretary of State.

Hon. Sir MACKENZIE BOWELL—That is on the principle of not leading us into temptation.

Hon. Mr. SCOTT—Yes, it is a better way.

Hon. Mr. ELLIS, from the committee, reported the Bill without amendment.

The Bill was then read the third time, and passed.

The Senate adjourned.

THE SENATE.

Ottawa, Wednesday, May 18, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

THE LATE SENATORS DEVER AND REID.

Hon. Mr. TEMPLEMAN—Before the Orders of the Day are called, I think I am but performing my duty in calling the attention of the House to the demise of two of the members of this honourable body since the House last met. It is within the knowledge, I have no doubt, of every hon. gentleman that the Hon. James Dever, a senator of many years standing, who was first appointed to this House I think the year after confederation, and consequently one of the oldest members of this House, died on the 7th day of the present month. It will also be within the knowledge of hon. gentlemen that another member of this chamber, the Hon. James Reid, died in the city of Vancouver on the 3rd of the present month. He had also been for many years a member of this Senate. Our deceased friend, the Hon. Senator Dever, had been a member of the Senate for fully thirty-six years. He was in early life, I understand, a very active business man, a man who made his name and reputation largely in the province of New Brunswick, in which he settled after coming from Ireland. Having made a name as a successful merchant, and having retired from active business fully twenty-five years ago, he was called to the Senate, as I have said, in the year 1868 and consequently was a very old member of this body. I believe he had the respect and confidence of all who knew him. He was an active member of this House, attending very regularly to his duties. He had strong convictions on all public questions, which he held very tenaciously, to which he was not afraid to give expression in this House, whether those convictions were in accord with public opinion or not. Our deceased friend Mr. James Reid was born, I believe, within the sound of the bells of the city of Ottawa in the valley of the Gatineau. He was an early emigrant to the western province of British Columbia in the days of the gold excitement in 1862, ever since which time he has been engaged in active business in the whole district of Cariboo. Up to the time of his death he was an active merchant. I can speak personally from a considerable acquaintance with the late Mr. Reid, and say that I know he had the confidence and respect of every man in the province of British Columbia. He represented the Cariboo district in the House of Commons for many years and was appointed to this body, I think in 1888. Thus since the House last met two of our members have departed for their long home, or, as one of them would express it if he were here, they have crossed the great divide. To the relatives and friends of both I am sure it will be a consolation to know that they discharged their duty to the country during their occupancy of seats in this House and they will long be remembered as honourable, upright and faithful public servants. I think I am speaking the sentiments of every one in this House when I say that the Senate extends to the relatives of the deceased its sympathy in their afflictions which they are fully entitled to. I have only to express the hope that they may rest in peace.

Hon. Sir MACKENZIE BOWELL—I do not know that I could add much to that which has already fallen from the hon. senator from Victoria. It is sad to reflect how rapidly the members of this House are passing away. Within the last eight years we have seen from 40 to 50 changes in this chamber, and we must be forcibly reminded that we are approaching that end which comes to all of us sooner of later. It will be a matter of deep regret to those who have known the two gentlemen, who have been called from us, to miss the kindly smile and reception with which they always met their colleagues especially the older senators. Mr. Reid was a man of very retiring disposition. He was an enterprising man, a Canadian by birth, of Irish parentage, born, as my hon. friend has stated, within a few miles of the city of Ottawa. He was one of the earlier

pioneers of British Columbia, having gone into the wilds of the Cariboo district, where he made not only a home for himself but a competency. I believe he held the respect of all parties whatever their religious or political views may have been. He was kindly in his disposition, an affectionate husband, and father, and a faithful and devoted citizen of his country. Personally I shall miss very much his smile and cheerful welcome. As to my hon. friend from St. John, he was one of the successful men of his adopted province. He occupied a prominent position among the mercantile community and succeeded in obtaining a competency. Whatever his eccentricities may have been, no one ever credited him with anything but honesty of purpose, and sincerity when he addressed this House. His views were not always in accord with those of the majority, but they were his honest convictions and were advocated fearlessly and with a vim that always met with respect and consideration. I am sure we shall all miss him for his many good qualities—qualities which very few of us possess. Ever since I have been in the Senate it has been my good fortune, although politically opposed to each other, to have been on the most kindly and friendly terms with Mr. Dever personally. While I lead the House on the other side I never found him unreasonable in his opposition to any measures proposed by the government of that day. I say that of Mr. Dever in all sincerity. With the hon. gentleman who has just spoken, I think we express the views of every member of this House in saying that we extend our deepest sympathies to the families of both departed senators. I can only hope for the rest of us that when our end comes we may be held in as high estimation by our fellow senators, as were the two honourable gentlemen we shall in the future miss when we meet to consider the great and important questions which are constantly being brought before the country.

Hon. Mr. KERR (Cobourg)—I feel that I am unable to allow the matter before the Senate to pass in silence. I look upon incidents of this kind as occasions of sad significance. I cannot hope to add anything to the beautiful tributes paid by the hon. senator who leads this House to-day in the absence of the Secretary of State, and the hon. knight who leads His Majesty's loyal opposition. I recognize the fact that since we last met in this chamber two of our colleagues have left this world forever. I shall not presume to speak of the late hon. senator from British Columbia with whom my acquaintance was only too brief, but I was glad to hear the strong testimony to their worth and character spoken by the hon. gentlemen who have addressed the House. Perhaps it would not be presumptuous in me, however, to say that from my short acquaintance with the late senator from British Columbia, I formed a very high opinion of his character and his work. I believe he was an upright and thoroughly loyal Canadian and we shall surely miss him in the Senate, and I need hardly say, if it will not be presumptuous—and I trust it may not be considered so—that our deepest sympathy goes out to his bereaved and afflicted family, and that he will long be remembered in this chamber, in fact that the images of the two recently departed senators will never fade from our memories. Of Senator Dever I perhaps may be allowed to speak with a little more freedom. I became acquainted with the hon. senator from St. John over thirty years ago, when I happened to be a member of the other House, and we formed a very intimate acquaintance at that time, an acquaintance which subsequently ripened into warm friendship which I am now only too happy to say strengthened with the increasing years. The late senator from St. John was a warm blooded Irishman, and like many another man from that green isle, like all true patriots, he was very proud of his native country, and he did not think his pride in his native land was inconsistent with his patriotism and with his loyalty to the land of his adoption. The late senator from St. John was well born, and he was well bred, as most of you know. He came to seek his fortune in this western world, free from the trammels of the old, in order that he might work out his social regeneration in peace. During a somewhat lengthened business career I understand he was very successful and accumulated a fair portion of this world's goods, and it was his great pride, a just pride, that he was blessed with a large and most interesting family, a family in which he took a special pride, and a family that is to be congratulated, while we sympathize with them deeply to-day, on having had a father so loyal and

loving as the late senator from St. John. He was a kindly man as well as a manly man. It is true he was sometimes impulsive, like many Irishmen ; at the same time while he had the courage of his convictions, and spoke out fearlessly, he felt he was always in the right or at any rate we could give him credit for being always upright. Those perhaps who have not known him so long as I have had the honour of knowing him would not, perhaps, fully appreciate the depth of that kindness. He seemed to be imbued with the spirit of those lines which say :

Have you had a kindness shown you,
Pass it on
'Twas not meant for you alone
Pass it on,
Let it travel down the years,
Let it wipe another's tears,
Till in heaven the deed appears,
Pass it on.

Senator Dever has fulfilled his mission on earth, and he has passed, together with his colleague, the late senator from British Columbia to that bourne whence no traveller returns, and we are left to carry on the great work of administering and attending to the affairs of this Dominion. The late senator Dever was very hopeful of the future of this Dominion. He had great faith in its institutions. He had great faith in its people, and he looked forward to the time when Canada would stand, as she almost stands to-day, not only the pride of the world but the brightest gem in the British Crown. It has been said by the great dramatist that the evil that men do lives after them, that the good is often interred with their bones. If that be true, the other is equally true, that the good that men do in this world lives after them and I trust that the influence of the good deeds of the late senators who have recently departed will live after them and be long remembered. We cannot get a message from them. We cannot look beyond that bourne, but we can all adopt the spirit of the lines of Kingsley who said :

Let us all be good
And let who will be clever,
Do noble deeds, not dream them all day long,
And so make life, death and the vast forever,
One grand sweet song.

BILLS INTRODUCED.

Bill (No. 28) An Act respecting the Temiscouata Railway Company.—(Hon. Sir Alphonse Pelletier.)

Hon. Mr. KERR (Cobourg).

Bill (No. 30) An Act respecting the Guelph Junction Railway Company.—(Hon. Mr. McMullen.)

Bill (No. 31) An Act to incorporate the Guelph and Goderich Railway Company.—(Hon. Mr. McMullen.)

Bill (No. 32) An Act to incorporate the Walkerton and Lucknow Railway Company.—(Hon. Mr. McMullen.)

Bill (No. 43) An Act respecting the Quebec and Lake Huron Railway Company.—(Hon. Sir Alphonse Pelletier.)

Bill (No. 44) An Act respecting the Berlin, Waterloo, Wellesley and Lake Huron Railway Company.—(Hon. Mr. Merner.)

Bill (No. 46) An Act to incorporate the Boundary Kamloops and Cariboo Central Railway Company.—(Hon. Mr. Watson.)

Bill (No. 47) An Act respecting the Kootenay Central Railway Company.—(Hon. Mr. Templeman.)

Bill (No. 49) An Act respecting the James Bay Railway Company.—(Hon. Mr. McHugh.)

Bill (No. 51) An Act to incorporate the Okotoks and High River Lumbering and Development Company.—(Hon. Mr. Lougheed.)

Bill (No. 53) An Act respecting the North American Telegraph Company.—(Hon. Mr. Watson.)

Bill (No. 57) An Act to incorporate the Interprovincial Railway Bridge Company of New Brunswick.—(Hon. Mr. Templeman.)

Bill (No. 63) An Act respecting the Edmonton and Slave Lake Railway Company.—(Hon. Mr. Baird.)

Bill (No. 64) An Act respecting the Strait of Canso Bridge Company.—(Hon. Mr. Church.)

Bill (No. 65) An Act respecting certain patents of Louis E. Curtis.—(Hon. Mr. Kerr, Cobourg.)

Bill (No. 66) An Act respecting the Northern Pacific and Omineca Railway Company.—(Hon. Mr. Macdonald, B.C.)

Bill (No. 70) An Act respecting the Canadian Pacific Railway Company.—(Hon. Mr. Lougheed.)

Bill (No. 92) An Act respecting certain patents of William A. Damen.—(Hon. Mr. Kerr, Cobourg.)

Bill (No. 93) An Act respecting a certain patent of E. A. Small.—(Hon. Mr. Mitchell.)

MUTUAL RESERVE FUND LIFE ASSOCIATION.

DEBATE FURTHER POSTPONED.

The Order of the Day being called :

Resuming the abjourned debate on the motion of the Hon. Mr. Domville : That he will move for the appointment of a Select Committee of five to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, with power to send for papers, persons. telegrams and records, to employ clerical services, and with leave to report from time to time, the committee to be composed of the hon. Messieurs Legris, Baker, Cloran and the mover. —(Hon. Mr. Casgrain, de Lanaudière.)

Hon. Sir MACKENZIE BOWELL—I should like to have this motion stand until to-morrow. I have received, as no doubt other members of the Senate have received, an answer to the statements made by the hon. gentleman from Rothesay (Hon. Mr. Domville), covering some forty-three pages and I should like to have some time to peruse this document before the debate is resumed. After this is disposed of, I understand my hon. friend from Toronto (Hon. Mr. Kerr) will move the second reading of his Bill, to change the mode of settling matters in connection with many of those who hold policies in this company. After reading this document we shall be in a much better position to discuss the merits of the Bill than we are at present. I believe there are gentlemen who are not present to-day, and who cannot well be here, who would like to take part in the discussion. If my hon. friend has no objections, and the Senate concur, I should like to have the matter stand until to-morrow.

Hon. Mr. DOMVILLE—While I should be very glad to meet the views of my hon. friend I do not want to have it thrown in my teeth, as has been done before, that I am merely keeping this before the public, and am not going on with it. I want to point out that the official report of the debates, page 201, does not give a correct statement of what took place the last day we met. A motion was made to adjourn the debate, and I said to the Minister of the Crown, that if I had an assurance from the government that the Bill brought in by the hon. senator from Toronto (Hon. Mr. Kerr) was not to be proceeded with until my business was gone through with, I would consent to the postponement. He most distinctly said, yes, it will be all right, that he guaranteed it. I see in the official report it says simply 'Hon. Mr. Scott—Hear, hear.' Now I was not asking for hear, hear ; I asked for a pledge from the government, which I distinctly got. I am willing to allow this motion to stand over to meet the views of my hon. friend, on condition that that promise is carried out in its entirety. Otherwise I should have gone on.

Hon. Mr. CASGRAIN (de Lanaudière), moved that the order be discharged and placed on the Orders of the Day for to-morrow.

The motion was agreed to.

The Senate adjourned.

THE SENATE.

Ottawa, Thursday, May 19, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

SECOND READINGS.

Bill (No. 28) An Act respecting the Temiscouata Railway Company.—(Hon. Sir Alphonse Pelletier.)

Bill (No. 30) An Act respecting the Guelph Junction Railway Company.—(Hon. Mr. McMullen.)

Bill (No. 31) An Act to incorporate the Guelph and Goderich Railway Company.—(Hon. Mr. McMullen.)

Bill (No. 32) An Act to incorporate the Walkerton and Lucknow Railway Company. —(Hon. Mr. McMullen.)

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Bill (No. 65) An Act respecting certain Patents of Lewis E. Curtis.—(Hon. Mr. Kerr, Cobourg.)

Bill (No. 66) An Act respecting the Pacific Northern and Omineca Railway Company.—(Hon. Mr. Macdonald, B.C.)

Bill (No. 70) An Act respecting the Canadian Pacific Railway Company.—(Hon. Mr. Lougheed.)

MUTUAL RESERVE FUND LIFE ASSOCIATION.

DEBATE POSTPONED.

The Order of the Day being called :

Resuming the adjourned debate on the motion of the Hon. Mr. Domville : That he will move for the appointment of a select committee of five to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, with power to send for papers, persons, telegrams and records, to employ clerical services, and with leave to report from time to time, the committee to be composed of the hon. Messieurs Legris, Baker, Cloran, Landry, and the mover.—(Hon. Mr. Casgrain, de Lanaudière.)

Hon. Mr. SCOTT—Perhaps it might not be wise to proceed with such an important matter with such a thin House. It is one involving the expenditure of a large amount of money, if the inquiry is to be exhaustive, and up to the present time I have failed to see that any possible good will follow from it. Under those circumstances the hon. gentleman is assuming a very grave responsibility in asking this chamber to give him a committee for purposes which none of us at present are advised about, because parliament is not proposing to recoup, nor can it be expected to recoup the unfortunate parties who hold these policies. I am very sorry indeed for them. They have my full sympathy, but mistakes will occur with all of us. If my hon. friend could point out any substantial benefit to flow from it, I am quite sure we would all cheerfully acquiesce in his proposition, but, until we can see that some good result would flow from it, it does appear manifestly improper for any hon. gentleman to avail himself of his position and form a committee with power to send for parties from a distance, and have them examined at great length with no results whatever. The company has long since abolished the plan of issuing policies of this particular class. Therefore no notice to the public would be of any avail. All who can drop out of that unfortunate class are doing so. It is a very peculiar position. Unless we can aid them in some way or other it does seem improper to take up the time of parliament and especially to incur a large expenditure with no results whatever, because it is absolutely positive that no result can flow from this inquiry other than possibly showing up the company. That may be very well for those who wish to exhibit the improprieties of the company, but these personal matters are not subjects for parliamentary inquiry. We cannot change the position. We are not going to take money out of the public treasury to recoup those people who, unfortunately, have lost their money. It cannot be done, and therefore I see no possible good that can arise from it one way or the other. I would very much rather, if my hon. friend had consented, let the Bill which is before the Senate go to the Banking and Commerce Committee, and allow that committee to exercise its discretion in sending for witnesses, if they think it necessary to do so. They will make a full inquiry. I think my hon. friend is making a very great mistake in assuming the responsibility for a very large expenditure, because the inquiry will be barren of any consequences whatever.

Hon. Mr. DOMVILLE—I have the greatest deference for the views of my hon. friend. I have known him a great many years, and I am very proud to be under his leadership here and to see him occupying the important position which he holds ; but he is laying himself open to public criticism. Public opinion to-day is against this company, and why should this company be supported in this House by any one who is here as a judge simply, to say on a statement made by an hon. member whether the company shall be sustained or not sustained. I would not make the remark that my hon. friend is attempting to cover up the company, but the public would say so. I hope I am speaking now inside of the rules of parliamentary debate. He says the government cannot undertake to recoup the victims of this company ; the government do not recoup the unfortunate. This is a private corporation. Its victims have insured in it under certain statements made to them, and if they have been deceived is it for this honourable body to say that they shall not be protected, but that the people

who have wronged them are to be protected ? Am I to be told, when I ask for this inquiry, that those who have suffered by this company have no rights, and that I am taking up the time of the House in advocating their cause ? I am not taking up the time of the House. When I wanted to proceed I was stopped from day to day, and now my hon. friend tells the Senate that the inquiry for which I ask can be of no benefit. No benefit for what ? Are these people to be bled by pirates ? It is a strong word to use, but no stronger than is justified by the documentary evidence which I have submitted to the House, and I do not think it is quite fair that my hon. friend should oppose this inquiry. He is not treating me with respect. I entered parliament in 1872, and there are many hon. members in this House who sat with me in the House of Commons, and to attempt to make the implication that I am taking up something that is prejudicial to this company in my own interest, when I have the whole of the policy-holders of the company in Canada with me, is to make a statement which is not justified, and I do not think my hon. friend can have carefully weighed his language in making that statement. Furthermore he says that the policy-holders are dropping out. That is a poor satisfaction. They are dropping out, the hon. gentleman says. He proves my case when he makes the assertion. Why are they dropping out ? Because this company is in such a wretched state that it is absolutely bankrupt. They have broken the laws of Canada and failed to fulfil their contracts. My hon. friend says the policy-holders are dropping out. I admit they are ; but if they all drop out, then this company in New York will be able to take our million dollars that they had to put up and use it for their own purposes, and in doing so will be protected by the Senate of Canada. It is a very unfortunate position to take, and I very much regret it. Are we to be told that this company is to be permitted to go on ruining the people ? There are hon. gentlemen in this House and outside of it who have paid their money into this company when they had hard work to meet their payments. They thought they were protecting their families, and in doing so they spent their last dollar in meeting the calls. Will it be any satisfaction to them to be told that policy-holders are dropping out, and that nothing will be left for them. Now as to the responsibility ; I take the full responsibility of the motion I am making. I am an old man—we are all getting near the time when we must drop out—and I take my responsibility before the people of Canada and before my Maker ; and I can take my hat and walk out of this Senate and say that I have failed to get justice for the people and therefore am no longer fit to represent them here. I take it that every senator is appointed because of his intelligence and fitness to discharge his public duties, and it is very unfair to say that I am taking any undue advantage of a United States company that seems to be protected in a way that is objectionable. I say protect the people of Canada, not a company that has committed all those enormities. Before I am done I shall be prepared to say, when that Bill comes up, that the Senate is not going to stand by gentlemen, who are forgetting the interests of the people, and looking after the interests of a private corporation. Now as to the expense, my hon. friend has said it is going to be an expense to Canada ; that it is taking up the time of the Senate. My hon. friend must have been joking when he said it was taking up the time of the Senate.

Hon. Mr. SCOTT—I said the expense of bringing witnesses.

Hon. Mr. DOMVILLE—The hon. gentleman spoke of taking up the time of the Senate. The Senate has nothing to do and has done nothing.

Hon. Mr. SCOTT—I withdraw that.

Hon. Mr. DOMVILLE—The hon. gentleman started with saying that the government was going to take up the Bill, and then he apologized to the House and said no, he was mistaken.

Hon. Mr. SCOTT—The government declined.

Hon. Mr. DOMVILLE—The government were right in declining.

Hon. Mr. SCOTT—Because the company has complied with the law. There is the law on our statute-book.

Hon. Mr. DOMVILLE—No, excuse me, they have not. They have broken the law of Canada because the law of Canada says they shall not use their money for any pur-

poses save and accept in payment of just claims, and for no other purpose whatsoever, and the law also says the company shall pay everybody in full, and they are not paying everybody in full.

Hon. Mr. SCOTT—They have their deposits untouched in the Finance Department.

Hon. Mr. DOMVILLE—My hon. friend, perhaps, has not the law before him. It says all assessments shall be used for paying death claims and nothing else whatever. It has not been done that way. The company have used these moneys elsewhere. They have made away with all their mortuary.

Hon. Mr. SCOTT—Sue the company and get a judgment against them. An execution will reach them.

Hon. Mr. DOMVILLE—Will my hon. friend tell me that that deposit in the hands of the government of Canada can be reached by a judgment? Will he not tell me that if this company went into insolvency to-morrow that these deposits would be for the general credit of the whole company? The company has been incorporated in the United States. Is their capital to be divided all over the world? I do not think that if we incorporated a company in Canada and they had assets here that we could hold them as against United States creditors. I am not a lawyer. I find that there are a great many legal men against me, and I regret it very much. I think this chamber should be relieved of all legal business and should deal with every question on its merits as it is brought up.

Hon. Mr. DANDURAND—Will my hon. friend tell me—and I beg his pardon if he has already done so—if there are any judgments in Canada against the company which they failed to meet? Are there any judgments rendered against them for a claim which they have failed to meet in Canada?

Hon. Mr. DOMVILLE—I am not a lawyer and could not tell the hon. gentleman, but I know there are judgments against this company all over the world.

Hon. Mr. DANDURAND—We are speaking of Canadian affairs.

Hon. Mr. DOMVILLE—Does the hon. gentleman want to run two companies or one?

Hon. Mr. DANDURAND—Is there any claim against the company that can be collected that they have failed to pay in Canada? It is a simple fact. If the hon. gentleman does not know——

Hon. Mr. DOMVILLE—I know what I am talking about. Will my hon. friend show me where they could execute it if there was a judgment?

Hon. Mr. DANDURAND—Is there any judgment?

Hon. Mr. DOMVILLE—That is not the question.

Hon. Mr. DANDURAND—I know nothing of the affairs of this company.

Hon. Mr. DOMVILLE—How would a creditor execute a judgment?

Hon. Mr. DANDURAND—If there was a judgment against them, and they were doing business in Canada, I would try and execute it or put them in liquidation. Has there been any attempt made to put them in liquidation?

Hon. Mr. DOMVILLE—My hon. friend is wrong as a lawyer. He has taken up the case for this company, and I regret to see it, because he is fighting his own countrymen.

Hon. Mr. DANDURAND—I have an absolutely open mind, and if this question goes to a committee I have reports of people who are in the company and men who have asked me to see that there interests are not jeopardized by anything the committee would do and I would take good care that their views are set before the committee. We are here to do justice to the best of our ability. I want to know if there are any claims against the company that are unpaid?

Hon. Mr. DOMVILLE—My hon. friend says he has an open mind. I have no open mind. My mind is made up. A man that has an open mind might be changed right and left. I do not propose to have an open mind.

Hon. Mr. DANDURAND—Then my hon. friend is debarred from sitting on a committee where he will be a judge.

Hon. Mr. DOMVILLE—No, because I am here as a representative man taking this matter up and I have made up my mind.

My hon. friend says he has an open mind. What does an open mind mean ?

Hon. Mr. DANDURAND—It is one who is free to accept light on the subject and give a free judgment.

Hon. Mr. DOMVILLE—That is the way in court. Two men come in ; one man wants to hang the prisoner and one man wants to let him off. I have not an open mind. My hon. friend knows what I mean. I am trying to speak in parliamentary language.

Hon. Mr. DANDURAND—I did not catch the purport of the remarks of the hon. gentleman. I invite him to make it more clear for an obtuse, though open mind.

Hon. Mr. DOMVILLE—Does the hon. gentleman understand it now?

Hon. Mr. DANDURAND—No.

Hon. Mr. DOMVILLE—Well, the other members do. As to the expense of this inquiry, I am sure the hon. minister of the Crown, the leader of the government in this House, will not say that Canada cannot pay one dollar to protect these poor unfortunates ? If he does say so then I will pay it out of my own pocket. I have not very much money. I have not been with the government very long, but I will pay it out of my own pocket, and I am in earnest. I have letters from all parts of the country to sustain the position I am taking, but I do not want to weary the House. I thought I had made a good enough case. I thought the thing was so patent that any member of this House who considers his duty to the country and recognized his position in this House, would not be found championing any company against the interests of the public. I thought, and I still think, that any hon. gentleman in this House remembering his position would say there are two things to consider : one is, is the hon. gentleman who proposes this in earnest or should his motion be entertained ? Then I think he should consider his duty whether he should stand up to protect the people of this country or whether he should throw every obstacle in the way, take advantage of every technicality to prevent the people of this country getting satisfaction. Now, if that is their course let them take it ; I am prepared to allow them to take it. I beg to assure this House that I have no intention of abandoning this matter. I have no brief. I am not employed. I am not a lawyer. I am not here to take fees or anything else. I am fighting for the poor unfortunates and with that object before the House, hon. gentlemen may or may not accept my statement and do as they please. I have every reverence and every respect for our friend the hon. leader of the government and the hon. leader of the opposition too, but I have this to say that I think the hon. leader of the government really cannot have calculated public opinion, cannot have taken into consideration what I wanted to do when he asked me to abandon this motion. It is something that he has not well considered and with every deference to him I shall throw myself on the judgment of this honourable body and refuse to abandon the motion which I have made.

Hon. Mr. DAVID—When the discussion of this question came before this House a few days ago I stated my position, and I showed to this House that I was one of the parties interested—interested as one of those who were obliged to drop their policies after carrying them for twelve to fifteen years, and one of the actual parties interested as being at present and continuing to be a policy-holder for a certain amount ; but I thought that the hon. member who has just spoken, and who has undertaken such a campaign and a glorious campaign so far, in my opinion, against the Mutual Reserve Fund Association, appreciated the suggestion which I made when the question came up a few days ago, that perhaps instead of appointing a special committee, he might secure the same result, and perhaps a better result, by taking into consideration what the Secretary of State has justly said, by referring all the documents and the facts which have been put so forcibly before this House by the hon. gentleman from Rothesay, to the Committee on Banking and Commerce, with instructions—because we have a right, no doubt, to give instructions to that committee as well as to any other committee—to take into consideration all those facts and documents which have been laid before this House by the hon. gentleman from Rothesay, to inquire into all the circumstances connected with the working and operations of the Mutual Reserve Fund Life Association, and to report on the best means

to protect the Canadian policy-holders. I have just come from Montreal, and have not had time to properly word my amendment, but I have drafted an amendment and it will be very easy to put it in proper form. I think this would be a means of reconciling matters.

Hon. Mr. DOMVILLE—I wish to say from my experience of thirty-two years, that sending such a matter before a big committee like that means nothing.

An hon. MEMBER—Appoint a sub-committee.

Hon. Mr. DOMVILLE—I understand a sub-committee. I know what it means going into a committee and a sub-committee; but I want to point out to my hon. friend that to send it before a big committee like the Banking and Commerce Committee we do not know where it is going to end. Where is the chairman of the Committee on Banking and Commerce?

Hon. Mr. THIBAUDEAU (Rigaud)—He was here to-day.

Hon. Mr. DOMVILLE—How long is he going to be here? He will go away and how are we going to get along. I thought if we could get five hon. members in this House that would work on the committee that would be the best way to hold this investigation. I know some hon. gentleman has said that we did not have the right men on it. I think when hon. gentlemen are appointed to a committee they are good enough to sit on it. Sending it before the Banking and Commerce Committee means burking the whole matter.

Hon. Mr. DAVID—I have great confidence in the Committee on Banking and Commerce. I have gone over the list of the members, and I think they are in a position to give judgment if we put before them the facts as they ought to be put, and I think they are men of conscience who will do what is necessary to give satisfaction to a great number of the members of this House. I think if the Bill and the motion of the hon. member and the facts and documents were placed before the Committee on Banking and Commerce at the same time they should do the work more efficiently, and we would have a report sooner than if we appoint this special committee. My hon. friend is afraid of the delay. I am afraid if the Bill goes before the committee he has named, the proceedings before that special committee will take a great deal of time and the Bill will have passed the Senate before the investigation is concluded, I am under the impression that with the instructions given to the Banking and Commerce Committee to take into consideration all the facts and documents and to report at the same time we are sure to have a result. I am a little ashamed to oppose the hon. gentleman who has presented his case to this House with so much strength, and I am not of the opinion of the hon. Secretary of State on this point, although I admit there is a great deal of reason in what he has stated, that an investigation by a special committee would be more expensive and take a great deal of time. In this case, as in many other matters, sometimes the safest course is the middle course, to reconcile the different avenues and to adopt a course which would be acceptable to those interested.

Hon. Mr. DOMVILLE—My hon. friend says that the documents are to go before the Committee on Banking and Commerce. What documents are to go before them? I propose to examine these men. There are no documents to go before them.

Hon Mr. DAVID—I have no special interest in this question, and I do not think you will make much out of it; but I am speaking in a general way and I would suggest that all the facts and documents which have been laid before this House by the hon. member be referred with the Bill to the Committee on Banking and Commerce, and that this committee receive instructions to inquire into the financial condition of the Mutual Reserve Fund Life Association, and to examine witnesses if necessary and to report on the best means of protecting the Canadian policy-holders. That may be amended, if desired, but I would be inclined to think that there is enough there to give that committee power to do something which would be acceptable and practicable. But in answer to the hon. Secretary of State, I may say that it is not because I am opposed to the investigation, but it is because I think the Banking and Commerce Committee could hold a better investigation and produce a better result which would come

sooner than the investigation made by special committee. I think an investigation is necessary. I think the argument of the hon. gentleman from Rothesay must have convinced us that this House must do something to satisfy public opinion, and that since the company comes before us asking for a new lease of power, considering that the company has caused millions of dollars worth of policies to lapse, that we have enough before us to induce us to take necessary means to protect the policy-holders. It is those who are in the company now that should be protected. A few days ago, when this question came before the House, the hon. gentleman from DeSalaberry, who has had great experience in those matters connected with companies, expressed the opinion that he thought it was possible to introduce some clause in the Bill which would be satisfactory to the Canadian policy-holders and satisfactory to this company. I hope the hon. member for Rothesay will think proper to accept this. At all events I will wait and make my amendment, if necessary, at another sitting of the House.

Hon. Mr. DOMVILLE—I would ask the hon. member why that committee of the Senate can do better than the committee for which I ask ? Are the hon. gentlemen that I have named as a committee not satisfactory to this House ? If not, we might pick out some other senators ; say who would be satisfactory ? I would ask the hon. member why should not the charge I made go to this select committee instead of to another ?

Hon. Mr. DAVID—For the simple reason I think it will pass, when the other would not.

Hon. Mr. DOMVILLE—With the greatest deference to the hon. gentleman, I cannot submit to it. I have submitted day by day to adjournments of this matter. There have been lots of visits or promised visits to New York and all sorts of things, but I shall stand by my motion and allow this honourable body to take the responsibility of their action before the public. I shall press my motion if my seconder stands by me.

Hon. Mr. McMULLEN—I have no personal feeling against the New York Mutual Reserve Company ; they never got a dollar from me. I have no insurance with them. In 1885 the parliament of Canada recognized that company, and by granting them certain specific privileges they had never before granted to a mutual company, placed them in a position to do business with the people of Canada. That company has run a business for eighteen or nineteen years. That business, I believe, has been most recklessly handled. Now, I do think, in face of the very large amount of insurance that is carried by the people of Canada in the different companies, and the fact that those companies operate under Dominion charters, that when parliament gave a status to that institution from New York and enabled them to do business in Canada, and it has now got into a financial condition by which the people of Canada are losing a very large amount of money, any reasonable sum that could be expended by parliament in ascertaining why that company is financially embarrassed would be well spent. If we refuse this inquiry, what are we saying to the other life insurance companies in Canada ? We are saying : 'Gentlemen, do your business as you please ; squander the money of those who hold policies from you ; handle your affairs as you please, the Senate of Canada has refused to grant a committee to investigate the action of any company doing an insurance business under a Dominion charter.' On the recommendation of the Secretary of State, it is proposed to refuse to grant even an investigation into the causes that have led to the embarrassed condition of the Mutual Reserve Company. That is the example we are setting to all other life insurance companies throughout this country, if we take that course. It was a very unfortunate thing that this company ever got the status it has enjoyed in Canada. I fought personally very bitterly against it at the time they applied for admission. I can say, on behalf of the inspector of insurance, Mr. Cherriman, that he was very bitterly opposed to granting the request of that company. Why did they get it ? Because they represented to parliament that the old line companies were robbing the people of Canada by charging rates far beyond what life insurance could be carried at in Canada, and if they got the opportunity of doing business in the Dominion, they would furnish insurance for one-third less, and they cited the fact that the Canada Life and many other companies had heaped up colossal fortunes by the extortion to

which they subjected people who insured with them. On the strength of that, parliament said: 'There may be truth in this. Why should we prevent this company doing business with the people of Canada if they want to? They have shown a fairly decent record so far; they want to give the people of Canada cheap insurance.' Parliament took the bit in their teeth and carried that Bill, and the result was that the New York Mutual Reserve got a standing in Canada by that measure that they could not otherwise have secured. What has been the result? They come along now and say: 'We have failed; the financial basis on which we started was not sufficient to carry us through, and we ask for relief.' My hon. friend here (Hon. Mr. Domville), on behalf of a very large number of policy-holders, representing insurance amounting to $22,000,000, which has dropped down to $8,000,000, asks for an investigation. These policy-holders contributed their money because parliament gave a standing to the company that warranted the public in believing that the company was safe. They were justified in believing that parliament would not have given them that standing if they had not come to that conclusion. Now, are we going to turn around and say: 'No; we will not investigate?' What shall we say to the men who insured with that company? Will they not, in a certain sense, hold the parliament of Canada responsible for having given that company the status they have occupied for eighteen years? They will say: 'You put on the statutes of Canada an Act giving that company power to do business with us, and then when the crisis came and the company failed to meet their obligations, and we asked by a representative in parliament that an investigation be held into the management of that company to find out what became of the money they collected from us, why has the Senate refused our request?' What are we saying to all the other life insurance companies? We are saying parliament will not investigate the management of any life insurance company under any circumstances. We are treading on very dangerous ground if we take that stand. I repeat I have no antipathy to this company, but I want to see its affairs investigated. My hon. friend was asked if there was any unpaid execution against that company—if they had been sued and had been unable to pay their debts. I answer there are policies due in Canada to-day that have not been paid, and in some cases they have compromised claims by giving four or five hundred dollars for a policy of two thousand dollars. Is that a company that should be permitted to do business in Canada? I say it is not. Another thing struck me; I have no desire to make an insinuation or reflection on any member of this chamber, but it is singular that a company of this kind, which is rotten to the core, can secure in this House the best legal talent it contains to take up their cause and fight it against an humble individual like my hon. friend from Rothesay. It may be right; I am not challenging what they are doing, but it is, to my mind, a very peculiar condition of things. For my part, I think we should investigate the conduct of this company. It is due to the policy-holders in Canada and to ourselves. We placed this company in a position to do business with the people, and we ought to afford my hon. friend an opportunity of proving whether their affairs have been properly conducted or not.

Hon. Mr. CASGRAIN (de Lanaudière)—I moved the adjournment of the debate in the absence of the Hon. Mr. Kerr, of Toronto. I see that he is here to-day, and I understand he has given special study to this question; therefore, I give way to him, and will let him defend them.

Hon. Mr. DOMVILLE—I do not hear very well in this large chamber. Did my hon. friend say that the hon. member from Toronto was here to defend this company?

Hon. Mr. CASGRAIN (de Lanaudière)—I will correct that statement. I may say I understood the hon. senator from Toronto had given a great deal of study to this question, and he would be in a better position than I am, probably, to expose this thing as it should be before this honourable House.

Hon. Mr. KERR (Toronto)—I am not a very old member of the Senate, and if a member who conscientiously undertakes to say what he thinks in this House, happens to give offence or umbrage to a member here, not because of anything which he has said offensive in its nature, but because it

is opposing some particular view or proposition that is propounded here, I shall not have that great pleasure in being a member of this Senate that I thought I was entitled to take. Personally, and on behalf of my hon. friend beside me, who spoke before, I desire to resent in the strongest terms that the English language will permit, and at the same time be parliamentary, the insinuations which have been made here with reference to the position of two of us —who happen to be professional men——

Hon. Mr. DOMVILLE—I made no insinuation.

Hon. Mr. KERR (Toronto)—If you did not make any insinuations the cap does not fit you. If the cap fits you can wear it.

Hon. Mr. LANDRY—I rise to a point of order. The hon. gentleman has no right to address the hon. member.

Hon. Mr. KERR (Toronto)—I answered a question put by the hon. member.

Hon. Mr. DOMVILLE—I wish to know who was referred to.

Hon. Mr. KERR (Toronto)—I was a little surprised to hear another hon. member speak about the ability of this company to command the services of professional men. I am not here in a professional capacity personally. I have nothing to do with this company professionally ; I have never had anything to do with this company professionally ; I have never been asked to do so. I have never acted, so far as this company is concerned, during my whole professional career except against it, I have held briefs against it when I was at the bar years ago. That is the whole connection I have had with this company. I have been asked to insure in this company and declined, because I did not approve of the principle on which its business was conducted. I did not think the assessment plan was a sound one.

Hon. Mr. DOMVILLE—You think so now.

Hon. Mr. KERR (Toronto)—I do not.

Hon. Mr. DOMVILLE—You are defending them.

Hon. Mr. KERR (Toronto)—That is not what I am saying at all. When I saw this motion, it appeared to me a very novel one to be brought before the Senate. It appeared to me to be a serious and important one. It appeared to me that if this Senate undertook the investigation of every company which has had shortcomings, whether incorporated by this parliament or not, it would have its hands full. The company in question has not been incorporated in this country ; it has been licensed by the Department of Insurance since 1885, under the authority of an Act of parliament, and the department have from time to time renewed that license. That is the position it is in ; but if the Senate is going to undertake to investigate every company which has been unsuccessful, which has not been able to carry out fully the purpose that was intended, which has not been able to show a beneficial result from the investments which have been made in it, whether of a financial character or in the nature of insurance—if this Senate is going to investigate the affairs of every insurance company, fire or life, it has got a great deal of work on hand. Unfortunately, in this country, life insurance has not always been a prosperous business. Some companies have not succeeded on the ordinary life plan for one reason or another ; fire insurance companies have failed and the management has been, in some cases, to blame for the failure. Disaster has overtaken companies both with regard to their investments and the character of the business they were doing, and if this Senate is going to undertake to investigate every case of that kind when grievances are brought forward, it is a very serious and important step they are taking. This, it appears to me, is a precedent. I am not an old member of the Senate, but I know of no similar case in which an investigation has been allowed by this House. Perhaps some of the older members can give examples of it if such cases exist. I would appeal to them to state the circumstances under which that has been done, if it has been done. The hon. senator from Mount Forest (Hon. Mr. McMullen) surprises me when he makes imputations against the leading members who have been so far saying anything with reference to this matter. When the motion was made, and when I heard the charges last session and again this session, with reference to this company, I took the

trouble to make some little inquiry as to what the position of the company was, conceiving it to be my duty to do so in order that I might be able to come to an intelligent conclusion whether anything could be done and what was the best to be done. I do not know that I have arrived at a result, but I have reached this conclusion in the case of this particular company, which is a company that procured from the late government the power to do business in this country by an amendment of the law in 1885—to do business on the assessment plan by reason of amendments affected in the Insurance Act. I say that this company having done business in that way has continued from year to year to be licensed and to make returns, and to make the deposits which the law requires to be made with the government of Canada, and under those circumstances it is important that we should see whether it becomes necessary for the company which is so licensed under the authority of our law, to be exposed to this kind of investigation. Up to this date I have never heard of any kind of implication against either the ability or the integrity of the insurance department. I have never yet heard complaint made that the superintendent of insurance was not capable of discharging his whole duty; nor have I heard that he neglected it in any way. I have always understood that if there was a department of the government which met with acceptance generally, not only by the public and parliament, but by those with whom they were actually doing business, the Department of Insurance was one that could be spoken of in those terms. The law having been amended in 1885, this company, coming within the amended law, having applied for and obtained a license, was authorized and has continued year by year to be authorized by renewal of license, by the superintendent of insurance under the General Insurance Act. Let us look and see whether in doing so the superintendent of insurance assumed a responsibility, or was bound to assume a responsibility with regard to this company. Let me refer to the law on the subject. One would infer from some remarks made in this House that it is rather disparaging to a man to be supposed to know the law, but it is convenient that we should in a matter of this kind, see what the law is. Now, what are the duties and how is this authority of licensing carried out? Section 25 says:—

> The Governor in Council may appoint an officer to be called the Superintendent of Insurance, who shall act under the instructions of the minister and shall examine and report to the minister from time to time upon all matters connected with insurance as carried on by the several companies licensed to do business in Canada or required by this Act to make any returns.

The Act goes on to provide that in each case, before the issue of any new license or the renewal of a license, he is to make a report to the minister that the requirements of the law have been complied with, and from the statements of the affairs of the company it is in a condition to meet its liabilities. That license is to be issued year by year. If the superintendent after a careful examination into the condition of the business of any company licensed to transact business in Canada, from the annual statements furnished to the minister, or from any other cause, deems it expedient to make a further examination of the company and so reports to the minister, the minister may require him to visit the office of the company and to thoroughly examine into its affairs, and to make all such inquiries as may be necessary to test its ability to meet its engagements, &c. Now, that is what our law says as to the manner in which the business of insurance companies and their relations are to be towards the government of this country. Therefore, there is all that the hon. member seeks here provided by the machinery of our Act of parliament. It is prescribed that a person shall be appointed with the power and the duty to make these investigations, and have we any authority here to say that those have not been made? Have we any authority here, or has anybody authority to say that the superintendent has not wholly and fully discharged his duty? Has any case been made out by anything that has been said to show that the superintendent has been wanting in any respect with regard to the discharge of his duty and that he has not done his whole duty, and made that investigation, and does not, and has not satisfied himself that he was justified in granting year by year the license under which this business has been carried on? I say, therefore, when there is machinery already provided by Act of parliament

affording proper protection, not merely to the parliament, and the people of Canada, but also proper protection to the companies which have relations with the people of Canada—both have their rights in that respect—when that has been provided why should we say now that this Senate thinks it necessary that there should be some other investigation which cannot be conducted in the manner in which a full, thorough and complete investigation could be made by and under the superintendent of insurance himself ? But there is more than that to be said with reference to the matter. We have heard statements read and made here. We were informed that they came from Mr. J. D. Wells, who had been an official of the company. A letter was read as evidence to the House that there was substantial ground for making these charges. Now, on inquiry, it turns out that Mr. Wells has been for years an officer in high position in that company ; that he ceased to be that sometime late in the nineties; that at the time he ceased there were differences between him and other officers of the company ; that in consequence of that he made certain charges against the company. When I used the word 'charges' I mean it in both senses—he claimed money from the company, and he claimed money for his good opinion of the company, and he made in addition vague charges.

Hon. Mr. DOMVILLE—I think it is only fair to this House that the hon. gentleman should read that letter in which Mr. Wells made a demand for money. I have read my letters. My hon. friend should not get up and defend the company as he would in a small court—he should read that letter demanding money, if he has such a letter.

Hon. Mr. KERR (Toronto)—If the hon. member will bear with me a minute I will give him all he wants, and perhaps a little more. I will give him what the statements were and what the answer was. I was about to say that this difference having occurred between the officers of the Mutual Reserve Company and Mr. Wells, finding himself left out when re-election came, he was no longer a director and no longer vice-president. There were differences to be adjusted as Mr. Wells thought, and so a claim was preferred by him against the company. The company took proceedings for an investigation of that. An investigation was held. The company did not accede to his demands, and that was followed by charges being preferred in the insurance department of the state of New York, in which state this company is incorporated, and where it has its head office. I hold in my hand a copy of a report which was made on those charges. In the course of that report the evidence is given as to what occurred and is exhibit No. two on pages 48 and 49.

Hon. Mr. DOMVILLE—What is my hon. friend reading from.

Hon. Mr. KERR (Toronto)—I am reading from the report of the Insurance Department of the state of New York, dated the 20th July, 1899. There is a memo. of disbursements by Mr. J. D. Wells, and a series of items which I will not trouble the Senate with at present, amounting to a very considerable sum. That was the claim, and the evidence which is reported is, that that claim was referred for investigation, and I have here the account that was given of the investigation and of the interview with Mr. Wells respecting that. It is reported by the insurance department in their report as follows :

> After the ordinary salutations of the meeting, I stated to Mr. Wells that as an officer of the Mutual Reserve Fund Life Association I had been asked to go over with him the items of the memorandum, holding the same in my hand, which he had submitted against the association. Mr. Wells said that he did not present the memorandum as an account collectable or enforcible against the association ; that he did not claim that the association owes him the sums of money stated therein, but that he had had negotiations with counsel for the association regarding his relations to it, and that inasmuch as his employment and official relations with the association had been terminated he thought that in the interest of a continuance of his friendly relations with the association and in the interest of peace and harmony, some sum of money should be paid to him and that this memorandum was presented as a basis upon which the association could audit the amount and pay the same to him. He said that there were a good many sums that he had spent for the association for its benefit, for which he had not been repaid, and these formed the basis of the memorandum submitted.

Then passing on

> We went over the several items contained in the memorandum and once or twice he produced from his pocket book notes or orders from some agent against whom he had a charge for money advanced or paid.

Then there was an item discussed. Then he speaks as to commissions on Canadian

business. He says he made more advances out of his own pocket. He says :

I called his attention to the final item in the memorandum, F. A. Buenham, $5,575, and asked him what this meant. He replied that I knew as much about that as he did. I said that I knew nothing about it. I than asked him what the items of this memorandum, exhibit A, amounted to, and he replied, about $12,000. I asked if this was the amount that he thought ought to be paid to him. He replied, 'Yes,' that he did, together with a year's salary in addition, making about $25,000 in all. I said to him, 'Do you think a year's salary in addition to these amounts should be paid to you, that is, do you ask the amount of these items in this memorandum and a year's salary,' to which he replied that he did, that while he made no threat against the association, nor did he intend to make any blackmailing demand upon it, that the association had better pay him this sum of $25,000, or it would have to take the consequences, that he had been turned out without warning and without being a dollar, and that he did not intend to remain in that position without a fight. Then I said, 'What you ask is that the association pay you $25,000' ? He replied that it would amount to somewhere between $20,000 and $25,000.

He says later :

I then took up the memorandum and said to him again : 'Now, this is what you want paid, the amounts contained in this memorandum, together with an equivalent to a year's salary, and the association is to thereafter have your good will,' to which he replied 'Yes, but that he would not make anything out of it, that he had spent lots of money that was not contained in the memorandum, that he had paid all the costs of the legislation in Canada that passed the law by which the association procured its license to do business in the Dominion, for which he had never been repaid. That there had been good round sums paid out ; that there were members of parliament of the committee and of the government that had to have good sums, that it cost him over $10,000, that he had found all the money excepting for the last bill for a small amount.'

This referred to the legislation procured in 1885.

Hon. Mr. DOMVILLE—I do not think my hon. friend should read here about members of parliament getting money.

Hon. Mr. KERR—That is the gentleman who made the charges and they were investigated. That was in the year 1885.

Hon. Mr. DOMVILLE—Who writes this report ?

Hon. Mr. KERR—I will give you the report afterwards. It is the report dated 26th July 1899, to the Insurance Department of the state of New York. This report was signed by two members of the committee, and it was held for some time to obtain the signature of the other man. It was afterwards signed by him. That is the statement which was made by Mr. Wells, which was reported to the department, which the department had before them and the other evidence which I am not going into now. But the same charges which are made here now substantially and on his statement—because it was his letter that was being read making these charges—were made at that time. Those charges which he made against the company were declared to be unfounded, and the company was declared by the officers to be in a solvent condition, and a comparison was given of the expense connected with the carrying on of that business and other businesses, and that comparison was made on many items giving percentages of increases and decreases. I submit then that when that has been the subject of investigation by the Insurance Department of the state of New York and other states of the Union where this charge has been brought under the notice of other states, and where they have determined as to the solvency of the company, and when we have here the Superintendent of Insurance charged with the duty of satisfying himself in his responsible position as superintendent before he issues a license, while the license is extant, by making such investigations, getting such information and otherwise going into the circumstances and affairs of the company—when we have all that, it appears to me that it is quite unnecessary to discuss the matter of making an investigation by the Senate : that in other words this Senate would be departing from the policy which has been prescribed and the plan which has been provided by parliament, and the Senate was a party to the enacting of that law. I therefore state that in that respect it is a mistake to talk about an investigation by a parliamentary committee of the affairs of the company. I think it would be an untoward thing to make such an investigation in reference to any company, and when we find it has already been investigated by competent authorities in a state where all the books and records are, where the parties are known, where it has been investigated over and over again, to take it up here and go over the same work, would be lending ourselves to a system almost I might say of persecution which the Senate should hesitate about undertaking.

But there is another view of the matter, and that is, by holding this investigation you are establishing a precedent. Now, in a great many of our companies there are dissatisfied shareholders. One of the largest and most successful companies in this country, one of the most creditable institutions in this country a short time ago, in consequence of various proceedings within the company, was the subject of a great deal of criticism. We know perfectly well that that company, the oldest Canadian company, some few years ago revised its rates in order to provide for its reserves and we know perfectly well that there was a great deal of discontent about it.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman knows why that was done, parliament insisted on the reserve being increased.

Hon. Mr. KERR—Yes, there was a great deal of dissatisfaction about it, but on investigation of the matter, it was found necessary to change the scale on which the reserve should be provided, and parliament enacted that it should be done, and a recast of the policies had to be made and so on. But more than that, the same company, for many years, issued a policy providing for a premium, but that premium was only like the assessments which are provided in these policies and merely a tentative premium. In other words, on the minimum plan. Under that plan an annual premium was exacted for life, and at the end of the life, when the policy was called for, it was provided that if it was determined that the cost of carrying that insurance on that plan in that class was greater than the amount which had been paid in premiums, the balance that ought to have been paid in order to carry should be a charge on the policy, and deducted from the amount of it. That plan was carried on for many years. It came to a large amount. The company foresaw that it was going to get them into very much the same trouble as they are in at present, and they abandoned the policy.

Hon. Sir MACKENZIE BOWELL—Are you speaking of assessment companies ?

Hon. Mr. KERR—No, the leading Canadian life insurance company, the Canada Life. The minimum plan was abandonned and so far as they could do it, as far as it was available, they called in the policies that were outstanding on that plan and converted them into other policies. If parliament had lent itself, if this Senate had lent itself to a public investigation at the instance of the many men who at that time complained of the management because they were dissatisfied and made various complaints as to its business, what an injustice would have been done; how unfair to everybody interested in that company, not only every shareholder, because there were shareholders in that company, but to every officer and to every policy-holder. Everybody knows the preeminent position the Canada Life holds, and everybody now has the utmost confidence in it. We are proud of it as a Canadian institution. I cite that to show the danger there is in starting this investigation on a complaint. A charge that might have been made against the company was that the reserves which were being provided and the premiums that were being collected would not be sufficient to meet their obligation if the minimum plan were continued, and it would have been an enormous one, and would have been according to this charge, sufficien to justify parliamentary investigation if it justified it in this case.

Hon. Sir MACKENZIE BOWELL—There never was any charge of fraud or impropriety on the part of the members.

Hon. Mr. KERR—No, certainly not. I am not saying there was impropriety on the part of that company. In this case there is no company except the policy-holders. It is a mutual institution. I heard the expression 'with the company' that means with the policy-holders, and if the policy-holders hit the company they hit themselves. That is what I was confronted with when I came to consider the matter, and it seemed to me that instead of an investigation, the proper thing to do was to try and find some kind of remedy. The foundation of the trouble was that they undertook to carry policies, collecting only as annual assessments a sum which was found to be insufficient. That made it necessary for them afterwards to make assessments if they wanted to carry on their business. They have succeeded in carrying on the business, and so far they have a surplus and, according to the present surplus, it is ample to

provide for everything which a mutual insurance company should be called upon to provide. Now it has to be borne in mind that this company has complied, so far as shown, with every requirement of the insurance department. It has furnished all the information that has been sought. There is no evidence of there being anything wanting on its part in that respect. It has provided all the reserve which the law requires them to do, and which the department required them to do, and it has made these deposits. Therefore, when you talk about this company going on and wrecking families I think it is an entire misconception of the case. The fact of the matter is that so far as this company has been able to pay, and has had the ability it has paid all its obligations. The hon. senator from Wellington says that they have insisted on making compromises on certain claims of $2,000 for $400, or $500. I should like the hon. gentleman to say, with his experience as a business man, and with his knowledge as a director of an insurance company, whether every fire and life insurance company in this country has not made compromises of claims upon it. The circumstances of each case have to be considered. We do not know anything of the cases spoken of here. None but the company and the people connected with it know. You heard the story that so-and-so had been obliged to take a compromise. It may be that there was no claim that was enforceable. It may be the policy had been forfeited by reason of representations which had been made at the time it was effected as to age and conditions of health, as to circumstances of the family and a variety of things which would avoid the policy; or it may be it would be avoided by engaging in some dangerous trade to change the character of the risk. There are hundreds of conditions by which these policies are avoided, and it may be under these circumstances when the company was called upon to pay, feeling it was a hardship, they paid something which they were not liable for at all, although they had received some premiums; while on the other hand, the other people having paid premiums thought they had some claim. Therefore, when my hon. friend talks about that I would venture to say that the hon. gentleman was talking rather wide of the mark. If he had been as accurate in that as in other insinuations he made, I think it would have been a little more in accordance with his duties not only to this company but to the members of the Senate to have taken a different view from what he has. Then he spoke about financial embarrassments of the company. The hon. gentleman does not know what he is talking about. The company has no financial embarrassments. They have a surplus. No company which has a surplus and has the cash and has in the treasury $268,000 available in addition to its reserves for this very class of insurance can be said to be embarrassed. Its embarrassment is that in order to make provision for all these policies they will be obliged to make larger assessments and compel the policy-holders to pay up their assessments, or forfeit their policies, because the fact is that every man who has been insured up to this time has been paying less than he ought to have paid—paying less than the cost of carrying, and, that being so, those assessments ought to have been increased. I am not going into a general review of the business of the company. A statement has been furnished by the company to me and to all hon. gentlemen which shows the manner in which their business has been conducted, and it shows that although the charges for management, when you see them bulked appear to be large, they are actually smaller in proportion than those of the large companies in the United States. It shows that the cost of doing each thousand dollars worth of business is less in percentage than in the leading companies, and it shows it is less than in the Canadian companies. The figures are given and hon. gentlemen can see for themselves without my taking up time with it. Under these circumstances it appears to me it would be a mistake to have a reference and it would be a violation of the provisions of the Act to have a reference without first knowing what the superintendent has done, and how far he has taken the very steps which are essential. Let me say one word further. The report to which I have referred, which was made to the state of New York by an actuary who made the examination, was begun on the 12th of May, and it was not

completed until a date late in August, I think, and he had no less than twelve assistants at that work the whole time. That is the kind of investigation that they made. That was a valuable investigation if made in that way. This investigation, in order to be of any value, must be equally exhaustive and how could that be done practically by a committee of this Senate whether a special committee or a general committee? I am not going to speak with reference to the Bill which is next on the Order Paper, further than to say that being confronted with this situation I take the responsibility of presenting to the House a Bill which has already been approved of by the superintendent of insurrance. I went to see the superintendent about it and he personally approved of the course taken by me as being the only suggestion he could make which was likely to benefit the policy-holders.

Hon. Mr. DOMVILLE—The hon. Secretary of State said they had nothing to do with it.

Hon. Mr. KERR—I am showing what was done by the superintendent of insurance. I discussed this Bill with him, because I did not want to go to the Senate and present a Bill which did not have the confidence of the department, and did not have the approval of the superintendent. I felt that he was a safe man to direct one in connection with the matter. So that in that way, and to that extent, I have introduced that Bill as a means, and I think is a better means of providing for the interests of the policy-holders than the proposal which is being made here. When I have an opportunity to speak on that Bill again, I intend to ask this House to pass the second reading without being committed to the principle of the Bill, beyond the fact that some remedy should be worked out, and I intend to ask that instead of it being referred to a committee of the whole House. it shall be referred to the Committee on Banking and Commerce, who are charged with the business of insurance as well as other branches of commerce, and the superintendent of insurance can be heard before that committee. We can hear what he has done and learn what investigation he has made and what information he has had with reference to the affairs of this company, and we can have whatever other evidence it may be thought necessary in order to satisfy this House that the department of insurance is discharging its whole duty under the statute and so far as that department is concerned, that there is nothing wanting with regard to its duty towards the policy-holders or the public of this country. I think that in that way everything that the hon. member would seek could be worked out. If it was found advisable then that there should be any special investigation it could be directed. If it is necessary, or advisable or proper that there should be experts examined. either under the direction of the committee or the superintendent of insurance, there is the opportunity of doing it. It is a sensible way of dealing with the matter. It does not commit the House to something they would afterwards regret being committed to, and it is in that view I am opposed to the motion.

Hon. Mr. McMULLEN—If I might be permitted to say one word further upon the subject, in reply to my hon. friend. If in the heat of the debate on this question in my closing remarks a few moments ago, I cast any reflection upon any member of this House, I withdraw any such insinuations and I should regret it very much indeed. I did remark that it seemed singular that the company were able to secure the best legal talent in this chamber, and if that carried with it any insinuation, I desire to withdraw the statement, and I desire to add further that there is not an hon. member in this House with whom I have a greater desire to be in unison than my hon. friend who has just spoken. But, after all, I feel so strongly with regard to this Bill and with regard to this company, that I could not refrain from expressing in the very terms I did my desire that a thorough and exhaustive investigation should be made to see if parliament could ferret out what was the cause that led up to the unfortunate condition of things that now exists. My hon. friend says that it was because they started upon too low a scale in charging for insurance. That may be so. I have reason to believe that there were very large amounts of money extravagantly spent, salaries of enormous amounts paid, rents beyond all the ordinary sums paid by other companies for magnificent offices in New York that swallowed a large amount of money.

Hon. Mr. DANDURAND—The hon. gentleman speaks of large amounts that have been squandered.

Hon. Mr. DOMVILLE—He should have said stolen.

Hon. Mr. DANDURAND—Can the hon. gentleman tell us how in a mutual reserve association he could get back at the moneys that have been squandered, because all the policy-holders are the partners ? Is it not by assessing the present policy-holders that you will get back an amount equivalent to what has been squandered.

Hon. Mr. McMULLEN—I would say in reply to my hon. friend that it is a matter of vital interest to the policy-holders in that company to ascertain whether the money they contributed for the support and sustenance of that company and to keep up its funds has been squandered or has not been squandered. Is that not a matter of vital importance to every policy-holder ? We have not got it under any investigation that has taken place. My hon. friend, a moment ago, drew attention to the fact that the Insurance Association of the state of New York found that the company's affairs were in such a condition as warranted them holding an investigation with regard to the condition of the New York Mutual Reserve. Is that not so ? Yes it is so. They not only held one investigation, but they held two investigations that cost the New York Mutual Reserve Company over $11,000 of the people's money squandered in the paying of witnesses. I admit it was spent. They had two investigations to know why the company was in an unsound financial condition and as to the complaints that were made against it. Now, if they have done that in the state of New York, where they obtained their existence, is it anything unreasonable that the Dominion of Canada should investigate the Canadian side of the business to see what is the reason that they are doubling and trebling the rates upon their patrons and asking enormous amounts of money from them, and on the other hand compromising responsibilities when they occur. I am not prepared to say that the insurance department has done everything they ought to do in order to thoroughly probe to the bottom the transactions of the company. I am not here to condemn them. They may have granted their license, but very pronounced complaints have appeared in the public press from several sources, showing that the New York Mutual Reserve Life Company have been doing a business by which they have been extracting and extorting out of the policy-holders enormously increased assessments. I know people that are paying three and four times as much perhaps as they paid in the first place. I think it would have been well if the insurance department had investigated where the funds were going.

Hon. Mr. SCOTT—The assessments would increase every year if they did not get new blood into the company ?

Hon. Mr. McMULLEN—I think it would be well if some investigation could take place, and I think it would be well once in every half century, because I do not know that there has been an investigation of this kind into the affairs of any life company, to warn all the life companies that unless they keep within proper bounds and fulfil their promises to their policy-holders, that their affairs may be investigated. I say that it is a matter of vital importance to the people of this country that such a course should be adopted. I regard the Act under which the companies in this country conduct business and enter into covenants with the public, receive their money and promise to carry out certain provisions of every policy, as almost as sacred as the ten commandments. The people of this country are paying out their money and have a right to be assured both by the Department of Insurance and parliament, that their rights and interests will be protected and anything that we can do in that direction is justifiable, no matter what amount of money it will cost. I sympathize with the course my hon. friend has taken. I should like to see an investigation held because I think it would be a warning to other companies.

Hon. Mr. SCOTT—No new policies are being issued in that branch, and naturally, as they diminish the assessments must increase. Where a company is carried on on the assessment plan, unless you are bringing in new blood, the assessment must increase with the diminishing number.

Hon. Mr. DAVID—The policy-holders in Canada, like myself, have been accused in remarks which were not very flattering to us, that it is all our own fault—If you had opened your eyes you would not have lost so much money. It is through your ignorance that you have lost your money. Taking my own case as an example, I had a policy in 1885 for $5,000. In 1890 I took another policy for $5,000. That made $10,000. Why did I take a second policy of $5,000. It was because of the statements which were published by the company, and which were similar to those published by the government, through the Insurance Inspector from 1885 to 1890, that the income of the company was increased from $1,669,000 to $3,027,000. It was a fine statement, enough to induce people like myself and many others to think the affairs of the company were very prosperous, and that it was very wise and proper to take additional policies in such a company. From 1885 to 1890 it had increased its business by $1,358,000. With that increase of income you will admit these statements which were in accordance with the statements published by the inspector, were of a nature tempting enough to induce us to have confidence in that company. In 1892 I took another policy of $2,000. Why? Because I was seduced by these statements which were approved, as I have just said, by the government or by the officer representing the government. Under such conditions who can be blamed? Those who had confidence in the Mutual Reserve Life Insurance Company have been deceived. Was it not natural for those that were in that company to think that its affairs were in a good condition? If there is an investigation, would it not be proper to obtain from Mr. Fitzgerald, the insurance inspector, the reports of the company, so as to know how it is that such statements were published, and how it is that in 1892 there was a surplus big enough to induce us to increase our policies and two or three years afterwards that they were obliged to raise our assessments to such an extent that we were compelled to drop our policies because we were unable to pay.

When I commenced to pay, I paid $14 for each $5,000 per month, and consequently $28 every two months. In 1897 or 1898, I am not very sure which, the assessment was raised to $68, and even $70, every two months, and I was told that I could not hope it would remain there, that the probability was I would have to pay a still larger amount, so that in reality it was impossible for me to meet the increased assessment. In view of these facts the policy-holders of this company have a right to come before parliament and ask for some protection for those who are still in that company, and who naturally expect that when this Bill is passed, it will make their position stronger. They have learned a lesson, and if for that alone it will do good. It is this, that in future we will be more inclined to insure in Canadian companies, and put our money into Canadian institutions which are sounder and which offer us more protection than United States institutions. It will teach us in the future to be more patriotic and to put our money into British or Canadian companies.

Hon. Mr. KERR (Cobourg)—It was not my purpose to make any remarks on the question now before this House, but the debate has taken such a turn that I feel I ought to give the reasons for the vote which I may be called upon shortly to give, and in order to clearly make up my mind what vote I shall give I must first settle to my own satisfaction what is the real question before the House. As I understand it, it is not a question whether the insurance company has been guilty of the high crimes and misdemeanours which have been charged against them. I have no sympathy in this matter one way of the other. I have tried to preserve an open mind, and no man must impugn my motives for the vote which I shall give, because I shall give it from thoroughly conscientious convictions of duty. Strong statements and allegations have been made during the course of this discussion, and one would be almost more than human to listen to the statements that have been made without being more or less biased and influenced by them. But I shall try not to be influenced. I always listen to a statement, having in mind before deciding that there is another side; but I am not called upon now to take that view. The question is, shall there be a reference of this question to a committee. The question I want to answer is what we in the legal profession say cui bono—for what good. Suppose all these allegations

and strong statements are proven right up to the hilt, would it better what has been done ? That is the point. I do not object to the length of time nor the expense of a long inquiry, but I do regard as vital and a pivotal point, in my judgment, that after a long and expensive inquiry has been made, even supposing the allegations and statements made here are established in fact and so reported, cui bono still comes up.

Hon Mr. LANDRY—Could the license be suspended ?

Hon. Mr. KERR—What good would it do ?

Hon. Mr. LANDRY—Could the license be suspended ?

Hon. Mr. KERR (Cobourg)—I suppose it might be, but that is not the way to work out the remedy here. In saying that, I want to add that there is no gentleman in this chamber or out of it whom I feel so pained to differ from as the hon. gentleman who has presented this case before us. We are old friends and acquaintances, and I like him as a good fellow, and he is no doubt discharging what he believes to be a public duty. He has certainly made out a very strong ex parte case, but after all, according to my view, this is not the better way to get at the bottom of this matter. The better way is provided by the Bill which will be presented to us for our consideration. I do not know anything about that Bill. I will try to know a good deal about it before voting for it or against it, but I will deal with that when it comes up. I do not see that any great public benefit would result from our having a committee and these allegations and statements inquired into by that committee. The question will just resolve itself in the end to this cui bono—what good is it. It will not undo the past, and it will not punish the wrong-doers. We must not forget that we are here as a parliamentary body, not as a court of law. The courts of our country have abundant jurisdiction to inquire into and punish fraud, perjury and iniquities. The functions of this body are of a wholly different character. I shall feel the greatest possible reluctance in voting against this motion for the reasons I have given. I have to vote one way or the other, and I shall vote fearlessly, believing that the vote I will give is the one I ought to record as a senator, and it will be in the direction indicated by the hon. Secretary of State, who has given his reasons. My mind was made up long before I heard his statement, but I was glad to have my view confirmed by the position the government take in this matter.

Hon. Mr. McHUGH—Like the senator from Cobourg, I have an open mind in this matter, and one or two things would help me to decide how I should vote. The hon. Secretary of State has said that no good could come of this investigation, that no relief could be afforded the parties who have been policy-holders in this company. If the company were to act in their own best interests ; if they believe they are above suspicion, they would court investigation into this question ; but they are not taking that course. If no good is to come out of the investigation, then I would feel like saying that the investigation should not be made. It is clear that the company do not want an exposure of how its business has been managed, and the public could protect themselves by having no business relations with the company. If no good can come out of the investigation, then I would not like to have the expense of an investigation incurred. The government have a fund deposited with them and if that fund could be divided amongst the policy-holders it would be some help. Strong allegations have been made here and sent broadcast over the country. If the company could by an investigation prove that these charges were without foundation, then an investigation would be in their interest. The hon. gentleman from De Lanaudière asked the hon. member who introduced this motion if there was any judgment pending against this company in Canada, emphasizing the word Canada. He raised the suspicion in my mind that there might be judgments against the company outside of Canada.

Hon. Mr. DUNDURAND—No, there are not.

Hon. Mr. McHUGH—If he knows that there are judgments any where against this company, the hon. member who introduced the motion should tell us. I do not belong to the legal profession, but I know what

a short time it would take to have a transcript of that judgment sent to this country, and if there were any assets of the company in Canada how easily they could be reached. We should know this before we are called upon to vote. If the hon. gentleman who introduced the motion knows of any judgment against this company in Canada or elsewhere he should let us know. I should like to know from the Secretary of State if the deposit in the hands of the government could not be divided amongst those who have been taking out insurance policies believing the company to be on a sound and substantial basis, when they find now that it is insolvent, if it is insolvent. The hon. senator from Toronto quoted the statute to show that it is the duty of the superintendent of insurance to investigate the affairs of these companies and ascertain if they are insolvent or not. If this company is not solvent, has Mr. Fitzgerald done his duty ? I should like to know these things. If we are not to have an investigation we should at least have this information.

Hon. Mr. SCOTT—There is a very great misconception as to the position of the several parties. The assessment class in this company do not share in the profits of the company. They are a class separate to themselves. The clause of the Act provides that for the purpose of carrying out the provisions of the section separate and distinct registers and books of account shall be opened and kept, showing respectively all policies issued and business transacted by such company after the date mentioned in the notice, and all policies and business transacted before such date, and such books and registers shall show the moneys, assets and securities pertaining to the said respective portions of such business, and the assets and business shall be kept absolutely separate and distinct and shall not be available for any policy of the company issued on the assessment plan. The policies on the assessment plan paid a very small premium, and in that way there was an inducement held out to people to insure. Years ago people saw the failure of that principle, so no new members joined, and for years the company have not been issuing policies, and the unfortunate policyholders coming in get no benefit from the assessment plan or from the issue of the ordinary policies. The company are making money ; they have a surplus, but it is not for the benefit of this unfortunate class. Parliament said that the classes should be kept distinct, and the assessed class are a body by themselves. I see no way by which we can help them except by an offer, as I understand the object of this proposed legislation is, to value their present policies and give them a straight policy in the company.

Hon. Sir MACKENZIE BOWELL—That is the Bill before the House.

Hon. Mr. SCOTT—Yes, the proposed Bill. That is the only way I see they can be helped. We would be all very anxious to help them.

Hon. Mr. DOMVILLE—You are all helping the company.

Hon. Mr. SCOTT—The company may be making money and the people in this particular class get no benefit whatever from it, because they are a class by themselves. As each member dies there is an assessment on that class to which they belong, and, as no new blood is coming in, naturally the assessment must become higher and higher each year. That must be the effect of it. It is a failure unfortunately. There is one company that has made a success of it, but it is simply because there have been energetic men at the head of it, and they are constantly bringing in new capital. If a thousand die in the year, and two thousand are added, the assessment plan is a success ; but if a thousand die and their places are not taken by others, it is clear that those remaining must be heavily assessed. There are fewer to share in the loss, and consequently it must be very heavy and ruinous.

Hon. Mr. KERR (Toronto)—The assessment plan provides, as you all know, for mutual assessments to cover the death losses of the year. It was assumed when a policy is issued for the purpose of collecting a present premium that that sum was sufficient, and it was supposed that that would continue to be sufficient. If it was not sufficient it is perfectly plain there must be more money contributed somewhere. Now in this case, so far as Canada is concerned, there have

been insurances to a large amount, but the volume has been reduced and there is now about $8,000,000 of insurance on the assessment plan in Canada. There are deposits made with the government to the amount of $268,000—there was $228,000 when the matter was discussed before. That has been increased to the extent of $40,000 since.

Hon. Mr. DOMVILLE—That is not correct. The minister here said himself there was only part of that for the assessment class.

Hon. Mr. KERR (Toronto)—It was $228,000 that was stated before. That is security for the payment of policies on the assessment plan, to keep them alive—that is to say, where the holder of an assessment policy dies, his representatives have the security of that deposit in the hands of the government that they will get the insurance. Now, just work that out on a business like this, a diminishing business. Unless some change is made and security given that the policy can be kept alive at a living rate, the result will be policies will drop out from death or from lapses, and gradually that will go down, and as it goes down and deaths are more frequent on that list the assessments will have to be larger. Further work that out and it goes down, to put it into a concrete case there are at last two men, and when the last man is left alive he has to pay the whole sum that is due for the former member's insurance. I am pointing that out to show how it works down gradually as the numbers are reduced the assessments must be increased. Gradually, as the deaths occur, the amounts must be raised larger and larger so that the present members will be forced out, and when they are forced out what becomes of the deposit? By the law it continues the property of those who are continuing, as their security, and after all the continuing members have been paid, the balance goes to the company on the other side of the line that is entitled to it. That is what the law is on that, so that you will see while there is a large deposit here, and while there are a large number of members in, it is important that a change should be made to secure the continuance to those people of the largest proportion of that insurance deposit. The question is asked, are there any judgments against the company, I have made that inquiry and I am assured—I think it appears in the statement before us—that there are no unsatisfied judgments against the company.

Hon. Mr. DOMVILLE—That is not correct.

Hon. Mr. KERR (Toronto)—There may be in England.

Hon. Mr. DOMVILLE—There are in Tennesse and Kentucky.

Hon. Mr. KERR (Toronto)—The company has withdrawn from doing business in some of those states, but the statement is that there are no unsatisfied judgments. This much I know from the report of the department in New York, that there is in the hands of the company over and above their obligations—I do not say their policy obligations—a surplus of $454,000.

Hon. Mr. LANDRY—Is that a reserve fund?

Hon. Mr. KERR (Toronto)—You can call it what you please. It is a surplus, and therefore the company is not insolvent. There is no bankruptcy where there is a surplus.

Hon. Mr. McHUGH—Does that refer to the assessment plan?

Hon. Mr. KERR (Toronto)—Yes, it is on the assessment plan. On the level plan in this country where the policies have been changed to the level plan, the government reserve is put up and that amounted to $40,000 at the time we were discussing it before and that has been increased, from the statements made here to-day, by a considerable sum. So long as there are Canadian liabilities these policies are kept alive by the companies assessment payment, and so long as that is so, this reserve fund in the hands of the government cannot be withdrawn or used for liabilities in the United States.

Hon. Sir MACKENZIE BOWELL—There may be no unsettled judgments, but there are cases pending against the company not only in England but in Canada. There was one argued not many days ago in the Supreme Court, and we should be careful how we pass a law to wipe out those cases.

However, we can discuss that later when the Bill comes before us.

Hon. Mr. CASGRAIN (de Lanaudière) moved :

That all the words after 'that' be struck out and that the following words be substituted therefore :—The position of the Mutual Reserve Fund Life Association of New York, in Canada, be considered by the Standing Committee on Banking and Commerce, with full powers to send for persons and papers and to take evidence under oath and to report as they think proper as to the best means of protecting Canadian policy-holders.

Hon. Mr. LANDRY—I rise to a point of order ; the hon. gentleman has moved the adjournment of the debate and he has spoken on the subject. He has no right to move an amendment.

Hon Mr. CASGRAIN (de Lanaudière)—I am sorry to contradict the hon. gentleman, but I did not speak on the question ; I simply gave way to the hon. member from Toronto.

Hon. Mr. LANDRY—In moving that the debate be resumed the hon. gentleman did the same thing as if he had made a speech.

Hon. Mr. CASGRAIN (de Lanaudière)—If the Secretary of State had not risen to speak I should have risen myself. I gave way to the Secretary of State and then when it came to my turn I gave way to the hon. gentleman from Toronto.

Hon. Mr. LANDRY—The hon. gentleman should remember that it was himself that moved the adjournment of the debate the other day, and the debate was adjourned on a motion put by him.

Hon. Mr. GIBSON—In order that the matter may be thoroughly put before the House I will move the amendment. It is in accordance with what I said in this House when the subject was under discussion. I took the ground that in the interests of the company and of this House, the subject should be dealt with by the general committee, and if it is out of order for my hon. friend from de Lanaudière to move the amendment, I take the liberty to move it myself, feeling satisfied that those who complain against the company, and those who support the company, will get just as much consideration as if the investigation were conducted by the proposed select committee.

Hon. Mr. LANDRY—The hon. gentleman I believe has already spoken on this motion.

Hon. Mr. GIBSON—I have not spoken on this question since the motion was put to the House. I advised my hon. friend from Rothesay against referring the matter to a special committee, believing that the matter will be fairly dealt with by the Committee on Banking and Commerce. I see no reason why it should be dealt with in a special manner any more than other business brought before this House. I think I am within my rights in moving the amendment.

Hon. Mr. LANDRY—The hon. gentleman admits that he has already spoken on the question.

Hon. Mr. GIBSON—Not on this question.

Hon. Mr. LANDRY—This question has been before the House from the beginning of the session and has been postponed from day to day.

Hon. Mr. GIBSON—I have a right to move an amendment to the motion.

Hon. Mr. LANDRY—No.

The SPEAKER—As a question of order has been raised, the hon. gentleman from St. Catharines (Hon. Mr. Gibson) has not spoken since the motion was made by the hon. gentleman from Rothesay. It will be remembered there was a very irregular discussion. The hon. gentleman for Rothesay spoke three or four times before he put his motion, and it was at that time that the hon. gentleman who moves the amendment spoke, but he has not spoken since the motion was put. The question is therefore, on the amendment of the hon. gentleman from St. Catharines.

Hon. Mr. DOMVILLE—I am not prepared to accept the dictation of the hon. gentleman from Toronto.

At six o'clock, the Speaker left the chair.

After Recess.

Hon. Mr. LANDRY—Before the hon. gentleman from Rothesay makes his speech in reply I wish to raise a point of order. I want to call the attention of the House to a point of order that I raised at six o'clock, with reference to the fact that the amend-

ment put into the hands of the chair was presented by my hon. friend the member for Lincoln. We were told at the time by the hon. Speaker that he was in order because he had made his remarks previous to the question being put. If I refer to the Senate Debates No. 17, page 192, I find the following :

The SPEAKER—On the whole, the most convenient way is for some hon. gentleman to move that the debate be adjourned. This motion has been standing now for several days. The hon. gentleman has not made his motion till to-day. This is his third address, and the hon. Secretary of State wishes the motion should stand again. The better way is for some hon. gentleman to move the adjournment of the debate.

After that, after the Speaker declared that the motion had been put by my hon. friend the hon. gentleman from De Lorimier spoke and then I find that Mr. Gibson made his speech. He spoke as follows :

Hon. Mr. GIBSON—I have several letters of complaint with regard to this company, and have been quietly remaining in my place in the House to see what offer would be made by some one in behalf of the company.

The statement by my hon. friend from Lincoln is on page 199 of the Debates. So, as a matter of fact, the speech of the hon. gentleman from Lincoln was made after the motion had been put, and I maintain my point of order that he has no right to move an amendment now.

Hon. Mr. KERR (Toronto)—But my hon. friend will find that immediately after the Speaker made the observations at page 199, Mr. Casgrain moved that the debate be adjourned until the 19th May, and then the discussion proceeded on the motion for adjournment. That is not what is before us now. It is the main motion we are dealing with now.

Hon. Mr. LANDRY—I do not think the hon. gentleman is very serious in his objections. He must know what the meaning of a motion for an adjournment of the debate is.

Hon. Mr. SCOTT—When a point of order is once settled, even if settled irregularly and the House has acquiesced in it, I think it is unusual to raise it again. It is very embarrassing. As a mere matter of convenience to members I would ask whether it would not be better, in a matter of this kind, that there should be an opportunity of voting on the question. My hon. friend can scarcely raise a point of order after a decision has been given and the House has acquiesced. I do not think he can well go back and say the Speaker was wrong.

Hon. Mr. LANDRY—If the hon. leader of this House will permit me I will tell him that I raised the objection because I was told the hon. gentleman from Lincoln had not spoken when the motion was before the House. I want to put myself right before this House and to prove that I was correct in raising that point of order, but I have no objection and I now withdraw the point of order.

Hon. Mr. DOMVILLE—The House has to face a charge that I have made from my seat in this chamber against the New York Mutual Reserve Life Insurance Company, and I would ask the House what there is in the defence that has been presented. A defence has been urged by two or three hon. gentlemen with great ability, who do not hold the same views as myself. My hon. friend from Toronto stated that he would deal with me. Well, I am able to deal with him. I like to hear the hon. gentleman and I hope that he may deal with me. It was not a very nice suggestion to make, because I am here placed before the high court of parliament with so many legal gentlemen against me.

Hon. Mr. DANDURAND—No, I am not against the hon. gentleman at all.

Hon. Mr. DOMVILLE—I did not mention the hon. gentleman.

Hon. Mr. DANDURAND—The hon. gentleman indicated me with his eye-glasses.

Hon. Mr. DOMVILLE—My eye-glasses go all round. I am a layman fighting for the poor people who have lost their money. The government have nothing to do with it. Why should they ? It would imply otherwise that the government were interested in holding them up and God knows I do not wish to say so. I have every confidence in the hon. Secretary of State, but why all this fight to hold up a rotten institution ?

Hon. Mr. SCOTT—I am not defending the company in any way.

Hon. Mr. DOMVILLE—The hon. Secretary of State is quite right, but I desire to have the matter referred to a committee of

this House, and I suppose any committee we would form would be composed of men of intelligence. Certainly that committee must be trusted by the country, and must be trusted by both political parties or they should not be here. However, there should not be any politics in this House. I thought the speech of the hon. gentleman from Toronto was a kaleidoscope. He first of all said this matter should not go to a committee, and then said it should go to the Committee on Banking and Commerce, and with what object? Did he distrust the men I named? Is it because of the question of wealth, and that wealth is to govern? Not so for me. I see hon. gentlemen around me who were in the Commons with me thirty years ago. They may not agree with my principles or with my procedure.

Hon. Mr. LANDRY—We agree every time.

Hon. Mr. DOMVILLE—We do and we have made a great country, and we are not too prejudiced to allow somebody else to build on it. I thought my hon. friend had made a case. He has the reputation of being an able lawyer, but he has a hard fight. He said this should not be sent to my committee. Why? Because the committee I named are not responsible? Frenchmen, Irishmen, Englishmen, Catholic or Protestant, whatever you choose to call them, but he says to send it to the Committee on Banking and Commerce.

Hon. Mr. KERR (Toronto).—I do not think I said to send this resolution to that committee. I said that when the Bill which I was introducing came before the House I proposed to move that it be referred to the Banking and Commerce Committee.

Hon. Mr. DOMVILLE—I accept what my hon. friend says, but I say send it to a committee and if the hon. gentlemen I name are not satisfactory, then send it to another five members, but do not send it to the Banking and Commerce Committee. My hon. friend said that there was danger. Danger to whom? Danger to the company? I think there is. Danger to the poor policy-holder in Canada? I think there is. I have made a specific charge which has not been denied. My hon. friend stated that Mr. Wells had bought up the House of Commons with $10,000.

Hon. Mr. KERR—No, I said Mr. Wells said that in 1885 he had bought them up.

Hon. Mr. DOMVILLE—The hon. gentleman said furthermore, that he had paid a member of the government.

Hon. Mr. KERR—No, I said that Mr. Wells stated so.

Hon. Mr. DOMVILLE—Is that not a serious charge to make?

Hon. Mr. SCOTT—Nobody believes him.

Hon. Mr. DOMVILLE—The hon. gentleman said that Mr. Wells had bought them up.

Hon. Mr. KERR—No, I do not wish that to go on record. I read the statement that Mr. Wells had said that he spent the money in a certain way.

Hon. Mr. DOMVILLE—The hon. gentleman from Toronto is placing himself in a special position of pleader and defender for them?

Hon. Mr. KERR—No, no.

Hon. Mr. DOMVILLE—What is the hon. gentleman?

Hon. Mr. KERR—A member of the Senate.

Hon. Mr. DOMVILLE—The hon. gentleman from Toronto has advocated ideas and put forth statements sufficient to plead their case. Is that what we want to do here? Who would have thought we would have hon. gentlemen standing up and advocating the rights of this company when we find so many people in Canada complaining of ill-treatment. We should be able to say that the Senate has done what they could for them. My hon. friend from Toronto says that we should not send this matter to a special committee, that they are no good.

Hon. Mr. KERR—I have not said that.

Hon. Mr. DOMVILLE—It means that.

Hon. Mr. KERR—No. I do not wish words put in my mouth.

Hon. Mr. DOMVILLE—I take it there are no politics in this House. We are here to serve the public, and we should deal with questions that come before us on their merits. Why does the hon. gentleman want

to send this matter to the Committee on Banking and Commerce? Is it a high court tribunal? I cannot understand the opposition to my proposal. My hon. friend said there were no judgments against the company. I have a letter, received since he spoke, from North Carolina, which reads as follows:

I have referred your letter to some attorneys in this state who have a number of judgments against this company.

My hon. friend asked me in a very clever way, 'Where are they in Canada?' They are all over the states; they are in liquidation in Kentucky, and they have judgments against them all round. My hon. friend said that the government required the company to make certain legal deposits. He did not tell you these deposits were only for a certificate to do business. He did not tell you they might require them to put up more, but what was it put up for? It was put up simply to give them a license to do business. Perhaps my hon. friend would not like to answer the question as a legal gentleman, if that company went into insolvency to-morrow where would the deposit be?

Hon. Mr. KERR—It would remain in Canada.

Hon. Mr. DOMVILLE—For what?

Hon. Mr. KERR—Security for Canadian policy-holders. It has been so held in our courts.

Hon. Mr. DOMVILLE—What have the Committee on Banking and Commerce to do with this matter? If the argument of the hon. gentleman is right, there should be no committee at all. The hon. gentleman has told the House that it is a matter for the department—that the department have good men who are thoroughly responsible. If so, why should the hon. gentleman seek to send it to another committee instead of the committee I have named?

Hon. Mr. KERR—I have not said anything about this motion going to any committee at all.

Hon. Mr. DOMVILLE—I took down what the hon. gentleman said.

Hon. Mr. KERR—I said that I proposed to move that the Bill I have introduced should be sent to the Committee on Banking and Commerce, and that committee could then deal with the matter.

Hon. Mr. DOMVILLE—The hon. gentleman's Bill is another matter, and I do not think it should be introduced into this debate, because it should be dealt with on its merits. When that Bill is under consideration I shall be prepared to meet it. The question now before the House is whether we shall investigate or not. The hon. gentleman said this association were able to meet their liabilities. Does he tell us now that they are able to meet their liabilities and are doing it?

Hon. Mr. KERR—I will say, from the investigation I have made I believe they are able to meet all their liabilities and have a surplus over.

Hon. Mr. DOMVILLE—Then the hon. gentleman is standing in the light of an advocate here. What was he doing investigating their liabilities?

Hon. Mr. KERR—I do not know whether this discussion is quite in order, but I will simply say that this is a matter before the House, and I think it behooves every member to investigate and learn as much as he can about matters which come before us.

Hon. Mr. DOMVILLE—That is very good in theory, but we do not often find lawyers out looking for outside business. Then I ask my hon. friend why did he bring in the Bill? I am not bringing in Bills for everybody. How did he get that Bill? Who drew it? I knew who drew it.

Hon. Mr. KERR—I did not.

Hon. Mr. DOMVILLE—I will prove it before I am through. The hon. gentleman said the company were able to meet all their liabilities. Where did the hon. gentleman get that statement? Who told him they could meet their liabilities? Can my hon. friend tell me that? My hon. friend will not answer that; but he said that Mr. Wells' statements were wrong. Mr. Wells is favourably known in Canada. I will produce Mr. Wells' letter from the company by which they offered to buy him off if he would accept, but he would not take it. My hon. friend has made a very poor defence, I think. He said there were differences between Mr. Wells and the other officers of the company. Well, that is only special pleading. I have

made specific charges in this honourable House and arguments are being advanced to defeat the object I have in view. If my motion is lost, the House must take the responsibility. What have the government to do with this? The government are leaders of this great country and I think they are doing everything that is right. I believe they are trying at any rate to do what is right, but why should they bolster up this institution unless there are some interests behind it of which I know nothing. I am endeavouring to do my duty towards the people of Canada, honestly at least if not intelligently. I have been seeking for deliverance from distress, for protection and justice against the despoilers of widows and orphans of Canada and their homes. If this honourable Senate refuses my request for a special committee the responsibility is with them. The Committee on Banking and Commerce may be all right, but I ask for a small committee to deal with the matter. The responsibility of rejecting this motion must rest more particularly upon those who are opposing my motion and, whatever they may do, I must stand or fall by it. I am fighting the battle for a lot of defenceless people, and if my hon. friend and those who are with him undertake to accept the responsibility of burking this inquiry, well and good. I am one against eight or ten lawyers—I do not hesitate to say it—employed against me.

Hon. Mr. SCOTT—Employed against you?

Hon. Mr. DOMVILLE—Yes. The hon. gentleman does not want me to say too much. There are eight or ten lawyers fighting against me. If my feeble voice in favour of the widows and orphans of the country is to be smothered by hon. gentlemen who have no interest at all, legal men, great legal minds who would not accept a retainer from anybody, if the House is going to turn down the people of Canada, all the millions that are in it, let them take the responsibility; I am out of it. I believe that I have the country and the people behind me and the House must do what they consider fit. If the House is prepared to accept the responsibility of turning down the people who are crying out for us to help them, then I can say nothing more.

Hon. Sir MACKENZIE BOWELL—After listening to the declaration by the hon. Secretary of State as to the result of the appointment of a committee, I do not well see how the hon. gentleman could support the amendment to the main motion. As I understood him correctly, the Secretary of State declared that no possible good could result from any report which might be made from a select committee to be appointed to inquire into the character, conduct and standing of the New York Mutual Reserve Life Association. Now, if that be correct, does it not suggest itself to the hon. gentleman that he should also oppose the motion which has been made by the hon. gentleman from Lincoln, because if no good can result from the investigation of a special committee, certainly no good can result from any report which may be made after the question has been considered by the Banking and Commerce Committee. Then, if the House recognizes the propriety of an investigation at all, it would be much better that that investigation should be held by a select committee. If the House do not approve of the names suggested by the mover of the resolution, then they might suggest others. The Banking and Commerce Committee consists of thirty members. Supposing they are all present how long is it going to take to make the investigation which is suggested? There can be but one result that would follow by reference to the Bankng and Commerce Committee, and that would be the appointment by them of a sub-committee to make the inquiry and the investigation into the matters which would be referred to it. I am sure my hon. friend knows enough of parliamentary practice and of the workings of committees to fully know that no thirty gentlemen of this House would devote the time necessary to an investigation of that character. If the statement made by the hon. Secretary of State is to be accepted as correct, then there should be no investigation by a committee at all. You should take either one course or the other. But serious charges have been made by an hon. gentleman upon his own responsibility as a member of this House, and the question for the Senate to decide is whether those charges should be investigated. I have read with a very good deal of interest the defence that has been circulated by the company. It is a very able document, and it contains a

very great deal of information, but I venture the assertion that any hon. gentleman would have to devote a great deal of time to the study of that document before he would thoroughly understand it. I believe it took some two or three weeks to prepare it, and although I spent an hour or two last night and some portion of this morning to a study of it, I must frankly confess that I felt convinced that I should have to read it again very carefully before I should be able to thoroughly and completely understand the different points which have been brought forward. There is a general denial in that document of nearly all the charges which have been made. There are a large number of figures given which would be utterly useless to the uninitiated until he had had an opportunity of investigating the books of the company or getting some expert to go through the books and make a report. The hon. gentleman from Toronto said in the remarks which he made to-night, that it took the inspector of the insurance companies in the state of New York and twelve assistants three long months to investigate the charges which had been made against this company, and their report was very strongly in favour of the company, and against the gentleman who made the charges. However, many facts have come to light since the inauguration of this discussion, and in the interest of the company itself, it does seem to me that they should seek a full investigation into the matter. It has been intimated to me by those who are promoting the Bill and those who are interested in the company, that they should be heard before the investigation takes place. I assured that gentleman that from my knowledge of the conduct and procedure of the Banking and Commerce Committee, that if it should go there they would be asked before anything further was done to make their statement. That would be the only fair and equitable position to take, because when charges are made against an individual, under our law and our ideas of right and wrong, that party should have an opportunity of defending himself before he is condemned, and the company need have no apprehension of being deprived of the opportunity of placing their case fully before the special committee or before the Banking Committee. I should be very much surprised, if that special committee, if appointed, were to refuse that right, and I would be one of the first in the Senate to direct that committee as to what they should do, in case they should take any arbitrary position of that kind. I do not desire at this moment to enter into the discussion of my hon. friend's Bill. We will deal with that when the second reading is moved and there is a reference of it to a committee; but, I do wish to point out to the Secretary of State, and I repeat it again with due respect, that if his position is right in one case it also applies to the other, and if he calls upon his supporters to vote down the motion for a special committee, I take it for granted he would do the same with the other. There is one remark made by the hon. gentleman from Rothesay in which I heartily concur. This is a matter in which politics should not enter for a moment.

Hon. Mr. SCOTT—Hear, hear.

Hon. Sir MACKENZIE BOWELL—It is a question affecting the vital interest of every man and woman in Canada who holds a policy in that company and we should deal with it as far as our means will permit, upon a fair and equitable basis. If that can be done best by committee let us have the committee. If the House says the Banking and Commerce Committee is the proper place to send it, let it go there and then the chairman and the members of the committee will have to take such means as are thought best in order to bring out the facts with as little expense and as little trouble as possible. If the committee is to be appointed I certainly would favour the special committee for the reasons I have given rather than a reference to the Banking and Commerce Committee or a sub-committee of that body.

Hon. Mr. SCOTT—In answer to the hon. gentleman's inquiry, there are now two propositions before the chamber. One is to appoint a special committee with instructions to do certain things. Their duty, when appointed, would be to make full inquiry into the subject referred to them. The other is a very much more modified proposition, which I will read for the information of my hon. friend so that he will see the marked difference between the two:

The position of the Mutual Reserve Fund Life Association of New York in Canada to be considered by the Standing Committee on Banking and Commerce.

They are not specially directed to take any proceedings, unless their judgment leads them in that direction. I had in view, as we all necessarily have in view, the proposed Bill that will be referred to that committee, and it will be quite proper that the House should express its clear opinion, if they thought it proper and consistent with the evidence before them, to hold a fuller inquiry than is usually made on Bills of that kind, they are empowered to do so, and they are to send for persons and papers. I see no inconsistency in my supporting the amendment rather than the proposition. One is a very great modification of the other. I can assure my hon. friend I have not asked a single member of this chamber to coincide with my view. I have simply expressed frankly and honestly the opinion I hold.

Hon. Sir MACKENZIE BOWELL—That is quite sufficient.

Hon. Mr. SCOTT—I have expressed the opinion that it was entirely foreign to any inquiry which ought to be taken up by this Senate and, therefore, my course was to support the amendment.

Hon. Mr. DOMVILLE—The hon. gentleman says modified—why modified ?

Hon. Mr. SCOTT—I expressed my willingness to do so if I saw any possible way of helping the unfortunate people who are in this trouble, but seeing that we have no possible power to help them ourselves we cannot supply money from the treasury of this country to assist them——

Hon. Mr. DOMVILLE—Nobody asks that.

Hon. Mr. SCOTT—It is utterly preposterous. They have chosen their position themselves. They were tempted to go into this company because it had an attraction for them. It was a pure piece of gambling. You might just as well come to the rescue of persons who have lost money on the stock exchange. It was pure gambling their going into insurance on that principle. They were attracted by the small premium they had to pay, and the hope that they would not be assessed for any considerable sums.

Hon. Mr. DOMVILLE—Why have so many defended it ?

Hon. Mr. SCOTT—No doubt there are many who would like to escape from the consequences of their mistake.

Hon. Mr. DOMVILLE—Why are there so many advocates on the floor of this House in favour of the company and against the public ?

Hon. Mr. SCOTT—I have no regard whatever for the company. I would not insure or advise anybody to insure with them.

Hon. Mr. DOMVILLE—Why back them up now ?

Hon. Mr. SCOTT—I am not backing them up. I am simply defending the interests of the people and the honour of parliament.

Hon. Sir MACKENZIE BOWELL—The original motion says 'a select committee to investigate the position of the Mutual Reserve Fund Life Association in Canada.' The amended motion substitutes the words 'consider the standing' instead of 'investigate the standing.' I think that the hon. gentleman will find the amendment is just as broad as the original motion, because it goes to this full extent 'considered by the standing committee on Banking and Commerce, with full powers to send for persons, papers, &c., to investigate and report as they think proper as to the best means'—

Hon. Mr. SCOTT—They are not directed or instructed to do it.

Hon. Sir MACKENZIE BOWELL—Yes, they are directed to consider and do what they think proper, and to send for persons and papers and take evidence under oath and to report. I must confess I see very little difference between the two motions. One is to 'investigate,' the other is to 'consider and investigate.'

Hon. Mr. KERR (Toronto)—Not necessarily.

Hon. Mr. CLORAN—It was not my intention to take part in this debate. I had decided to leave that to the older heads of this honourable body, and especially those who have suffered at the hands of the company, but I find that the hands of the company are becoming a little stronger than the hands of their victims in this House, and as a senator and a man representing public feeling and

public interest in this country, I cannot tolerate anything of that kind. My name was mentioned in connection with this special committee and I decided to remain absolutely independent and impartial, notwithstanding friendly relations with certain members who are making a fight against the company. My determination was made to see that justice should be done both to the company and to the policy-holders, but for certain reasons that I cannot fathom or explain, hon. senators in this House are so inconsistent and so contradictory that it is an astonishing thing to me, a young senator. There are hon. members of this House who have protested against the investigation before a special committee who are willing now to swallow an investigation before a general committee. What is the difference? Is it that the special committee are unworthy to have the interests of this investigation confided to them? If so, I am prepared to withdraw my name from the committee, but in doing so I lodge my protest before this honourable House in regard to this matter. Either the company is right or the company is wrong. Either the hon. senator from Rothesay is right or he is wrong in his charges against the company. If the company is right it is their duty to second the motion of the hon. senator from Rothesay and demand an investigation. If the company is wrong it is their privilege and within their power to try and cover their tracks. I do not know in what position they stand to-day, I have heard arguments for and declarations against. I am not prepared to say who is right. I am still, notwithstanding the statement of my hon. friend from Rothesay to-night, with an open mind. I am here on the floor of this House to render justice to whom justice is due. I cannot understand, and I wish an explanation of the fact, why hon. senators of this House wish to take the investigation out of the hands of five hon. live senators and put it into the hands of a committee of dead senators. The investigation is right or it is wrong. If it is right and necessary, leave it in the hands of the special committee, because I agree with the hon. senator from Rothesay in thinking it is the only means whereby you can get at the facts. If you hand this investigation over to the general committee it will lie dormant, and on these grounds, as one of the special committee named, I am prepared to withdraw my name and ask the mover to substitute for it the name of any other senator. But I have this to say; I find it very strange when an hon. member of this House rises in his place and makes certain accusations against a company which is chartered under our law, that all of a sudden there are several members who rise and defend the accused. What is their duty in defending the accused at this stage of affairs, based upon? An hon. senator stakes his character and reputation upon the charges he is making. The duty of this honourable House is to give him an opportunity to prove his allegations, and if he is not able to do so, then it is time for the Senate to take action in regard to him, but not to refuse him an opportunity to prove what he has charged against the company. Under the circumstances, if it is right to send this matter for investigation before the general committee, it is also right to send it before a special committee, and I shall vote for the special committee with a request that the hon. member from Rothesay will move to withdraw my name from that committee.

Hon. Mr. WILSON—I wish to give my reasons for the vote I am about to record. I cannot agree in many respects with the statement made by the leader of this House. If the one committee involves an expense which ought not to be borne by this House, then I think the other committee will be equally expensive and no more efficient than the one that was first spoken of. Again, it strikes me that if you are going to have a committee, you ought to have a committee subject to and under the control of the House where they can report frequently and have orders issued by the House to the committee. I understand that if that first committee spoken of is to act, it is their bounden duty to report from time to time to this House and receive instructions what they are to do, and therefore this enormous expense spoken of as unbearable by the country, would be obviated and prevented. A remark made by the hon. leader of this House was that if people were such fools as to insure with a company of this kind they ought to suffer. Hon. gentle-

men, I understand this, that in 1885 they came to parliament and asked for an amendment to the General Insurance Act to give them a standing in the country, whereby they could do a certain line of business. Are farmers and farmers' wives to be stigmatized to-day as being ignorant when parliament deliberately and with intent placed that company in a position where, through its agents, it could mislead these people ? Are its victims to be told to-day that there is no redress, that nothing can be done to relieve them ? I say it is a travesty on justice and we here are bound under obligations to do that which will as far as possible remedy the evil perpetrated by the agents of this company. It is said that no good can arise from the investigation. Is it not a reason why, if there be wrong-doing, we should endeavour to get at the wrong-doers and expose them, so that they will not continue their wrong-doing any longer. If we allow it to pass on an occasion like this what is there to prevent them still continuing it ? If this company have entered into obligations and have failed to keep them, they should be punished either by putting them into insolvency or in some other way. They should not be allowed to come to parliament and ask for new powers, so that after scuttling one or two companies they may scuttle others under authority from this House. We are here under obligations to do something on behalf of people who have suffered. It seems rather a reflection on the members of this select committee, that they should be told they are not competent to investigate this matter, and then to say that it must be placed in the hands of the Committee on Banking and Commerce. Have we heard one word derogatory to the standing of the members of this House named on the select committee ? We have not, and until I am shown that that committee is not entitled to the confidence of the House, I would be reflecting upon them if I in any way supported a motion to substitute for them another committee. Feeling thus and looking at the matter from every standpoint, I believe that the select committee will do the work far better and more efficiently, and report more regularly to this House, than the general committee and we may be able to get at justice in a proper manner. Is it right that hundreds of people from one end of Canada to the other should be appealing to this parliament for relief, and that we should turn a deaf ear to them ? True, the Secretary of State says nothing can be done by parliament for them. But the Secretary of State and the government of the day ought to do something, as they have led the people to believe by incorporating the company, and by accepting the security deposited with the government, that there would be a guarantee.

Hon. Mr. SCOTT—No.

Hon. Mr. WILSON—My hon. friend shakes his head. Why did they give them a new clothing to go on and do business ? The hon. gentleman from Toronto (Mr. Kerr) is introducing a Bill for that purpose. You may put new clothes on them, but it will be the old stuff still—the Mutual Reserve Association. I therefore believe it would be doing wrong on the present occasion to transfer this investigation to the Committee on Banking and Commerce, and feeling that way, I shall vote against the amendment.

Hon. Mr. SCOTT—I rise to explain ; I thought I had made myself perfectly clear. I said one committee was appointed specifically to do certain work. The Bill introduced by my hon. friend from Toronto will be referred to the Committee on Banking and Commerce and they could consider whether they should go on with the inquiry. I had not the most remote idea that the Committee on Banking and Commerce would undertake it, because I think, on reflection, they would come to the conclusion that it was not within their province and not a proper inquiry to make.

Hon. Mr. WILSON—Then the hon. gentleman wished to lead the House to believe that the Banking and Commerce Committee would get rid of it ?

Hon. Mr. SCOTT—That is my opinion.

Hon. Mr. WILSON—Then you send it to the Banking and Commerce Committee to get rid of it ?

Hon. Mr. SCOTT—I felt that when the matter was more coolly and calmly discussed they would reject the idea of making an inquiry, because it is foreign to this Senate. The parties who took out policies knew what they were doing. They chose to make a gamble of it. There was no deception or fraud

about it. Persons chose to enter into a foolish contract, under a belief that they were getting cheap insurance and as years went on they found they were mistaken. As one hon. gentleman explained to me, he was tempted to take $10,000 because the premiums at first were $200 a year, but as deaths occurred his assessments were increased to $400 and up to $800, so he dropped out. I have endeavoured to explain that this company is no longer taking policies of that kind. They have long since abandoned the assessment system. Nobody asks now for anything but a straight policy from this company. The assessment system has been abandoned, and it is because it has been abandoned that the unfortunate people who hold policies under the assessment plan are squeezed for such high amounts. Parliament cannot help them. You cannot get the government of this country to take money out of the treasury to pay them. It is a contract between the individual policy-holder and the company.

Hon. Mr. DOMVILLE—My hon. friend is resorting to special pleading about assessments. That has nothing to do with the question. What we have to confine ourselves to this evening is whether this honourable body will allow the inquiry to be made by a special committee or by some other committee ?

Hon. Mr. DANDURAND—I intend to vote for the amendment and I shall give my reasons for doing so. The hon. gentleman from Rothesay has in five or six speeches stated his grievances against the company, and has based his whole demand for this committee upon the fact that there are Canadian policy-holders who are suffering, who have either been obliged to drop their policies or submit to extortionate assessments. He says we should come to their rescue. I claim that this motion does not go far enough. He wants to find out where the money has gone, and whether the expenditure has been wise or unwise ; how much was paid for salaries, &c. I am not so much interested to find where the money has gone as to know what we can do to help the present policy-holders and perhaps the lapsed policy-holders. We have a Bill before this House which proposes to cure the evil which the hon. gentleman from Rothesay complained of. He wants to probe into the administration of the Mutual Reserve Life Association, while the hon. gentleman from Toronto brings in a Bill by which he proposes to help the policy-holders. I say let us investigate with this one end in view, curing the evil and coming to the rescue of those unfortunate people. If the proposal of the hon. gentleman from Toronto, which we will discuss to-morrow, is not satisfactory, it can be amended or set aside. It is a public Bill, but it can be sent to the Committee on Banking and Commerce, and then we will meet not only the Bill but the company itself and take whatever course we deem proper to investigate the whole affairs of the company and apply a remedy. We will demand certified statements which will be satisfactory to us to be acted upon. We will get all the necessary information for the purpose of framing a Bill which will relieve these people. The stand which I take is the result of an ordinary process of reasoning. It is needless to say I am not interested to the extent of being either a policy-holder, live or lapsed, because it is not necessary for a member of this House to say he is not interested in any measure before the Senate. It is always taken for granted that we are here as impartial legislators, applying our best judgment to the questions submitted to us, but there is a gentleman who is interested in this matter, who is paying a heavy tax to this company and has been obliged to drop his policy; I refer to the hon. gentleman from Mille Iles (Hon. Mr. David). He has seconded the amendment, and is satisfied that the matter should go into the Banking and Commerce Committee. I wonder if we are not entitled to our own opinions in declaring that fact, that by examining at the same time the affairs of the company to the extent that we judge proper in the committee and the remedy we need to apply, if it is not better than appointing a special committee that will investigate on lines that may not be at all satisfactory to the majority of the Senate, and at the same time allow the Banking and Commerce Committee to be seized of this Bill and attend to its own investigation in order to bring out from that committee a perfect Bill.

Hon. Mr. CLORAN—It may not go to that committee.

Hon. Mr. DANDURAND—As I said it is a public Bill, but the Banking and Commerce

Committee is the only one to which it should go. The Bill cannot be referred to a special committee.

Hon. Mr. DOMVILLE—The Bill is not before us now; it is the resolution which I have submitted.

Hon. Mr. DANDURAND—It is because there is a Bill which I intended to vote to send to the Committee on Banking and Commerce.

Hon. Mr. DOMVILLE—My hon. friend should not prejudice himself by deciding in advance how he will vote.

Hon. Mr. DANDURAND—I give my reasons why I intend to vote to have this matter investigated by the Committee on Banking and Commerce. The investigation should be held by the same committee that will have to deal with the Bill.

Hon. Mr. DOMVILLE—The hon. gentleman tells us how he is going to vote on a measure which is not before us. It was only a moment ago he said he had an open mind. What conclusion are we to draw from the two statements ?

Hon. Mr. DANDURAND—When we come to vote we must close our minds and come to a conclusion.

Hon. Mr. LANDRY—I wish to draw attention to this fact; the hon. gentleman votes for this amendment because the other Bill, he says, will be referred to the Committee on Banking and Commerce.

Hon. Mr. DANDURAND—I shall vote for that.

Hon. Mr. LANDRY—The Bill has not been referred to that committee and we do not know whether it will be or not. If the regular course is followed, it will be referred to a committee of the whole House, because it is a public Bill, and not to the Committee on Banking and Commerce, so the reason given by the hon. member for voting for this amendment is not valid. I call the attention of the hon. leader of the Senate to this other fact, that the Mutual Reserve Association is not like other Mutual companies, and it is because it boasted not to be on the same footing that the people have been deceived. Contrary to other Mutual companies, this particular one organized a reserve fund which, in the opinion of those people, would obviate the necessity of increased assessments. A reserve fund was created for that purpose and the policy-holders were told that they would never have to suffer by the increase of the death calls, because a special reserve fund had been created to meet any such increase and in that way the present company was in a different position. The reason then given by the leader of the government for the defence of the company is not one that should commend itself to the consideration of the Senate. I wonder why the hon. gentleman from DeLorimier (Hon. Mr. Dandurand) praises his own independence so highly and his principles regarding public legislation. We must not forget that there are always very notable exceptions, and one of them was last year when the hon. member voted to set aside all those principles to prevent a political opponent from reaping the advantages created by a measure brought down by the government. So I suppose those exceptions prove a general rule.

Hon. Mr. McMULLEN—I want to add a word to what I have said about this matter. I was very strongly inclined to vote for the amendment to send the matter to the Committee on Banking and Commerce, but now in the face of the explanation given by the Secretary of State that amendment is a mere myth. It is nothing at all. In voting to send it to the Banking and Commerce Committee I vote to stifle all investigation, because the hon. Secretary of State has told us that the Banking and Commerce Committee would not think of undertaking an investigation. I coaxed my friend here (Hon. Mr. Domville) very strongly to consent to the reference of the matter to the Committee on Banking and Commerce and I am very glad now that he did not consent. The Secretary of State asked what good can come of an investigation of this kind ? Let us extend that idea just a little. If a man burned my house and I appealed for redress to the authorities, what would I think if they replied ' What is the good of trying to find out who was the incendiary ; it will not build your house again.' If a man secretly enters your house and steals your purse and you go to the police for redress, what would you think if they replied : ' What is the good? You will never get the money

back. What advantage will it be to you to hold an investigation?' We put this company in a position to do business in Canada. If, as the hon. Secretary of State says, it was a gambling concern, we were responsible for clothing the company with authority to do such a business in Canada. We should consent to give the investigation and ascertain who is responsible.

Hon. Mr. DAVID—I suggested that amendment because I was sincerely convinced there would be an investigation, and I was not here when the hon. Secretary of State spoke. If I am convinced that there will be no investigation by the Committee on Banking and Commerce, I ask leave to withdraw my name from the amendment. I want to be sincere, I want to be faithful to the opinion I expressed, so that unless I have a guarantee, that an investigation will be made by the Committee on Banking and Commerce, I shall vote against the amendment.

Hon. Mr. KERR (Toronto)—Personally, my vote would be against both the amendment and the resolution. I am opposed to an investigation, but if the House approve of an investigation of some character I shall support the amendment instead of the resolution, not because I wish it understood in any way that I am discriminating against the personnel of the committees, for I have not analysed them at all, and I am not a member of either of them, but because I think that the hand of the one committee is tied to a definite investigation of the affairs of the company, and this House is committed to an investigation without any qualification whatever; whereas, on the other hand, the reference which is made by the amendment is to the Banking and Commerce Committee, who are to consider the position of the company in Canada and who, with regard to the position of the company in Canada are to be clothed with authority to make such investigation as may be deemed advisable, necessary and useful.

Hon. Mr. CLORAN—What is the difference?

Hon. Mr. KERR—If the hon. gentleman does not see it, he will pardon me if I proceed with what I was desiring to say. I mean to say, therefore, that there is to be a definite investigation. It is to be for the Banking and Commerce Committee to consider the position, and it is for them to say how far they will go. In the other case there is no limit.

Hon. Mr. DOMVILLE—I call my hon. friend to order. He should not say there is no limit.

The SPEAKER—The hon. gentleman has no right to interrupt.

Hon. Mr. KERR—I say the one having a definite instruction, without qualification in it at all, the other having a discretion as to the extent to which they will investigate, the latter I think is preferable, and the proper one here, because I think the end that can be attained is not what the hon. gentleman from Wellington is looking for. When a man burns down his barn and is prosecuted, convicted and sent to the penitentiary, there is nothing to be gained by the prosecution. That would be the position in this case, if the person who misappropriated the money had to be prosecuted, but if there has been misappropriation of money here, how can we send a man to the penitentiary in Canada when his head office is in New York?

Hon. Mr. CLORAN—Put him out of business in Canada.

Hon. Mr. KERR—Those who acted as agents in the past in this country—and there are some of them in the Senate—are not accused of having done anything that is improper in soliciting business, and representing the company here. The charges that are made here are that there has been a misappropriation of the funds in the United States by the company. But the point we have to consider now is, how far the Banking and Commerce Committee would think proper to go either with or without further instructions from this House though they are clothed with full power. The point is how far they would go, when their object would be to determine what is best for the policy-holders in Canada.

Hon. Mr. THIBAUDEAU (Rigaud)—I am very sorry that the principle of investigation has been accepted by the House apparently, because I think that the question should not be placed before the House in this way. I believe the question should be investigation or no investigation. Personally I would have

voted not to have any investigation, but since the investigation principle has been accepted I think the mover is entitled to his own committee and I will vote for the motion. If the principle had not been accepted I would have voted for no investigation at all.

Hon. Mr. DAVID—I want to know from the hon. Secretary of State if the Bill will be sent to the Committee on Banking and Commerce so that the committee will take into consideration the Bill and at the same time the motion which has been made by the hon. gentleman from Rothesay.

Hon. Mr. SCOTT—I think I mentioned very decidedly more than once that my idea in supporting the amendment was that the Bill would be sent to the Committee on Banking and Commerce and the extent of their inquiry would be in their discretion. In the other case, there was a positive direction, but if sent to the Banking and Commerce Committee it would be entirely in their discretion. My own conviction was that when they came to understand it they would only go just so far that they thought would be in the interests of the Canadian policy-holders.

Hon. Mr. KERR (Cobourg)—I crave the indulgence of the House for a few minutes to make one or two remarks. An hon. gentleman has said that those who opposed the original motion are defending the company. I deny that in toto. I am not here to defend the company or uphold anything that I think is wrong. I am here to advocate what I think is the proper course. It has been said here with great emphasis that it is a reflection upon members of this select committee not to send this inquiry to them. I deny that. I have the highest possible respect for the members suggested to act on that committee. But we have a committee which is quite competent and able to deal with the whole matter, and I shall vote to send it to the Committee on Banking and Commerce, to whom very likely the Bill now before the House will and should be sent, in order that that committee may have the whole question before it, and deal with the whole question. They will have the whole inquiry before them, and they will have the Bill before them and whatever may be the opinion of this House, so far as I am concerned as a member of the Committee on Banking and Commerce, anything that comes before that committee will be treated by me to the best of my ability with bona fides and downright earnestness. I regret to see the view that some of the hon. members take on this matter. I have heard it said: 'We might as well argue if a man burned your house down there was no use punishing him'. I do not consider that sound argument. As a lawyer having had considerable experience, I do not consider it any argument at all, and I say this with due respect. When a man commits an offence of that kind the law is enacted for the purpose of punishing him and he is tried by the machinery of the law and dealt with. This Senate has no such power, and in my view that argument is utterly no argument whatever. I want the inquiry referred with the Bill, to that large Committee on Banking and Commerce and one may be the complement of the other. I want to say that that Bill can be so framed and made so comprehensive as to deal with this whole question. That is a question this Senate can deal with, and deal with effectually, and it may be that one committee will effectually dispose of both branches of this question. I am not going to vote for no inquiry. I am going to vote to send it to the Banking and Commerce Committee, a large and intelligent committee, a committee that has a standing in this country, and a committee incapable of doing anything they do not consider as being right and in the best interest of the country.

Hon. Mr. GIBSON—When the motion was placed in the Speaker's hands—and there seemed to be some difficulty as to the proper party in the House to move the amendment—I felt constrained to offer my name to the amendment, and in doing so I felt that that amendment, as I heard it read, was not for the purpose of stifling an investigation, but of sending it to the proper committee. To-night it has been expressed that the Bill which is about to be introduced by the hon. gentleman from Toronto may be treated as a public Bill. I want to say that it would not be fair, in the interest of the other insurance companies of Canada that are doing business in this country, to have this Bill declared a public Bill and discussed in this House without the other insurance companies being heard with regard to the special

measure, and unless it is referred to the Committee on Banking and Commerce, then this Bill should not have come to this House at all, because I know that the insurance companies, through their presidents, have already written to the government with regard to this special Bill, which is running all through this discussion with the motion of my hon. friend from Rothesay

Hon. Mr. DOMVILLE—The Bill is not running through my mind at all.

Hon. Mr. GIBSON—This Bill has been discussed along with the complaints made by the hon. gentleman from Rothesay, and I think it would be a most unfortunate thing if the matter were dealt with by a special committee of the House, instead of by the Banking and Commerce Committee. I want to place myself fairly and squarely before this House and the country, and I will not offer my name to move or second a resolution of this kind for the purpose of stifling an investigation. I took that stand when the matter was first brought up, and I thought it was in the interest of the company, the interests of the country and in the interest of the honour of this House that no special committee be named for this special Bill or this special complaint, and that it should be sent to the regular committee. I have looked carefully over the wording of the motion and the amendment and the only difference I can see is in the use of the word 'consider', instead of the word 'direct', that certain things shall be done. I for one have sufficient confidence in the honour, integrity and ability of the gentlemen who comprise the Committee on Banking and Commerce to do what is right, not only with this matter but with everything else that comes before them.

The House divided on the amendment, which was rejected on the following division :

Contents :

The Hon. Messieurs

Carling (Sir John),	Kerr (Cobourg),
Casgrain	Kerr (Toronto),
(de Lanaudière),	Mitchell,
Dandurand,	Pelletier
David,	(Sir Alphonse),
Gibson,	Power (Speaker),
Godbout,	Scott,
Jones,	Templeman.—14.

Hon. Mr. GIBSON.

Non-Contents :

The Hon. Messieurs

Bernier,	Landry,
Bolduc,	McHugh,
Bowell	McMullen,
(Sir Mackenzie),	Merner,
Casgrain (Windsor),	Poirier,
Church,	Tessier,
Cloran,	Thibaudeau (Rigaud),
Domville	Wilson.—15.

The amendment was declared lost.

The question being then put on the main motion, the House divided, and the names being called for, they were taken down as follows :

Contents :

The Hon. Messieurs

Bernier,	Landry,
Bolduc,	McHugh,
Bowell	McMullen,
(Sir Mackenzie),	Merner,
Casgrain, (Windsor),	Poirier,
Church,	Tessier,
Cloran,	Thibaudeau (Rigaud),
David,	Wilson.—16.
Domville,	

Non-Contents :

The Hon. Messieurs

Carling (Sir John),	Kerr (Toronto),
Casgrain	Mitchell,
(de Lanaudière),	Pelletier
Dandurand,	(Sir Alphonse),
Gibson,	Power (Speaker),
Godbout,	Scott,
Jones,	Templeman.—13.
Kerr (Cobourg),	

The motion was declared carried.

The Senate adjourned.

THE SENATE.

Ottawa, Friday, May 20, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayer and routine proceedings.

MUTUAL RESERVE FUND LIFE ASSOCIATION OF NEW YORK.

FIRST REPORT OF COMMITTEE ADOPTED.

Hon. Mr. CLORAN presented the first report of the select committee appointed to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, recommending that power be given to the committee to examine witnesses under oath. He said : In regard to this recommendation, I may state that the commit-

tee has found it necessary to come before the Senate and ask for express authority, as the statute governing the procedure in matters of this kind is not very explicit or express—in fact there is a contradiction in two clauses of the statute with regard to this matter. The clause in the statute of 1886, 49 Victoria, chapter 2, says, in regard to this matter of examining witnesses, that whenever any witness or witnesses is or are to be examined by any committee of the Senate or House of Commons, and the Senate or the House of Commons has resolved that it is desirable that such witness or witnesses shall be examined upon oath, such witnesses or witness shall be examined upon oath or affirmation as allowed by law. In passing the resolution yesterday the Senate did not include the power and right for the committee to examine witnesses on oath, and the statute of 1886 says it is necessary that the House of Commons or Senate should so order. This statute was revised, or amended rather, in 1894, but the statute of 1894 is still not very clear. It is contradictory in that sense in the two clauses. Section 13 of chapter 16 of 57 and 58 Victoria, says :

Any committee of the Senate or the House of Commons may administer an oath to any witness examined before such committee.

Clause 4 reads :

The Senate or the House of Commons may at any time order witnesses to be examined on oath before any committee.

Well, in view of this want of clearness in the statute, and its express power given to the committee, the committee has deemed it necessary to come before the hon. Senate and ask for special express power to examine witnesses under oath. That is the object of the report. I move that the report be concurred in.

The motion was agreed to.

AN ADJOURNMENT.

MOTION.

Hon. Mr. TEMPLEMAN moved that when the Senate adjourns to-day it do stand adjourned until Wednesday, the 25th instant, at 3 p.m.

Hon. Mr. CASGRAIN (de Lanaudière) moved, in amendment, that when the Senate adjourns to-day it stand adjourned until Monday, the 30th of May, at 8 o'clock.

Hon. Mr. GIBSON moved, in amendment to the amendment, that when the Senate adjourns this afternoon it stand adjourned until May 31st at 3 p.m.

Hon. Mr. McMULLEN—These amendments may possibly be in order. A number of senators left here to-day with the expectation that the House will meet next Wednesday, owing to the notice given by the minister to that effect. I should like to know whether these amendments are fully in order.

The SPEAKER—I understand the hon. gentleman who moved the amendment to adjourn until the 30th asks leave to withdraw his amendment.

Hon. Mr. SCOTT—I think it was understood when we had the last long adjournment it was to be the final one this session, and that we were to attend hereafter regularly in our places here. Hon. gentlemen will see by the paper that there are a considerable number of important private Bills coming up, and it appears rather unseemly that we should adjourn for so long a time, having met only a few days ago after a long adjournment.

Hon. Mr. DANDURAND—I venture the prediction that before the session is through the hon. gentleman will himself ask for an adjournment of two or three weeks.

The amendment to adjourn to the 31st instant was agreed to.

BILL INTRODUCED.

Bill (J) An Act for the relief of Eliza Robertson.—(Hon. Mr. Kerr, Cobourg.)

SECOND READINGS.

Bill (46) An Act to incoporate the Boundary, Kamloops and Cariboo Central Railway Company.—(Hon. Mr. Watson.)

Bill (63) An Act respecting the Edmonton and Slave Lake Railway Company.—(Hon. Mr. Baird.)

Bill (C) An Act for the relief of Andrew William Mann.—(Hon. Mr. Kerr, Cobourg.)

Bill (D) An Act for the relief of Annie Christman.—(Hon. Mr. Kerr, Toronto.)

Bill (G) An Act for the relief of Jennie Davison Moore.—(Hon. Mr. Kerr, Cobourg.)

The Senate adjourned till Tuesday, 31st May, at 3 p.m.

THE SENATE.

Ottawa, Tuesday, May 31, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

PRODUCTION OF PETROLEUM.

MOTION.

Hon. Mr. POIRIER moved :

That an humble address be presented to His Excellency the Governor General ; praying that His Excellency will cause to be laid before the Senate a return of all geological and other expert reports in the hands of the government showing the existence, or the probabilities of existence of petroleum at Athabasca Landing and in adjoining districts.

Also the names of the districts in which crude oil has been discovered, with quantities produced in 1902 and 1903, by districts, together with the total quantity for Canada.

He said : We had not very long ago an important discussion in this House on a question moved by the hon. gentleman from Wellington. It related to the production of peat and the possibilities of coal supply within the Dominion. My question now is germane to the question we then discussed. It also concerns a staple article of every day use, the importance of which is admitted in all countries and by every one—petroleum oil. It is attracting the attention of many public men that Canada, which is the home of almost all known useful minerals, should have so few deposits of petroleum oil. To-day petroleum stands on an equal footing with coal in importance and, in fact, if the production of oil was larger, petroleum would be a substitute for coal in many places where coal to-day is employed, both for effect and economy. For example, to-day, nothing prevents petroleum from being the motive power in steamships and even in railroads except its scarcity. Canada has only so far developed one field of petroleum and that is in Petrolea, Ont. It is the opinion of scientists, of experts, of geologists, that there are several other important oil districts in the Dominion but they are still undeveloped. The production of oil with us is mostly confined to the county of Lambton, in Ontario. The first oil was found there just a few years after the great oil strikes in the United States, about 1862. The discovery was not due at all to scientists or geologists, but to the natural phenomenon being observed of oil oozing into a pool, and men of enterprise, not capitalists, began to bore for it. Though ridiculed by their neighbours, they stuck to the enterprise and finally found one of the largest oil pools ever found in America except the recent find in Beaumont, Texas. It is said that between the finding of the oil in Inniskillen, in 1862, when it was sold at ten cents a barrel and 1865, when it brought ten dollars a barrel, no less than five millions of gallons of oil were lost by people not knowing how to handle it or what to do with it. When the price began to rise, capitalists invested in the industry, and to-day there are no less than eleven thousand producing wells in the county of Lambton alone, and among them are wells still producing which were bored in 1862, showing the permanency of the flow in some places. Of course they are not all producing in large quantities, and many of them have been abandoned ; however, the average yield per well to-day is about a barrel a week, perhaps a little more. Other attempts have been made in Ontario to find oil. It has been found at Bothwell, and in the counties of Kent, Oxford and Elgin, and on the Pelee Islands, but the deposit seems to be concentrated in the county of Lambton. That field has not been prospected as thoroughly as the fields in the United States. There are also petroleum fields in New Brunswick and Gaspé, but the conditions of the three fields are different. I shall not use scientific terms to describe the difference. The circumstances that led to the finding of oil at Petrolea and the making of fortunes there, led to the spending of fortunes in Gaspé. Capitalists went in there and worked on appearances and not on scientific datas. The Gaspé oil field was started in the sixties by an English company, the Petroleum Oil Trust, which, after having spent several hundred thousand dollars was succeeded by a Canadian company, the Canadian Petroleum Company, which, after spending also many hundreds of thousands of dollars was succeeded by a United States company, the International Oil Company. Altogether not less than a million dollars—perhaps considerably more—have been spent there. The reason why those people have continued boring, is because petroleum exudes from

the ground there as at Petrolea, but they have not succeeded to make it an economic success because the conditions are different. In Lambton the layers of rock are horizontal, the strata undisturbed, and the oil sands perfectly capped in such a manner that the oil that is formed there to-day has continued there for all ages until wells were bored, and it was allowed to rise to the surface. In Gaspé the strata are tilted, faulty and broken, and the oil that once existed has in the course of ages mostly escaped. The companies which have been sinking wells have found oil, but not in paying quantities. Some wells have been bored to a depth of 3,700 feet at very great cost. Altogether some sixty-seven wells have been bored in the Gaspé district and oil has been found in many of them, but not in remunerative quantities, and it is not probable that the industry will ever pay, for the reasons I have given. The investors have continued prospecting because oil is found in the same geological formation there as it is found in Pennsylvania, that is, just below the coal formation, and because wrong notions about the formation has led to those companies persevering and spending millions without much return. The province of Nova Scotia has also made some faint effort at boring for oil without any satisfactory results. There are one or two companies boring, with some prospects of finding oil, but nothing of a very encouraging nature. Many of you, hon. gentlemen, have heard of albertite. This mineral is found in New Brunswick solely. In New Brunswick attempts have also been made to bore for petroleum because the albertite which is condensed bitumen, was shown to be derived from oil. Two companies have successively attempted to work it within the last thirty years, but they abandoned it for diverse reasons, not much money having been expended. One of them was conducted by a Mr. Merrill, from Boston, whom I knew, a practical business man, but financial disaster prevented him from proceeding. Three years ago, the New Brunswick government having offered a prize to any company that would spend $80,000 within four years and privileges that are almost equal to a monopoly, a company was formed, which took the very same old wells that had been bored by the two successive companies I have already mentioned, bored new ones, and now they are in the way of making it a success. At the last report the company had thirty-five yielding wells not continuously pumped, because there is no refinery built there, but with all the tanks filled, and they are now building a refinery with good prospects of profit.

Hon. Mr. MACDONALD (B.C.)—In what locality ?

Hon. Mr. POIRIER—In Westmoreland county, where I hail from, and in Albert county. The formations there are about of the same age, a little later perhaps than the formation at Gaspé, and the rock there is also broken and faulty, but not to the same degree as it is in Gaspé; and, moreover, the company, following the advice of Prof. Shaler of Boston, have sunk a test well three thousand feet, and the third oil sand, which was predicted by the professor would be struck at 3,000 feet, was got at about 2,900 feet. At all events the professor was correct; they struck a third oil sand, and the prospects are fair for the New Brunswick Oil Company, although none of them are sanguine beyond what they should be in such a hazardous proposition. The province of Quebec, leaving Gaspé aside, has produced no oil so far. Some borings have been made at St. Grégoire, in Nicolet, but beyond finding gas in good quantities, no oil has been struck, though geologists of great eminence, and Dr. Selwyn among them, believe that if oil is to be got in the province of Quebec, it will be found along the Rochambeau anticlinal. Any gentleman familiar with oil fields knows what that means. In an oil field, if one can strike an anticlinal which is not broken he is sure to find the oil concentrated there. It is a dome uplifting from below, and as the tendency of gas and oil is to rise, both being lighter than water, then the oil concentrates along that dome, and if the other conditions are favourable among which is a capping—if that dome is capped, as a bottle would be with a proper cork—and if there is a loose sandstone formation or a porous calcarious matter allowing the oil to fill in the porosity below, then you will be sure to find oil in large quantities

along that anticlinal. This is where the practical miner in the United States oil fields has been far ahead of the scientific man. The practical miner has succeeded in discovering new oil fields by boring where the best scientific authorities would have scorned to tread; and now new fields are in operation and new rules have been established for the guidance of prospectors, the honour of which is due to the miner and not the scientist. If we go more to the west we will, in my opinion, discover greater fields for oil. We have it recorded that the first oil found in Canada and possibly in America is that discovered in Great Manitoulin Island. It is recorded in the 'Relations des Jésuites.' At the time of the petroleum oil fever, the Jesuits were at Manitoulin Island, and had been there for a long time. They are still there, looking after the spiritual and, to a certain extent, the temporal interests of the natives. They reported to parties in Montreal that oil had been found in several places on the island; that oil springs are to be found there as they were in the United States when the first petroleum pools were struck; and that great probabilities for oil deposits existed. A company was formed in Montreal in 1865, composed of Mr. Baby, Mr. Berthelot and Delagrave to go and bore for oil on Manitoulin. They got there, but found themselves confronted with the fact that the country was possessed and owned exclusively by the Indians, who had no desire to allow the white man to step in. This was before confederation. They came back to the government of the Union asking for a privilege to bore. The government were willing enough if the Indians were. At first the Indians refused point blank, objecting to holes being made in the ground disturbing the placidity of the great spirit. Finally, the Jesuits possibly helping, the company, obtained leave from thirty-five or thirty-seven Indians to bore for six months as a test. That arrangement was confirmed by the government under very rigorous conditions. For example the company were not allowed—and that was all right—to bring any spirituous liquor to the island under forfeiture of all their rights and privileges: there were also other conditions for the protection of the morality of the Indians. The company set to work, as I said before, and at the same time the government being awake to the possibility of a great oil field, sent Mr. Bell, the gentleman who is now acting Superintendent of the Geological Department, to the island. He went there in 1865 and spent twelve months on the island, making a very thorough report of the geology and stratifications of the island. Returning home in 1866 he passed where the company was boring on the Indians reserve, in the month of May, and reports that from the wells they were boring they had gathered about sixty-seven barrels of oil with a sand pump, and when he left there the company were still working. Sterry Hunt, of whom all scientific men here know as being the foremost authority the United States have produced on these questions, equal to our Dawson or Logan—went there in the spring of 1866, passed where the company were boring, a couple of months later than the visit of Dr. Bell, and reports of oil having been struck in the well mentioned by Dr. Bell, and in a second well, where 120 barrels of excellent oil—he uses the word excellent and Sterry Hunt is perhaps the best analyst America has ever produced—obtained by the sand pump. Hon. gentlemen will remember that this was in the infancy of the oil business. Those gentlemen went there with good instruments, no doubt, but proceeding on no scientific basis as they do now. For instance, they did not shoot or torpedo any of those wells. Nitroglycerine was not known then. They set no power pump. It was just the oil they could secure with sand pumps. Now, hon. gentlemen ask me what has become of the company. Nobody knows. Dead silence covers their final proceedings, and the history of the company is lost after 1866. There is no report in the department here as to their findings and the cause of their abandoning work, although the previous correspondence is to be found. I am somewhat of a searcher after things antiquated, and being aware of these facts I set earnestly to work to see if I could discover a solution of the problem. I went to Manitoulin Island three times last summer and fall, and interrogated the old folks. At the period in question there were no white people there. Everybody knows of the oil being there. The wells are still there, and I was shown oil myself; but nobody knew

even the name of the company that operated them. I went to the Jesuits, and they were perfectly well aware of the existence of oil. The Jesuit Fathers who lived at the time the wells were bored are dead, but it is notorious that the Indians, for many years, went to those wells, left open, and gathered oil and used it for lubricating purposes. Most of the old chiefs had died, but I found one who remembered perfectly all the circumstances, and he told me of having himself worked at the mine, and he came with me and located three wells in the woods. In one of them I found oil myself. The mystery still existed—why did the company leave those wells at a time when oil was selling at $10 a barrel? Why is it that a well equipped company as Dr. Bell affirms, they were, abandoned the business? After many inquiries and searches, I finally found that the man who made the boring was still alive. His name is John Ward. I hunted him up and asked him if the reports made by Sterry Hunt and Dr. Bell were true. He said of course they were true. I asked him to show me on a map where the wells he had bored stood. He pointed them out to me correctly. I asked him if it were true that 120 barrels of oil had been shipped from these wells, he said yes, and that there was an order for 500 empty barrels after that. I said why did you leave? Well, he did not care to tell me. I asked him what mystery existed. 'Well,' he said, using an expression that would be unparliamentory, 'the d—— Jesuits set the Indians at us and we had to run for our scalps,' It is easy to understand why they abandoned the wells under the circumstances. There was a restriction against bringing intoxicating liquor on the island, or doing any act prejudicial to the natives. It would appear that the company did not strictly abide by some of the rules in the decalogue. At any rate they had to quit the island. They left all their instruements behind, and never came back to claim anything, although by that time they had earned what would have given them a privilege to go on. The department offered them the privilege but they could not be found, and the whole enterprise was left as it is now. The geological conditions of the Manitoulin Island oil field are identical with the conditions that obtain in the state of Ohio to-day, and the state of Ohio is the largest producer of oil in the United States not excepting Pennsylvania. I gathered some of the oil myself and had it analysed here. It is excellent oil, as I was told by Sterry Hunt. The general conditions that obtain in the Grand Manitoulin Island are similar to those at Titusville, and at Oil Springs, in Ontario. That is, what oil was ever there is still there, entombed under impervious capping rocks, because there has been no disturbance whatever of the strata. The layers are perfectly horizontal undisturbed, unbroken, and there are all the conditions that are necessary for the existence of oil, the porosity of the underlying rock for example, which is highly magnesian. All the conditions are there, but on account of the failure forty years ago—and public opinion being rather sceptical in reference to petroleum speculation—the field has remained unprospected except upon two occasions. About twelve years ago a man from Toronto having gone there—that was before Gamey's time and the island was not so universally familiar to us as it is now—having found at Pike lake traces of oil, and having been told by inhabitants there that oil could be seen covering the little lake in winter, he put in three thousand dollars to bore a hole on the spot. He was not a miner, and he bored the hole exactly where the oil oozed from the soil. It happened that there is an exposure of quartzites within less than half a mile from it which is not a place where any one would seriously undertake to bore for oil. He went in, however, and struck oil at a depth of about sixty feet, in fair quantities, and the oil is still flowing there. You can get buckets full of it; but he insisted on deep boring. He spent his $3,000 and then his courage, and the patience of the borers in drilling through quartzite, became exhausted and he dropped it. In 1897 two parties, one from the United States and one from Canada, miners who had made a little money, put their heads and purses together and bored on the Indian reserve a few miles from where the company of 1865 had worked. They bored No. 1 well. I do not believe in oil and mining reports. I would not believe my brother or my best friend, unless he swore two or three times on the Bible to the truth of his state-

ment. However, I have been told by no less than twelve persons, merchants, farmers and a doctor, that the first well over-flowed. I was assured by these men that samples of oil, which they showed me, came from there. Then they bored a second well. In 1898 a man named Bozelle came there representing himself to belong to the Standard Oil Company. He watched the operations until the two men who were boring got into altercations. I do not say that he brought up the two men—I do not believe it—the Standard Oil Company will not buy men—but after these two men had been working six or seven months he bought their outfit and leased some fifteen thousand acres from the farmers. Since 1866 a portion of the island has been reserved exclusively for the Indians, and the rest of it is open to white men. Bozelle having bought the outfit of the two men went to work and bored one well to a depth of 500 feet. He should have gone 600 feet to strike oil. He was a man who knew what he was about, and the calculations are easily made. He plugged the well before he got to the proper depth. He went to another place about two or three miles distance and got some oil there, and then he went away reporting there was no oil. So he released the fifteen thousand acres of land he had secured from the people, and thus the matter stands to-day. About the same time representatives of the Standard Oil Company are known to have interfered with propositions of a similar character in the United States, discouraging the prospectors. The same fields have been of late years taken up, and are to-day highly productive. It is sufficient, however, to show that there is a productive field of oil in Manitoulin which is yet undeveloped and which it might be worth while to test, because I am firmly convinced, having studied the field myself and read reports of experienced men, that we have on the Manitoulin Island, an oil field which before many years, if properly handled, will equal that of Petrolea. It yields a superior quality of oil, as has been shown by analysis—superior on the whole to the oil of Petrolea, which is the very best for lubricating purposes. Going further west, I now approach the subject of my motion, which is the western oil fields.

We know as yet very little of the possibilities of our western country. I believe we have in Canada all the possibilities of the world in the way of resources, either under or on the surface and especially in our Northwest. For many decades of years it has been known that out-croppings of sand tar exist north of Edmonton. Our geologists have reported over and over again on those deposits. In 1894, on the advice of Dr. Dawson, $7,000 were voted to test the oil fields of the Saskatchewan. A man named Fraser was engaged to do the boring. He thoroughly understood his business, and did his work honestly. About two hundred miles north of Edmonton there is a coal tar output. Of course, that was not the place to bore for oil. From calculations based on the dip of tar-sand layer, it was thought that, at Athabasca Landing, the continuation of the layer would be met at 1,800 feet, and that oil instead of tar would be struck. Not having facilities to take his rig up any further, where borings would not be required to be so deep, he, on instructions given him by the department, took his outfit to Athabasca Landing, and bored the first year ten hundred and eleven feet under great difficulty. A strong flow of gas interfered considerably with his work. During the winter he did not bore. In 1895 he continued boring, and reached a depth of 1,731 feet, being considerably obstructed all the time by the breaking of the rock, which is of an incoherant nature, and especially by the tremendous flow of gas, which would force his drill up. In 1896 he continued boring, but was only able to get down thirty-five feet further that season. Among the obstacles to be surmounted was the excessive flow of gas. It was necessary, according to calculations, to go down 1,800 feet to strike the oil bearing stratum, but in the three years he only succeeded in boring to a depth of 1,770 feet, having to use casing to the very bottom, the casing becoming smaller and smaller the deeper the boring went, and at last it was found to be unsafe and utterly impossible with a bore hole of the size he was drilling to go any deeper. On the advice of Dr. Dawson, the department decided the next year, 1897, to make two other borings, one of them half way between Athabasca Landing, and where the tar outcrops, at a point

situated near the mouth of the Pellican river, where, by calculation, the oil should have been found at 800 feet, and also to start another well at Victoria, on the Saskatchewan. At this latter place the estimated depth to bore was placed at 2,000 feet. The boring at Pellican river was successful. They struck the stratum at 750 feet, instead of 800, and found the same tar sand that outcrops one hundred miles further up. Tar was not what they expected or could have expected. It was a continuation of the same wave of tar but no liquid oil was there. They decided to go deeper, but all they could do was to bore seventy more feet, when the glutting of the tar and especially the force of the gas rendered it impossible to go further, so they did not get through the layer of tar. At the other point, Victoria, they bored for three successive years, and could not get down to the desired stratum on account of the excessive flow of gas; all they could do was to go down 1,840 instead of 2,000. All this goes to show that those regions actually abound with economic gas. But there is something better; it is that tar sand, the value of which we all know. We get our asphalt from Trinidad and the Barbadoes to-day. We have along the Saskatchewan, and in the Athabasca valley, a visable supply, computed by Mr. Connell to be at least six cubic miles of tar—we have over one hundred thousand acres of that deposit. It runs in more than one hundred miles in one direction, varying in thickness from one hundred feet to two hundred and twenty-two feet by measurement. We have tar and bitumen there sufficient to supply the world for centuries to come. The prospects for oil all through that lower area do not appear to be glowing; the immense accumulations of petroleum having long ago made their escape from their natural reservoirs, through the denudation of the overlying capping strata, and become sand-tar, maltha or bitumen. But further north, at Great Slave lake, we find the pure tar in the very Devonian formation, which is thought by all scientists to be the reservoir of all that oil. The formation is thoroughly impregnated with oil and with the best quality of coal-tar, which the Hudson Bay Company have been using since they first explored the country—tar of great economic value, that extends up to the Rocky Mountains. There is an unlimited field of it. If liquid petroleum is to be found at all in those regions it will be found in immense quantities as it exists in Baku, Russia, or Beaumont, Texas. In fact, the indications of oil are greater along the Peace river and in the Great Slave lake district than anywhere else in the world. It will be interesting to all of us to learn that the proposed transcontinental railway will pass through those regions, bringing within reach of civilization those rich deposits that would otherwise remain untouched. We will have and hold the markets of the world in the supply of tar for all time to come and if, as is very probable, on the Peace river or further north, or certainly by the Rocky mountains, oil is found, and found, as it needs must be if at all, in immense quantities, Canada will be able to supply the world with petroleum for centuries to come. It is well known that along the eastern slope of the Rocky mountains range valuable oil areas exist. There is a company, the Western Coal and Oil Company, at present boring for oil at Lake Waterton, South Alberta. Oil has been found, not in excessive quantities, but apparently in paying quantities. They are also boring for oil at Crow's Nest Pass.

To resume, I believe that the attention of the government should be directed towards ascertaining the possibility of Canada becoming the greatest oil producing country of the world, not excepting the United States or Russia. I am of opinion that $7,000 is too small an appropriation to investigate the possibilities of our oil fields, and that the government should appropriate a larger amount and appoint a specialist to investigate that field. They should be very careful who the expert is, because one of the reasons why the development of oil fields was so retarded in the United States is because of the bad advice given to companies, and to the government, though given in good faith. United States geologists and ours are to-day at absolute variance as to the origin of oil with the geologists of some other countries, France and Russia, for example. According to the United States geologists, oil apparently could only be found in very few places, yet prospecting miners have

found it where scientists deemed it impossible that it could exist. That is because their opinion as to the origin of oil was, I believe, erroneous. They believed, and to-day it is a belief shared by English and German geologists, that the origin of oil was animal and vegetable matter, while as a matter of fact it is shown that no organic matter remains is entombed in the ground. The shells which we find are totally denuded of flesh ; nothing was ever left from which oil could be derived. Inorganic matter, we know, has turned to peat bogs, lignite and coal, but it is not known in any instance that oil has been formed along the same line as coal, although it is found as in Pennsylvania, in proximity to it. The school of to-day, to which I adhere anyway, explains that oil is of volcanic origin, that it was formed by the heated waters carrying carbonic acid and coming in contact, under proper pressure, with alkali, thus forming, on a large scale, fields of petroleum. These are still in existence, provided they are sufficiently capped to prevent its escape. This is called the volcanic origin of petroleum, tar, and of mostly all the hydro-carbons found in the bowels of the earth. At all events, not longer ago than a few years, Berthelot and Moysan, of Paris, who stand foremost in chemistry, who are unsurpassed even by the great English chemists, have in their own laboratory made petroleum out of the elements I have mentioned, showing that nature could have produced petroleum in that way. I conclude by again calling the attention of the government to the possibilities of oil existing in Canada and to the advisability of taking some step towards finding the exact localities where deposits of oil could be developed and to make it easy for capital to be invested and thus add to the immense sources of wealth of our already rich Dominion. If the members of our geological staff are unavailable for having too much work to do elsewhere, and I believe they have,—the work they are called upon to perform every year is simply enormous, being paid therefor very inadequately, nay less than we pay here for the services of most of our employees,—then I would venture to suggest the name of some expert not in the service of the government, and the name now on my lips is Mr. Eugene Coste, of Toronto, whom I consider equal to the foremost expert in oil and gas questions in Canada, and indeed in all America.

Hon. Mr. POIRIER.

Hon. Mr. CASGRAIN (de Lanaudière)—I am sure we are all much indebted to the hon. member from Shediac for the very valuable information he has placed before the House. He has even told us that he has gone to the trouble of visiting the Manitoulin Islands three times himself in order to get information about the flow of oil there. He might have got a lot of that information from this side of the House. I might refer him to the hon. senator from Granville (Sir Alphonse Pelletier) and the hon. senator from Windsor, Ont., (Hon. Mr. Casgrain), both of whom, I understand, were stockholders in the Manitoulin Island Company at that time. The hon. senator looked for reasons why they did not continue working those wells. The reason is very simple and convincing—the oil would not flow. It proved to be simply surface oil and, consequently, everything had to abandoned. That is all that took place at Manitoulin Island.

Hon. Mr. SCOTT—We are very much indebted to the hon. senator from Shediac for his valuable and learned disquisition on the subject of oil, where it has been found and where evidence of it has been discovered in various parts in Canada. I doubt very much whether the papers we are able to bring down will furnish the hon. gentleman with any fuller information than he seems already to possess, because it appears he has given a large amount of time, and no doubt of money, to this question and we can all sincerely hope, to use a familiar expression that he has struck oil. I am sorry to say that some of our friends have not been equally successful ; but, joking apart, the oil industry is a very important one, and in many countries producing oil, particularly the United States and Russia, there is no doubt whatever in the minds of those who have given any attention or thought to the subject that oil will eventually be found in paying quantities in portions of Canada. As hon. gentlemen know, for over thirty years it has been a very important industry in sections of Ontario, the county of Lambton being the centre of it, and the adjoining counties sharing in some degree the prosperity derived from oil. There are no doubt,

as the hon. gentleman has stated, very promising indications of oil in parts of Alberta and in the Mackenzie basin, in the Athabasca district and other sections of the Northwest, and also in British Columbia. I shall be very glad indeed to bring down all the information there is on the subject, and moreover will call the attention of the Minister of the Interior to the suggestion made by the hon. gentleman, to consider the propriety of naming a special expert who has given more thought and attention to the subject, perhaps than some of the gentlemen employed on the geological survey have, who probably discuss it more from the theoretical and scientific standpoint than from the practical view taken by those who are more familiar with the localities where oil is likely to be found.

Hon. Mr. POIRIER—Will the House permit me, not to join issue with my hon. friend from de Lanaudière, but to tell him that his reason is one of the many that were given for the company leaving so suddenly. As against hearsay and lay reports, will the House allow me to read just half a page from the report of Dr. Bell, who was there, and who was not interested ? He was not a shareholder, and had no special reason to conceal the cause of the company abandoning the project. Here is a report made in 1866 to Sir W. E. Logan by Mr. Robt. Bell, the acting President of the Geological Bureau here. At page 179 he says :

Springs of petroleum have been found on the south side of Wequemakong Bay, where three or four wells are now being sunk. One of these is now (7th May, 1866,) upwards of 500 feet deep. It starts upon the Hudson river rocks, probably about the middle of the formation, and passes through the Utica and Trenton strata. A hard quartz rock (probably Huronian) has now been reached. Oil accompanied by gas, was found at various levels, and up to the present time, it appears that seventy-two barrels of oil have been dipped up by the sand pump, during the process of boring. Surface oil is said to have been found at Bob's portage, on the east side of Manitowaning Bay, and also in She-guaan-dah Bay, and upon Strawberry Island. A petroleum spring, on one of the islands north of Maple Point, is referred to in our general report.

These springs issue from an undisturbed stratum. They issue only where the capping is very thin. I did not explain the geological formation of the Island of Manitoulin. There is a dip of about 50 feet to the mile ; and the oil bearing rock which is five hundred feet down, to the south, comes out to the north, where it is thinly covered by the Utica shale, and that is where the oil crops out, but all the oil that is found south of it, along the anticlinals—and Dr. Bell has located several anticlinals—all the oil that was there, if there ever was any, is still to be found there. I will read now from Sterry Hunt, who is an undisputed authority. He was not disputed in his native country, and as an authority, he is not disputed in the world to-day, unless my hon. friend disputes his statements. Sterry Hunt states as follows :

Borings have since been made in the lower Silurian strata at Manitoulin, with considerable success. One of the wells there sunk gave soil 10, shales 140, limestone 316-466 feet, at which depth the boring was suspended. A specimen from the bottom was a soft limestone, and portions of rock, from depths of 159, 189 and 210 feet, were nearly pure limestone. At 220 feet from the surface a vein of oil was encountered, and another six feet lower ; the well has yielded, in all, seven or eight barrels of oil, with much gas. This is designated by the Manitoulin Oil Company as well No. 2, about two miles from which is No. 1. This, after 32 feet of soil, and 100 feet of black shale, penetrated 340 feet of limestone, to which succeeded 52 feet of red silicious sandstone, the last 20 feet very hard. There the boring ceased. At 192 feet from the surface there was met a vein of saline water, whose analysis is given further on, and at 192, 248 and 270 feet, veins of oil. From this well 120 barrels of excellent petroleum have been obtained.

Is that surface oil hon. gentlemen ?

The motion was agreed to.

EXPENDITURE ON PRINCE EDWARD ISLAND RAILWAY.

MOTION.

The Order of the Day being called :

Hon. Mr. FERGUSON moved :

That an humble address be presented to His Excellency the Governor General ; praying that His Excellency may be pleased to lay on the table of the Senate a return giving statements in details of the expenditures on Hillsborough bridge and Murray Harbour Branch Railway, Prince Edward Island, contained in an amount of $1,492,525.47, stated by the Minister of Finance in the House of Commons on the 30th of September, 1903, to have been expended on these two works up to the 30th of June, 1903. And also similar statements regarding any other expenditures, if any, up to the last-mentioned date, on these works, not included in the amount so stated by the Finance Minister :

1. Expenditure on Murray Harbour Branch Railway for—
   (a.) Surveys.
   (b.) Legal expenses, names of persons to whom paid, and amount to each.
   (c.) Land damages, names of persons to whom paid, and amount to each.

(d.) Grading and ballasting.
(e.) Track-laying.
(f.) Fencing.
(g.) Equipment.
(h.) Any other expenditure, if any, not included in these headings, to make up the total expenditure up to June 30, 1903.

2. Expenditure on Hillsborough bridge for—
(a.) Surveys.
(b.) Legal expenses, to whom paid, and amount to each.
(c.) Approaches, including land damages, to whom paid, and amount to each.
(d.) Substructures.
(e.) Superstructures.
(f.) Track-laying for railway and general traffic.
(g.) Any other expenditures, if any, for the same period, not included under above headings.

3. A detailed statement, as above, showing the expenditure, up to the date of the passing of this address, of the whole or part of the amount of $1,230,000 voted for the said bridge and railway for the current year.

4. A detailed statement, as in Nos. 1 and 2, showing the estimated application of any part of the said $1,230,000, voted last session for the said railway and bridge and unexpended at the date of the passing of this address.

Statements regarding railway and bridge to be given separately.

Hon. Sir MACKENZIE BOWELL—In the absence of the hon. gentleman from Marshfield I beg to make the motion which appears on the order paper in his name.

The motion was agreed to.

STANDING COMMITTEE ON RAILWAYS, TELEGRAPHS AND HARBOURS.

MOTION.

Hon. Mr. TEMPLEMAN moved :

That the name of the Honourable Mr. Thompson be substituted for that of the late Honourable Mr. Dever on the Standing Committee on Railways, Telegraphs and Harbours.

The motion was agreed to.

BILLS INTRODUCED.

Bill (8) An Act respecting the Nova Scotia Permanent Benefit Building Society and Savings Fund.—(Hon. Mr. McDonald, C.B.)

Bill (45) An Act respecting the Home Bank of Canada.—(Hon. Sir Mackenzie Bowell.)

Bill (50) An Act to incorporate the St. Maurice Valley Railway Company.—(Hon. Mr. Legris.)

Bill (52) An Act respecting the Manitoba and Keewatin Railway Company.—(Hon. Mr. Watson.)

Bill (55) An Act respecting the Canadian Northern Railway Company.—(Hon. Mr. Watson.)

Bill (60) An Act respecting the Kettle River Valley Railway Company.—(Hon. Mr. Templeman.)

Bill (61) An Act to incorporate the Thorold and Lake Erie Railway Company.—(Hon. Mr. Domville.)

Bill (62) An Act respecting the Welland and Grand Island Bridge Company.—(Hon. Mr. Edwards.)

Bill (69) An Act to incorporate the Monarch Life Assurance Company.—(Hon. Mr. Kerr, Cobourg.)

Bill (71) An Act respecting the Ottawa, Brockville and St. Lawrence Railway Company.—(Hon. Mr. Mitchell.)

Bill (83) An Act respecting the Nipigon Railway Company.—(Hon. Mr. McMullen.)

Bill (85) An Act to incorporate the Alberta Railway and Irrigation Company, and to provide for the amalgamation therewith of the Alberta Railway and Coal Company, the Canadian Northwest Irrigation Company, and the St. Mary's River Railway Company (Hon. Mr. Lougheed.)

Bill (90) An Act to incorporate the Bessemer and Barry's Bay Railway Company.—(Hon. Mr. Gibson.)

Bill (96) An Act to incorporate the Crawford Bay and St. Mary's Bay Railway Company.—(Hon. Mr. Templeman.)

Bill (114) An Act respecting the Western Assurance Company.—(Hon. Mr. Frost.)

Bill (115) An Act respecting the British America Assurance Company.—(Hon. Mr. Frost.)

Bill (72) An Act to amend the National Transcontinental Railway Act.—(Hon. Mr. Scott.)

The Senate adjourned.

THE SENATE.

Ottawa, Wednesday, June 1, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

BILLS INTRODUCED.

Bill (48) An Act respecting the Nicola, Kamloops and Similkameen Coal and Railway Company.—(Hon. Mr. Macdonald, B.C.)

Bill (67) An Act respecting the Ontario Accident Insurance Company.—(Hon. Sir Mackenzie Bowell.)

Bill (77) An Act respecting the Hamilton, Grimsby and Beamsville Electric Railway Company.—(Hon. Mr. Macdonald, B.C.)

Bill (91) An Act respecting the Toronto and Hamilton Railway Company.—(Hon. Mr. McMullen.)

Bill (94) An Act respecting the Timagami Railway Company.—(Hon. Mr. Edwards.)

Bill (104) An Act respecting the Tilsonburg, Lake Erie and Pacific Railway Company.—(Hon. Mr. Wilson.)

Bill (105) An Act respecting the Lake Erie and Detroit River Railway Company.—(Hon. Mr. Casgrain, Windsor.)

Bill (3) An Act to amend the Criminal Code, 1892.—(Hon. Mr. Scott.)

Bill (56) An Act to amend the Criminal Code, 1892.—(Hon. Mr. Scott.)

FIRST AND SECOND READINGS.

Bill (68) An Act respecting the Hudson Bay and Northwest Railway Company.—(Hon. Mr. Kerr, Toronto.)

BEHRING SEA SEAL FISHERIES.

INQUIRY.

Hon. Mr. MACDONALD, (B.C.) rose to

Call the attention of the government to the purport of a resolution passed by the United States Senate, requesting the President of that country to take the necessary steps for reopening with Great Britain the question of the Pacific ocean and Behring sea seal fisheries, and for a readjustment of the award made on 15th day of August, 1893, at Paris, by the Arbitration Commission, composed of eminent men of France, Italy, Sweden and Norway, the United States, Great Britain and Canada, under the treaty of February 1, 1892, between Great Britain and the United States, providing for submission to arbitration of the fur seal question.

And will direct attention also to the highly important salient points decided and determined by the Arbitration Commission in support of the contention of Great Britain and Canada;

That Russia admitted that her jurisdiction in Behring sea should be restricted to the reach of a cannon shot from the shore, and from that time (1825) to the cession of Alaska, in 1867, never exercised any exclusive jurisdiction in Behring sea, or any rights in the seal fisheries outside territorial waters.

That Great Britain did not concede any claim on the part of Russia in Behring sea outside territorial waters.

That the tribunal considered Behring sea as a part of the Pacific ocean, therefore open to the fishing and commerce of the world.

That whatever jurisdiction and rights Russia had to the seal fisheries in Behring sea passed unimpaired to the United States under the cession of Alaska in 1867.

That the United States has not any right of protection or property in the fur seals frequenting the islands of the United States in Behring sea, when such seals are found outside the ordinary three-mile limit.

And will ask, if the government will resist the reopening of this question; but, in the event of the British government acquiescing in the request of the United States, will the Dominion government insist that a majority of the British commissioners shall be citizens of the Dominion, possessing a knowledge of the seal question, the arguments and contention which have arisen thereon, as well as the decisions arrived at by the Paris tribunal in August, 1893?

He said: When it came to my notice some time ago that the United States Senate had passed a resolution for the reopening of the Behring sea question, I thought it proper to bring the matter before the attention of the government and the House, although it is quite possible the government may know more about it than I do, and that they are as fully alive to the question as any one can be. I think it is a public question of great importance. It is known to all of us in this House that whenever we have come in contact with our United States friends in any arbitration we have always got the worst of it. I can only recollect one case where we received fair-play and justice, and that was in the treaty of Washington. In every other case we have got the worst of it, and I hope the government on this occasion will resist the reopening of the Behring sea question. It cannot be for the benefit of Canada, it must be entirely for the benefit of the United States that they propose anything of the kind. The hon. minister from Victoria knows perfectly well the advantage and benefit of the seal fisheries of the Pacific to the province of British Columbia as well as to the whole Dominion. There are a great number of active young men employed in that industry, and it has been a source of some wealth to the Pacific province and, consequently, indirectly to the whole of Canada. It will be known to the House, and any one who has taken the trouble to read the notice on the paper will see, that the tribunal which sat in Paris composed of very eminent European gentlemen decided five of the disputed points entirely in favour of the contention of Great Britain and Canada, and that the United

States lost every point of this very important matter. The first is that the Russians disclaimed, after a time, all right beyond the three-mile limit, a cannon shot from the shore. Before then they had the audacity to claim the whole North Pacific as a closed sea, from the Columbia river to Behring sea, but the United States helped Great Britain to resist that contention and finally they came down to the three-mile limit from the shore. The tribunal fixed definitely that that was the only right conceded to them by Russia. The tribunal also decided that the United States had no right in the protection of seal fisheries beyond the three-mile limit. Every point was decided in favour of the British contention, yet instead of fixing the three-mile limit as the line outside of which the United States had no jurisdiction, in order to settle matters they decided upon a zone of sixty miles around the Pribyloff islands as the limit within which no British vessel could fish. That was a very important concession and the United States should have been satisfied with it. The tribunal also decided that there should be no seal fishing north of the 35th degree, that is about San Francisco, and within 200 miles of Japan, after the first of May ; but they left undone just what they ought to have done in this matter, and permitted a practice which goes far to destroy seal life. Our sealers leave British Columbia in the month of January, and sail south to meet the seals when they are with young, going north, and kill them without knowing whether they are male or female. The regulation was therefore very unwise. I remember speaking to a counsel on the Paris tribunal and asking him why they did such a thing. He said it was done at the last moment, just as they were closing up the proceedings. If that foolish regulation could be set aside I would not in the least object to the question being reopened. There is another matter of very great importance. There should be a close period of one year every three or five years in which no seal could be taken either by the United States or by British fishermen. That would give the seal herd a chance to recuperate and would do no injury to the revenue of the United States. The restrictions are very large, and amongst them is one providing for the issuing of licenses for the seal fisheries, and the regulations provide that the two governments shall take measures to control the fitness of the men engaged in the seal fisheries. That has never been carried out by either government. The sealers gather up such men as they can get. I think it is reasonable if the subject is to be reopened, that a majority of the commissioners should be Canadian, because the people of the mother country are not interested in the matter in any way, and we know their desire and tendency to maintain friendly relations with the United States might prejudice the interests of Canada. In this case I hope the government will stand out and see that the fair thing is done for the Dominion.

Hon. Mr. SCOTT—Until an actual proposal is made to re-open the question it would be impossible and impolitic for the government of Canada to foreshadow what their policy would be under the circumstances. The Senate and the country may rely upon it, that the honour of Canada will be maintained by the government, and that the interests of the men engaged in the seal fisheries in British Columbia shall be considered paramount to every other consideration. As hon. gentlemen know, this question is one in which United States and Great Britain have mainly conducted the controversy. The regulations were made chiefly by English representatives. They had the control practically. The United States government have time and again pressed for a reopening of the question, but they have been resisted successfully. The arguments used by the United States have been, mainly, that further regulations are necessary for the preservation of the seal herd. It was alleged that the herd was being exterminated. In order to test the correctness of that statement, the British government, a few years ago, named Mr. Darcy Thompson and a Canadian to inquire into the statements made by the United States. They reported that the herd was not being exterminated, and therefore, that there was no pressing necessity for reopening the seal fisheries question. At the same time, it has been conceded that it would be well to have an intermediate year when the killing of seals should be absolutely prohibited. That probably would secure the continued life of the

seal herd. The argument set forth by the United States from time to time are undoubtedly instigated by the parties who have the monopoly of that industry. Hon. gentlemen know, from reading the papers, that on one or two occasions they advised congress to exterminate the herd absolutely, because they maintained that it was being rapidly killed on by Canadian sealers. It was found, however, that there was no justification for the statement. My hon. friend may rely upon it, that if, under pressure, the question has to be reopened, the country will find that the government will remain firm and will not yield to the demands made by interested parties in the United States, that the killing of the seals should be more limited than it is to-day. There is one important point to which my hon. friend alluded, that is, the killing of seals on their way to the breeding grounds, because it may mean indiscriminate killing, and the killing of a female seal may mean killing more than one and the skin may be useless. There may be that point and other details that the experience of the last five or six years has shown would involve some change in the regulations for the preservation of the herd without reducing to any considerable extent the reasonable profits that the United States lessees are entitled to. They have already secured that zone of sixty miles around the Pribyloff islands, and they would necessarily desire to maintain that as a reserve; but it is quite likely that in future some changes may take place in the regulation. I think, speaking from memory, it was understood that every five years there might be a proposition to change the regulations as the result of the experience gathered in that interval.

Hon. Mr. MACDONALD (B.C.)—That was part of the tribunal's finding.

Hon. Mr. SCOTT—That might afford an argument and a justification for reopening the question, limiting it to the making of new regulations with a view to preserving the herd, and continuing the interest both of Canada and of the United States in the present industry.

Hon. Sir MACKENZIE BOWELL—The hon. Secretary of State said it is impossible for the government to announce its policy until an application is made. Did that apply to the first portion of the question, that they would resist any application for reopening it, or to the latter portion of the question, in which my hon. friend asks if the government will insist upon a majority of the commissioners being Canadians? I can readily understand the answer to the first part of the question made by the hon. gentleman as being consistent with the general policy of all governments, but what I should like to know is whether his answer applied to both these questions. The hon. gentleman in his reply referred to the Behring sea arbitration and said, what was true that the majority of them were not Canadians, but I think every one in Canada admits that the presence of the late Minister of Justice, Sir John Thompson, and his talent and ability in dealing with the question was of very great value to Canada.

Hon. Mr. SCOTT—Hear, hear.

Hon. Sir MACKENZIE BOWELL—To his presence at the meetings of the tribunal we are indebted for even the concessions which were obtained. Had we not had a man of his eminent legal ability representing Canada at that time, the question would have been settled in a manner much more disadvantageous to us and advantageous to the United States. And not in him alone but to other able representatives are we indebted. Young Sir Charles Hibbert Tupper was present and displayed talent and ability, in dealing with the question, commendable to himself and of great value to Canada. Canada's representatives displayed ability in dealing with the question and a knowledge of the facts and legal points involved, much greater than was shown by the foreigner who was upon that commission, and they were in every respect quite equal to their competitors representing the United States. I felt that in justice to a late colleague I should give utterance to these sentiments. I think the hon. Secretary of State will concur in the remarks that I have made in reference to our representatives on the Behring sea arbitration to which attention has been called by the hon. gentleman from Victoria, I should like to ask him whether I understood his answer to the question to apply to both questions that were put.

Hon. Mr. SCOTT—I cordially endorse all that the hon. gentlemen has said with re-

ference to the ability with which Canada was represented on that occasion. No one for a moment can doubt the ability displayed by the late Sir John Thompson, and I think my hon. friend is quite right in making the statement that it is due probably to the ability exhibited by him and his colleagues that we obtained what we did. I felt that way and I think the experience of former arbitrations and subsequent ones confirms that conclusion. What I did say was that until the occasion arose it would be impossible to foreshadow what policy the government should adopt. We cannot, of course, anticipate the manner in which the subject may arise. It is liable to arise at any time. What I said was that I thought the people of Canada might rely upon the government to maintain the dignity of the country and preserve the interests of that special industry. That was what I intended to convey. In regard to making the stipulation that a majority of the British commissioners shall be citizens of Canada, I think that is pretty clearly established to be in line with our policy. We possibly may fail on some occasions, because, as hon. gentlemen know, we have not the final voice; but I think it is in evidence that during recent years we have taken a pretty firm stand in selecting the men who were to decide where the interests of Canada in this part of the empire were particularly and exclusively affected.

Hon. Mr. MACDONALD (B.C.)—Has there been any communication from the Colonial Office on this subject yet?

Hon. Mr. SCOTT—I do not think so. I do not remember.

Hon. Mr. MACDONALD (B.C.)—I was told on pretty good authority, by a person whose name I cannot divulge, that Prof. Elliot, who was responsible for branding the seals on the islands, has come to the conclusion that pelagic sealing does not deplete the seal herd; that it is done by the practice on the rookeries. That has come to the ears of a gentleman high in authority who told me about it the other day.

Hon. Mr. SCOTT—I have not heard anything on the subject. I am not aware that there were any despatches.

Hon. Mr. MACDONALD (B.C.)—I think there has been no despatch, but it might come out in some other way.

Hon. Mr. SCOTT.

APPOINTMENT OF J. B. JACKSON.

MOTION.

Hon. Sir MACKENZIE BOWELL moved:

That an humble address be presented to His Excellency the Governor General; praying that His Excellency will cause to be laid upon the table of the Senate, a copy of the recommendation made to the executive council upon which an order was passed appointing J. B. Jackson, a commercial agent, in England, together with a copy of said order authorizing said appointment.

He said: I was induced to draft this motion as soon as the return was laid on the table by the hon. Secretary of State, from the Deputy Minister of Trade and Commerce stating that there had been no correspondence in reference to the matter.

Hon. Mr. SCOTT—No outside recommendation I think it was.

Hon. Sir MACKENZIE BOWELL—No, correspondence I think it was. I am desirous of ascertaining which minister it was that gave the recommendation—although I presume it was the Minister of Trade and Commerce—and also the Order in Council, so that we may learn the reason for Mr. Jackson's appointment, and the exact duties which he has to perform, together with the remuneration which he is to receive.

Hon. Mr. SCOTT—A copy of the Order in Council will be brought down, but at this moment I do not know whether it is usual to bring down the recommendation of the minister. If it is usual it will certainly be brought down. I am speaking now without an actual knowledge. The Order in Council will be brought down. It will show on whose recommendation the Order in Council was approved. I presume it was the Minister of Trade and Commerce.

Hon. Sir MACKENZIE BOWELL—I do not desire that any rule governing the executive council should be varied. But I think the hon. gentleman will find that there can be no possible objection to giving the information asked for.

Hon. Mr. SCOTT—Possible not.

The motion was agreed to.

SECOND READINGS.

Bill (50) An Act to incorporate the St. Maurice Valley Railway Company.—(Hon. Mr. Legris.)

Bill (52) An Act respecting the Manitoba and Keewatin Railway Company.—(Hon. Mr. Watson.)

Bill (55) An Act respecting the Canadian Northern Railway Company.—(Hon. Mr. Watson.)

Bill (62) An Act respecting the Welland and Grand Island Bridge Company.—(Hon. Mr. Edwards.)

Bill (71) An Act respecting the Ottawa, Brockville and St. Lawrence Railway Company.—(Hon. Mr. Mitchell.)

Bill (83) An Act respecting the Nipigon Railway Company.—(Hon. Mr. McMullen.)

HOME BANK OF CANADA BILL.

SECOND READING.

Hon. Sir MACKENZIE BOWELL moved the second reading of Bill (45) An Act respecting the Home Bank of Canada.

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

Hon. Sir MACKENZIE BOWELL—I move the suspension of the 60th rule in so far as the same relates to this Bill. The rule provides that a Bill must be posted for twenty-four hours before being considered by the committee. This is an ordinary Bill and as it is desirable that it should be proceeded with as early as possible I make this motion.

The motion was agreed to.

MONARCH LIFE ASSURANCE COMPANY BILL.

SECOND READING.

Hon. Mr. KERR (Cobourg) moved the second reading of Bill (69) An Act to incorporate the Monarch Life Assurance Company.

The motion was agreed to.

Hon. Mr. KERR (Cobourg) moved the suspension of rule 60.

The motion was agreed to.

Hon. Mr. LANDRY—I think when it is proposed to suspend the rule that the member who moves the suspension of the rule must state what the rule is. We do not want to be taken by surprise.

Hon. Sir MACKENZIE BOWELL—I explained the rule when I made the motion.

WESTERN ASSURANCE COMPANY BILL.

SECOND READING.

Hon. Mr. GIBSON (in the absence of Hon. Mr. Frost) moved the second reading of Bill (114) An Act respecting the Western Assurance Company.

Hon. Mr. LANDRY—Before the motion is put I rise to a question of order. This Bill has not been distributed nor has Bill (115) been distributed.

The SPEAKER—It is marked as having been printed in English and French.

Hon. Mr. GIBSON—Perhaps I might be permitted to make an explanation, with reference to the objections taken by my hon. friend with regard to this Bill. Hon. gentlemen are well aware that a very serious conflagration took place in the city of Toronto and also in Baltimore, by which one of these insurance companies capital to the extent of $1,000,000 was wiped out, and, in order that legislation may be put through as speedily as possible, we are asking for power to cut the capital in one-half and to issue new stock for another million in order that the company's business may not be disturbed. That is the whole purport of the Bill and the one following it. I move the suspension of the rule to obviate the necessity of posting of the Bill for twenty-four hours.

Hon. Mr. LANDRY—What is the 60th rule ?

Hon. Mr. SCOTT—It relates to the posting.

Hon. Mr. GIBSON—It does away with the necessity of posting of the Bill for twenty-four hours.

Hon. Sir MACKENZIE BOWELL—The only object of the motion is to enable the Bill to go to committee to-morrow.

Hon. Mr. GIBSON—The 60th rule reads as follows :

No committee on any private Bill originating in the Senate (of which notice is required to be given) is to consider the same until one and after each notice of the sitting of such committee has been first posted up in the lobby, nor in the case of any such Bill originating in the House of Commons until after twenty-four hours like notice.

This Bill came from the House of Commons and the motion is made simply to expedite the passing of this measure.

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

BRITISH AMERICA ASSURANCE COMPANY BILL.

SECOND READING.

Hon. Mr. GIBSON (in the absence of the Hon. Mr. Frost)—I beg to move the second reading of Bill (116) An Act respecting the British America Assurance Company.

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

Hon. Mr. GIBSON—I move that the 60th rule be suspended in so far as the same relates to this Bill.

Hon. Mr. LANDRY—Is there any difference between this Bill and the previous Bill ?

Hon. Mr. GIBSON—They are both the same kind of companies, and both suffering in the same way.

Hon. Mr. LANDRY—I do not find it is the same thing at all. In one Bill I find a provision that the capital be reduced to 50 per cent once for all, and in the other there is a provision that it may be reduced from time to time whenever the directors see fit to do so. I should like to know the reason of such a difference ?

Hon. Mr. GIBSON—I know nothing about the internal arrangements of the different companies. I can speak with authority about the Western Assurance Company, but I fancy the British America Company was not hit as hard, to use a common expression, by the fire as the Western Assurance Company and consequently they do not require to wipe out their capital to the same extent as the other companies.

Hon. Mr. MACDONALD (B.C.)—What is the necessity for the wholesale suspension of rules. It is only in urgent cases that they should be suspended.

Hon. Mr. GIBSON—This company is doing a large business, and perhaps the objection might be taken by the hon. gentleman himself, if an agent were to ask him for insurance on his property. He might say 'Well you are wiping out half of your capital without making any provision to replace it.' This company is going to wipe out half of its capital and issue another million of stock to take the place of the capital wiped out, in order that the business the company has in hand may be safeguarded, and the company may be in a position to pay the risks that may occur in the meantime.

Hon. Mr. LANDRY—If I am well informed the wiping out has taken place.

Hon. Mr. GIBSON—No.

Hon. Mr. LANDRY—The minister says yes.

Hon. Mr. GIBSON—The meeting is to be held on the 19th of June, and they cannot carry out this arrangement until the legislation is passed ; but all provision has been made so that there shall be no interruption in the business of either company.

Hon. Mr. LANDRY—And they want to confirm what has been done by the directors.

Hon. Mr. GIBSON—What is suggested by the directors will be done on Thursday, 19th June, but they require the legislation first.

Hon. Mr. SCOTT—I understand they desire that those Bills shall be assented to at an early date. They wish to get them through and get the consent of the Crown.

Hon. Mr. LANDRY—I do not want to make objection, but I wish to call attention to the fact that not one of the Bills on the order paper for to-day marked as printed in French has been distributed. I do not say they are not printed, because they are marked as printed but we have not one of them in our files. I went over all the Bills, and I find not one on the order paper which is printed in French. If they are printed we should have the benefit of them. However, I make no objection.

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

The Senate adjourned.

THE SENATE.

Ottawa, Thursday, June 2, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

THIRD READINGS.

The following Bills, reported from the Committee on Banking and Commerce, were read the third time and passed under suspension of the rules :—

Bill (45) An Act respecting the Home Bank of Canada.—(Hon. Sir Mackenzie Bowell.)

Bill (114) An Act respecting the Western Assurance Company.—(Hon. Mr. Gibson.)

Bill (115) An Act respecting the British America Assurance Company.—(Hon. Mr. Gibson.)

INSURANCE ACT AMENDMENT BILL.

SECOND READING

Hon. Mr. KERR (Toronto) moved the second reading of Bill (8) An Act further to amend the Insurance Act.

He said : When this Bill was first introduced, I felt, as it was one somewhat out of the ordinary line, that it was due to the House I should then make some explanation as to the Bill, and it will be remembered by hon. gentleman who were then present that its general scope was explained and the necessity for it was stated. I may, perhaps, state that in 1885 the Insurance Act was amended so as to enable companies doing business on the assessment plan instead of what is called the level premium plan, to transact business on the assessment plan in Canada, and pursuant to the provisions of that amendment one company, at all events, has undertaken to transact and has transacted a large amount of business. In 1899 the law was again amended, so that any assessment company so licensed to do business under the provisions of that Act as so amended, to be at liberty, upon giving notice of the intention to maintain the reserves required by the Insurance Act, to transact business on the level premium plan. Under that provision the same company which had taken advantage of the first amendment gave notice of its intention to transact business in that way, and it has been transacting business in that way, having made a deposit of the reserve, in conformity with the provisions of the Act. Circumstances have arisen, which are present to the minds of all here, which make it expedient that some provision should be made now for those who have been in the past insuring with that company. Although the reserves have been maintained, the deposits having been made with the government in compliance with the requirements of the Insurance Act on the assessment plan, and under that provision a considerable sum of money is now in the hands of the government as security for the policy-holders, the company has also been making necessary the level premium plan, on which they were enabled to carry on business under the last amendment of 1899. Although those deposits have all been made in conformity with the requirements of the Act, yet the business of the company which is a United States company doing a large business on the other side, has declined to a very considerable extent, and in consequence of the change in its position there, it has changed the character of a large part of its business to the level premium plan ; but in consequence of these and other circumstances the business in Canada has declined to one of somewhere in the neighbourhood of $8,000,000. Now, a business of this description on the decline, being a business that in point of fact had been carried on for some years actually below the cost of insurance, must more or less become worse and worse each year, and the position of those who are assured on the assessment plan must become more and more difficult. The result is that, in order to maintain the business, large assessments would have to be made in each year, increasing therefore the cost of maintaining those assessment policies. Of course any increase in the way of assessment premiums is not only an unpopular thing, but is looked upon as an unjust thing by those who are assured, and as a matter of fact the cost of insurance would be so much enhanced if something were not done for the relief of those insured on that plan, that it would be almost impossible, ultimately, for those insured to continue their payments. The assessments that would require to be made

would be so heavy that many persons would be obliged, and others would elect to drop their insurance, and so the residuum of business which would continue might be fairly classed as being undesirable insurance, the amount of insurance which would be continued consisting chiefly of those who, by reason of their age, could not at any reasonable rate now secure insurance, or who by reason of the change in the conditions of their health would not be able to renew, or insure elsewhere. This leaves it a matter which must be one of considerable concern as to what should be done. The plan which has been thought out and the principle of which has been approved of by the superintendent of insurance, is that which is embodied in the Bill which I have presented to the House. By that plan each policy-holder on the assessment plan is allowed three options. He is allowed to change his policy into one on the fixed premium plan for the same amount as he has now on the assessment plan. In that case, however, he would be a debtor and would continue to be a debtor to the company for the difference between the average amount of what he has been paying on the assessment plan and the amount which he ought to pay upon the level premium or fixed premium plan, in order to provide for the cost of actually carrying his policy. The other plan would be one by which, instead of increasing the annual burden upon him, he might have a credit for that amount; in other words he would continue to pay the average amount of his assessments, the average amount, which he has been in years past paying per annum, and the difference between that and what he ought to pay as the cost of insurance I would remain as a charge against his policy. The third plan would be one by which he might reduce the amount of his policy to such a sum as the average amount of his assessments in past years would actually purchase and maintain for him. So that in these ways he would be enabled to maintain insurance for the remainder of his days—in other words maintain the policy which was accepted by this company, but which, however, under perhaps changed circumstances he could not secure in another company. These being the principles on which the Bill is introduced and that being the plan outlined in the Bill which contains as I take it the necessary provisions for carrying that into effect, all of the plans to be carried out would be carried out under the direction of the superintendent of insurance who would have the approval of the plans and the amounts which would become payable, so that the assured would have the protection of the superintendent of insurance, in respect of the amounts which they would be required to pay and the amounts of the policies which they would be entitled to receive. In this way it appears to me that the interests of those who are now insured in the company would be maintained. One other thing further is provided for, and that is also a protection of the assured; it is this, that the amount which is on deposit with the government now should be apportioned so that each policy-holder now a policy-holder would receive, in one form or another, in the shape of a bonus on his policy, payable when the policy would become payable, the proportion of that deposit now in the hands of the government to which he would justly and fairly become entitled under a proper and fair apportionment of that fund. So that the policy-holder would get all in the shape of an insurance policy that the premium which he has in the past been paying would entitle him to get. If he chose to take a credit he would get, for the payments which should have been made in the past but which would remain a charge on his policy in the future, the benefit of the increased insurance which, if those sums had been paid in the past, he would possess, but leaving the charge against his policy under the new policy.

Thus in whatever position he maintained his policy, he would get his due proportion of the funds which are now available in Canada. That is the extent and the only extent to which policy-holders in this company, a foreign company which has been licensed to do business in this country, under the law, as amended in 1883, could be protected—that is the only measure of protection, benefit or advantage, as far as I can see, that could be given to a policy-holder. There are many policy-holders whose policies have lapsed through not paying up their assessments in respect of some past years. There has seemed

to me a great deal of difficulty in making provision for such cases. I admit the advisability of doing so. I concede the advisability, if it is possible to do so—to provide for the revival of any such policies—but at present I am unable to see exactly a plan for that which could be fairly worked out. With a view, however, of having the whole matter dealt with on its merits, dealt with for the protection solely of those who are interested as policy-holders in this company, I intend to ask the Senate, if it will allow the second reading, to permit the Bill to be referred to the Committee on Banking and Commerce, where all the matters connected with the Bill and the merits of the Bill, if it has merits—and I believe it has—where all the rights of the parties, both those who are at present in the company and who have been in the past insured in the company, who have ceased to keep up their payments, together with any other rights and interests there may be that should be represented, may be heard and discussed, and the merits of the matter disposed of in a way that could not conveniently be done if this Bill were referred to a Committee of the Whole House. I would appeal to hon. gentlemen present to allow the Bill, on that understanding, to pass the second reading, and then it would go before the committee of which I have spoken. In that way we could hear what those who are interested as policy-holders, and who have been connected with the company for many years, have to say with reference to the maintenance of their rights, how far the provisions of the Bill will meet their cases individually and collectively, and how far those who have in the last few years ceased to be interested in the company will be protected. In this way the merits of the whole proposition which is embodied in the Bill, or which should be embodied in the Bill, can be dealt with in a satisfactory way. I would just say one thing further with reference to the fund which is in the hands of the government as a deposit for the security of policy-holders. Of course it will be readily understood that, as matters are at present, all those who are continuing policy-holders are the only persons who are entitled to look to that fund for protection or entitled to resort to it for any advantage or benefit. However, a plan may be devised of meeting the cases of those who have in the past permitted their policies to lapse, or who have been obliged perforce to allow their policies to lapse; but this appears to me to be the only way in which the actual rights of the present policy-holders can be worked out and protected in the future. The only alternative, it appears to me, is that those who now are and continue to be policy-holders will be subjected to assessments, not merely to the amount which is needed for the purpose year by year of maintaining those policies and providing for the death claims which may, from time to time, arise, but they only are entitled who have maintained their contracts and kept up their rights as against the company. A person having a claim against a mutual company of this kind has practically no other remedy, because the company, not being a stock company, having no invested funds, except those which are the necessary reserves for the purpose year by year of providing for insurance, until the funds are replaced by new assessments, having no funds except those that are pledged in the hands of the company for the payment of the debts that may immediately fall in, there is no other practical remedy or provision that can be made so as to protect them in the future; and it seems to me, therefore, that there is only the alternative of higher assessments in the future, not only to cover the costs of maintaining those in the future, but also, perhaps, to provide for deficiencies with reference to it in the past. I do not know that I need say more in presenting the proposition submitted by this Bill than I have already said, but I do think that it is an occasion when we should look fairly and squarely at what is the interest of those at present in the company, in the first instance, and see what it is advisable to do for their protection as insured in a company which has been licensed by this government, under the authority of a law passed by this parliament, and which company has been continuing to do business on that system with the approval of the superintendent of insurance.

Hon. Mr. LANDRY—Before the question is put, I should like to raise a point of order. I think that the Bill introduced by my hon. friend should be a private Bill and not a

public Bill. At all events, it might be placed in that class of Bills which are called hybrid Bills. I refer to page 732 of Bourinot.

Hon. Mr. SCOTT—Perhaps it will avoid discussion if I say a word to my hon. friend. The intention was to introduce a clause limiting this Bill entirely to this Mutual Reserve Company. The provisions of the law would stand as they are as far as all other companies are concerned.

Hon. Mr. LANDRY—That fortifies my position. I am glad my hon. friend made that declaration. It gives the Bill its true character. Bourinot says :

> In the session of 1875 the premier, Mr. Mackenzie, moved for leave to introduce a public Bill to rearrange the capital of the Northern Railway of Canada to enable the said company to change the gauge of its railway and to provide for the lease of the government line or the road on federal conditions. Objection having been taken that some of the provisions affected private interests and altered the powers of the company on very material points the Speaker decided that the Bill ought to be withdrawn.

Separate Bills were subsequently passed by the House.

On page 734, we find that a new rule was adopted in the Canadian House of Commons in 1883. Bourinot writes as follows :

> But a Bill proposing to amend a public Act in the interests of certain persons will not be allowed to proceed as a public Bill.

That is precisely the case of the Bill presented to-day. Therefore, I ask the ruling of the chair on this Bill. It should not be proposed as a public Bill, and should not be allowed to be proceeded with as a public Bill. The Bill itself is for a certain class of persons, only those affected by a certain insurance company, and the declaration just made by the government gives the Bill its proper character.

Hon. Mr. SCOTT—I only made the remark as a suggestion to remove the impression from the mind of my hon. friend that it was of that character. If he takes the objection, then I will stand by the Bill as it is. The Bill, on its face, is a public Bill which applies to all companies similarly situated.

Hon. Mr. LANDRY—I took the exception before the hon. minister made his declaration, and that proves that in my opinion the Bill in question was a private Bill. Subsequently we have the declaration of the hon. minister giving the same feature to the Bill, and fortifying the position I took.

Hon. Mr. LANDRY.

Hon. Mr. GIBSON—Surely my hon. friend, the Secretary of State, does not intend to force this Bill through the House, when he knows that every insurance company in the Dominion of Canada, from one end of Canada to the other, have petitioned against this Bill going through, in its present state, making it a private Bill entirely. The other insurance companies will not recognize this Bill, as a public Bill, but a Bill in the interests of a company named in the Bill distinctly apart from all the other insurance companies. If the Bill is going through as a public Bill, surely the objections that have been sent to the government and to almost every member of this honourable body, should induce us to give them an opportunity of stating the opinions of insurance companies which are affected by the Bill.

Hon. Mr. SCOTT—That will come before the Committee on Banking and Commerce.

Hon. Sir MACKENZIE BOWELL—The question is one of order.

Hon. Mr. KERR (Toronto)—If the hon. gentleman would see his way to withdraw the poin of order I shall be glad, for I am not asking that the House should be committed to the principle of this Bill or to the method of its introduction as a public or private Bill ; the only object I have in view is that the rights and interests of those who are affected as policyholders in this country should be dealt with, not in a haphazard way, not merely as the result of a debate, which might become more or less heated according to the views of different members, but in a judicial way such as the Banking and Commerce Committee could deal with it. If that could be done, and he could see his way to withdraw his objection, I should be glad ; if not I should like to address a few words on the question of order. But I hope the hon. gentleman can see his way to accede to my request, in the interest of the people whom we are anxious to protect and serve. When the Bill goes to the Committee on Banking and Commerce they can come to the conclusion he now urges or they can determine the matter on its merits because, as my hon. friend will see by reference to Bourinot, at page 727 it is laid down as follows :

> Sometimes doubts may arise whether a Bill should be classed as public or private. Many

cases of this kind occurred in the practice of the old Canadian legislature, but the House generally allowed themselves to be guided by the decision of the committee to whom the Bill might be referred.

So that this committee with whom we propose to place it, would be able to determine, apart from the merits of the matter, whether the Bill was in the right form or whether it was one that ought to be dealt with as a private Bill. It is possible if that view prevailed with them they might see their way to make such an amendment in the Bill as would meet the case spoken of. As to the question of the other insurance companies, I should like to say a word.

Hon. Sir MACKENZIE BOWELL—That is not the point of order.

Hon. Mr. LANDRY—The hon. gentleman should stand to the point of order.

Hon. Mr. KERR (Toronto)—I think it is in perfect order, and that this is a public Bill. Let us see what the law is. The law is a general Act and deals with a branch of business. It is the Insurance Act which is being dealt with—a Bill to amend the Insurance Act. The nature of the amendment is another matter. That is one feature of it, but the Bill is one to amend the Insurance Act; it is to amend it with reference to what? With reference to a whole class of insurance, with reference to what companies? Not one company alone, but all companies who have, or might hereafter avail themselves of it. In dealing with this matter, in this particular way, a special enactment with reference to a company dealing with its affairs and its policies, would still leave the law in a form under which the same mistake might be repeated, and what is proposed here is that those who have taken advantage of the general provisions of the law shall be subject to the amending law which it is now proposed to enact. That has been done by one company. We know that it has been done by one, and it may have been availed of by other companies. I do not know whether it has or not, and, therefore, it seems to me that it is proper that it should be done by a general Bill. This is more or less a vexed question as to what is or what is not a private Bill—when a Bill ceases to be a public Bill and becomes one which is to be called a private Bill. There are a great many authorities which can be referred to on the subject. I have taken the trouble to look into them and it seems to me, in view of what I have just read, that the proper course is to leave it to the committee to whom the Bill may be referred to deal with it in this way. That is the plan adopted, as is stated here, in the old Houses of Canada before confederation. Bourinot states:

A committee has under such circumstances made some amendments to the Bill in order to obviate the difficulty and bring it under the category of a public or private Bill.

So that it would be open to the very committee to whom we propose to refer this measure hereafter to make such amendments as would deal with it in that way, and I have in my mind that if it be found that no other company has availed itself of the provisions of the Act of 1899, then an amendment could be made by the committee which would, in the words I have referred to, bring it within the category of a public or private Bill. So that in that way I think I may fairly claim that I am within my right in presenting this as a public Bill. At page 729 Bourinot states:

As a rule it may be stated that when Bills treat of matters of general policy.

And that is what we are dealing with here—we are dealing with all companies who may have taken advantage of the right given to them by the provisions of section 42a passed in 1899. Whenever a company has done that it is to be governed by this Act. Bourinot says that if it is a question of general policy, such as sanitary, police or commercial, then it may be considered of a public nature. In fact, all Bills affecting the general interest of the community—and what affects this community more than this question of insurance by one class of company or another, by one class of policy or another, so that the interests of the whole community are involved. Such measures are out of the category of private Bills dealing with the special interests of corporations or associations. I am not here dealing with the private interest of a corporation. I do not propose to be identified with anything of the kind. I am proposing to deal with interests at the other end of the business. I am proposing to deal with those who have in the past held policies and rights against com-

panies, and who have therefore got the right to come to parliament, which has placed the company in a position to do that business, first, by the operation of the Act of 1885, and afterwards by the Act of 1899, and ask that this section of the Act be repealed, except as to companies which may have already availed themselves of it and the policy-holders who have acquired rights under it. Bourinot says :

It is unusual to repeal or amend a public Act by a private Bill.

The only way this could be dealt with by a private Bill is by dealing directly with the case of a special company, and declaring that notwithstanding the general Act, all that have done business under such Act might have certain rights. That is surely not what is intended. In this country we have only two classes of Bills, public and private Bills, and, classifying them in that way, this is fairly to be determined and dealt with as a public Bill. It is well known that in England they have 'hybrid' Bills—Bills which are more or less public, but still private in their operations ; on the other hand, Bills which are more or less private, but still public in their operations, and those are dealt with as 'hybrid' Bills, not as other classes of Bills under the other classification. Under the circumstances, it seems to me I am within my right in presenting this as a public Bill.

Hon. Mr. BEIQUE—When we come to deal with the motion which will be presented, if it is presented, I will have to express my objections to the Bill as it appears before this House ; but with reference to the question of order which is raised, it seems to me that there is no ground for it, with all deference to the hon. gentleman who has made the objection. This Bill is surely a public Bill on its face. When, in 1899, the Insurance Act was amended, and section 42a was added to the Act, surely it was done by public Bill, and the Bill which is now before the House is of the very same nature. It deals, as was very properly said, not with one company, not any more with this Mutual Reserve Association than with any other company. It is a Bill which is intended to apply to all companies doing business under the assessment system, and that will be one of my objections on the merits of the Bill ; because, if we pass this Bill, it would enable other mutual companies to violate or change their conditions with their policy-holders without the consent of the insured. So that it is surely a public Bill. It does not affect this company more than any other company ; it affects all such companies, and it is to be on the statute-book until repealed.

Hon. Sir MACKENZIE BOWELL—I do not share the view taken by the two gentlemen who have just spoken, after reading the authorities laid down in the book. But, apart from that I would express my surprise at the statements made by the Secretary of State. If the government intend to amend this Bill, confining its provisions exclusively to this one company, then it becomes de facto a private Bill. That brings it at once within the meaning of Bourinot's declaration as to how public and private Bills shall be treated, and it confirms, to my mind, the correctness of the position taken by the hon. gentleman from Stadacona. Bourinot says :

A Bill proposing to amend a public Act——

Now this is to amend a public Act beyond a doubt.

A Bill proposing to amend a public Act in the interest of certain persons——

Now this is in the interest of a certain class of policy-holders. It does not say that it shall be confined to one particular company, but it is confined to assessment companies doing business, and, consequently, comes directly within the meaning of this language :

A Bill proposing to amend a public Act in the interest of certain persons shall not be allowed to proceed as a public Bill.

This Bill clearly is in the interest of certain persons, and the whole argument of my hon. friend who introduced the Bill, has been directed towards protecting a certain class of policy-holders in a certain assessment company. I admit that it is a Bill, which, upon the face of it, is for the purpose of amending a Bill which was introduced by the government, dealing with a question which the government alone should take the responsibility of dealing with. I intended to refer to that in any remarks which I should have made on the merits of the Bill itself, but at present I do not propose to do that. I do not know what the views of the Speaker may be, but what we

have to deal with now is whether this Bill is really introduced as a public Bill in the interest of a certain class of persons. My impression is that there are but one or two companies of this kind in addition to the one with which we are now dealing, doing business in Canada. We all know that this Bill is introduced in the interest of one company and not in the interest of the others. It is made an amendment to the General Insurance Act for the purpose of meeting this particular case. Whether there are any other companies or not I am not aware, but if there are time will demonstrate the fact that they will find themselves in the position this company has got itself into.

Hon. Mr. KERR (Toronto)—The hon. gentleman from Belleville has misapprehended the difference between the case we are dealing with now, and what he speaks of as the interest of certain persons. This is a general Bill introduced in the public interest. There are those who are interested as policy-holders of this company as well as in other companies which may have taken advantage of the Act.

Hon. Sir MACKENZIE BOWELL—It does not affect any but policy-holders.

Hon. Mr. KERR (Toronto)—On that same principle, no one could introduce as a public Bill, an amendment to the Joint Stock Companies Act, because people who are doing business under the Joint Stock Companies Act may have found it necessary that that Act should be amended. These are not the whole public, it is true, but people who are interested in joint stock companies are a very numerous portion of the public, and whatever affects them affects the public, just as whatever affects policy-holders interested in any insurance company interests the public. I would also remind him that only last session we had a Bill here introduced as a public measure to amend the Exchequer Court Act. That was done, not because the welfare of the people at large was concerned in it, except as they were interested in railways and other companies that were the subject of that special legislation. In determining the advisability of this law, I was illustrating the necessity of it by a case which is one that will be affected by it, and where there is a definite grievance to be redressed and a definite difficulty to be overcome ; but surely everybody is interested in the insurance law. Just consider for a moment ; supposing a private Bill were introduced with reference to a private company which has taken advantage of this Act and has applied to them the law as amended, the law would remain unamended as applied to other companies which took advantage of that Act, and we might go on getting into the same difficulty alleged in the particular case in question. What I propose to do is to amend the law here so as to provide in the case of every company which has taken advantage of the Act, or may take advantage of it—because it is still the law—that there shall be a definite remedy applied which shall secure to all policy-holders in any such company that which is fairly due to them. I illustrated this by reference to a special company, but I do not understand that the Bill is in any way limited to that particular company.

Hon. Mr. DAVID—There is no doubt that the Bill before us is a public Bill, because it is to amend a public Act. The statement made by the hon. Secretary of State cannot affect the nature of the Bill. Now, if a Bill which amends a public Act is a public Bill, it is not a private Bill merely because the amendment will affect a certain class. If you make an amendment to a public Act in the interest of the policy-holders, it generally affects a certain class of people, but that does not make it a private Bill. If the hon. member from Stadacona will allow me to make the remark ; what he does he must do in the interest of the policy-holders. Everything he has said and done so far shows his good feeling towards the policy-holders. If his objection was well taken, what would be the affect of the Speaker's decision ? Would it not be injurious to those in whom he takes such an interest ? If he succeeds in preventing this Bill from passing, what will be the affect ? Will not the policy-holders be deprived of the only chance they may have this session of a remedy for their grievances ? If a Bill is sent to the Committee on Banking and Commerce, I know that that committee which is a strong committee, will do what is necessary to make it as good as possible for the policy-holders. If the Bill, becomes a private Bill, what

will be the consequence ? Will this House be in a position to pass it as a private Bill ? I think under the circumstances the hon. gentleman had better withdraw his objection if he is so deeply interested in the policy-holders.

Hon. Mr. BEIQUE—I wish to show that this Bill is altogether germane to section 42a of the Insurance Act which was introduced in 1899. It is so germane that it would have been a proper provision to have added to that section as a subsection. The first clause of the Bill says :

> 42b. Any company to which section 42b of this Act applies and which has complied with the provisions of that section, shall be entitled to obtain a license under section 4 of this Act, which license shall enable the company to enter in Canada into contracts of life insurance with fixed and definite premiums, and shall, except as hereinafter provided, from the date of the said license, possess and enjoy all the rights and powers and be subject to all the liabilities enacted by this Act with respect to life insurance companies licensed under section 4 of this Act.

Then it goes on to say : 'For the purposes of this section the expression assessment premium means the average amount, &c.' There is nothing in this Bill which shows on the face of it that it applies to any particular company. It is merely by chance that the Bill may affect one company more than all other companies ; but, as a matter of fact, it would affect all insurance companies doing business on the assessment plan, and for my part when I saw the Bill I asked the superintendent of insurance : 'I understand you approve of the principle of this Bill, but are you taking into consideration that if passed in its present shape it will allow a number of other insurance companies who are doing business under the assessment plan to change their obligations towards their policy-holders ?' His answer was that he approved of the principle of the Bill, but that the Bill would have to be amended considerably before it would be in an acceptable form. As far as the question of order is concerned, it seems to me that this is a public Bill. Even if applied only to a company it can be considered as a public Bill. Subject to correction my present impression is that if the Bill had for its object to come to the rescue of an insurance company, whether the Mutual Reserve or any other, it would be a private Bill ; but, if it has for its object to come to the rescue of all policy-holders of that company who are not stockholders, it at once changes its character. This very company has been dealing with over $22,000,000 of insurance and a very large number of people are interested. It has been stated that they have been robbed right and left by the managers of this company, that their money has been taken to the United States and squandered without scruple. Will it be denied that under such circumstances it would be in the power of parliament to pass a Bill, which would be a public measure I think, for the purpose of coming to the rescue of this large class of the community, whose interests are at stake to a very large extent. It seems to me that it would still be a public Bill, because it would not have for its purpose the protection of the interest of a corporation, but the protection of the interest of many persons who have been connected with that corporation. But that is not the question before this honourable House. The question is whether the Bill should be regarded as a public Bill or a private Bill.

Hon. Mr. LANDRY—I may say a word in addition to what has been stated by my hon. friend. The authority cited just now will be my answer. The hon. member who has just spoken, said that it must be a public Bill because it concerns a whole class, not only the policy-holders of the Mutual Reserve Life Association, but the whole class comprised in the assessment plan. If the hon. gentleman will look at Bourinot, page 728, he will find that in the session of 1865 a Bill was brought up from the legislative council, the object of which was to enable the church societies and the incorporated synods of the Church of England diocese in Canada, to sell all the rectoral land in that diocese. That was to deal with the whole of them. The objection was taken that the Bill was private in its character, and that it ought to have been introduced on petition. The Speaker decided against the Bill, and consequently no progress was made. The hon. gentleman from Toronto said that this Bill might be referred back, and he asked to have it referred back to the Committee on Banking and Commerce. Why ? If it is a public Bill there is no need

of that, but he wants it to be referred to the Standing Committee on Banking and Commerce because there are private interests involved and he wants to hear from those people. He asserts himself, by that remark, that this Bill is of a private nature, and I say it ought to have come in as a private Bill. It may be a hybrid Bill, but if so it should go through all the stages of a private Bill.

Hon. Mr. WATSON—This House has signified its willingness to appoint a special committee to investigate the operations of an insurance company as they affect a great many people in Canada. The House having admitted that these grievances should be investigated, they should be reached by legislation. You could not deal with them by a private Bill because the company would object to changing their own regulations, and they would not do that I suppose. If you deal with them at all it must be by a public Bill which will interfere with the operations of that company under its charter. It appears to me the only way to reach that company, and redress the grievances of its policy-holders, is by the introduction of a public Bill which will reach this company doing business in Canada. I am informed that they are licensed to do business in Canada under a public Act, and this Bill is a public measure because it interferes with some of the privileges the company possess under that Act. It appears to me if they are to be brought before parliament at all, it must necessarily be under a public Bill, because these gentlemen are not going to apply for a private Bill and they are the only ones who could do so under their charter.

Hon. Mr. McMULLEN—The further we go in the discussion on the point of order, the more clearly it appears that the objection of the hon. member from Stadacona is well taken. He has very plainly set out his ground. The hon. senator from Montreal says that if the Bill of 1899 was a public Bill this must also be a public Bill. The Bill of 1899 was general in its character, although it was introduced and passed at the urgent request of this very company. Still it was so framed that any assessment company could have taken advantage of it; but what is this Bill for? This Bill is to deal with a specific company.

Hon. Mr. KERR (Toronto)—No.

Hon. Mr. McMULLEN—Yes, it is in the form of a public Bill providing for all assessment companies, but the hon. Secretary of State has clearly indicated that it is to apply to a specific number of people in this country who hold policies in the Mutual Reserve Life Association. That is what the Bill is for, and therefore in its character, its application and effect it is a private Bill to deal with a certain number of individuals privately, and all other persons are excluded. No one will come under the operation of this Bill unless he holds a policy in the Mutual Reserve Life Association. The Bill is, therefore, private in its character. In my humble opinion the point is well taken, and I think the decision should be that the Bill ought to be introduced as a private measure.

Hon. Mr. WATSON—I should like to ask the hon. member from Wellington how it could be possible to introduce a private Bill to interfere with the operations of this company.

Hon. Sir MACKENZIE BOWELL—It is very easy to answer that. All they have to do is to introduce a private Bill and it will accomplish the same thing.

Hon. Mr. SCOTT—But the company will not introduce the Bill.

Hon. Sir MACKENZIE BOWELL—I admit that, but some member might introduce the Bill on behalf of the company.

Hon. Mr. SCOTT—No, they could not do it.

Hon. Sir MACKENZIE BOWELL—Why.

Hon. Mr. SCOTT—Parliament would not accept it.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman said himself that he would amend this Bill so as to confine it to this company.

The SPEAKER—I have had no notice that this question was to be raised. If I had had notice I should be better prepared to deal with it.

Hon. Sir MACKENZIE BOWELL—You can reserve your decision until to-morrow.

The SPEAKER—The first thing is to look at the Bill itself. The Bill is, on the face

of it, a public Bill. It proposes to amend a public Act. The first clause says :

1. The Insurance Act, being chapter 124 of the revised statutes of Canada, is hereby amended by inserting therein immediately after section 42a the following section as section 42b.

Then the Bill goes on, not to deal with any particular company, but to deal with all companies which come under section 42a, so that on the face of the Bill it is a public Bill. Then is there any reason for thinking that it is not a public Bill ? I must confess that some reason has been given for thinking so. The statement made by the hon. Secretary of State did certainly indicate that the Bill, although apparently a public Bill, was not in fact a public Bill, but was intended to affect just one company. However, the Bill is not a government Bill; and, further, is not in charge of the Secretary of State and, consequently, his declaration would not bind the House. The hon. gentleman in charge of the Bill did not assume the same attitude as the hon. Secretary of State, so we have to deal with the Bill itself on its face, and on its face it is a public Bill. I may be allowed to say a word or two on some of the authorities which have been cited. I am quite prepared to recognize the fact that the hon. gentleman from Stadacona made a very good case on behalf of the point which he raised. One of the cases to which the hon. gentleman referred is to be found at page 728 of the last edition of Bourinot. That was a Bill with respect to certain churches, which came up in the legislative council of old Canada in 1865. It was an Act respecting certain church societies and the incorporated synods of the Church of England dioceses in Canada, to enable them to sell the rectorial lands in those dioceses. These church societies have always been dealt with as private corporations. Bourinot goes on to say :

All Bills respecting synods and religious corporations are considered private Bills since 1867.

I know in the province from which I come they were considered private Bills before that, and in old Canada they were apparently so regarded ; so that the case is not so strong as it might appear. Another case which the hon. gentleman cited was one referred to at page 734 of the same volume. It is as follows :—

But a Bill proposing to amend a public Act in the interest of certain persons will not be allowed to proceed as a public Bill.

When reading that it struck me as a rather broad statement, and I have referred to the case in question. That case came up in the session of 1883. It was with respect to claims to lands in Manitoba. The right hon. gentleman who led the government then, said the Bill was a private Bill, and the gentleman in charge of the measure in the House of Commons did not attempt to contest that statement. On referring to the Act which was proposed to be amended by that Bill, I find that the Bill was intended to confirm the titles to certain lands granted by the Hudson's Bay Company. That is a different case altogether from the one before us. The granting of lands by the Hudson's Bay Company was an Act of a much more private character than the one now before us. There is this about it, that technical rules are sometimes used to protect the public interest and private interests too, but I do not think they should be strained for the purpose of hindering parliament from granting relief to persons who suffer. I find at page 730 Bourinot says that in 1885 the government took charge of two Bills. One was a Bill referring to the Commercial Bank of Windsor, and the other to the Bank of British Columbia. This was applying a general Act to individual cases. They were referred to the Committee on Banking and Commerce before consideration in Committee of the Whole and that I understand is the course proposed to be pursued in reference to this Bill. Bourinot says :

Whenever public Bills involve private interests which should be carefully guarded they are subjected to the same examination provided for private Bills.

I think I should be straining the technicalities too far to hold that this was not a public Bill, and then again I do not see that any harm can come of having the measure go to the committee.

Hon. Sir MACKENZIE BOWELL—That is not a reason.

The SPEAKER—The hon. gentleman will excuse me, it is a reason why the rule should not be strained. That should be considered —it always is. Other passages might be cited from Bourinot. It has been stated that the committee can deal with the matter

so as to remove any objection. The committee may report that the Bill shall apply only to one company and then it will be for the Senate to decide whether or not they will act on the report of the committee. If I were to maintain this point of order I should take the whole question out of the power of the Senate, and unless a very clear case were made I should not be justified in doing that. I therefore rule that the question of order is not well raised.

Hon. Mr. BEIQUE—I have given some attention to this Bill because of the interest involved, and because I have been communicated with by quite a large number of interested parties both in Montreal and outside of Montreal, parties who hold or have held insurance with that company and whose policies have been allowed to lapse. As I had occasion to say a few minutes ago, if we consult the records of this company we find some $22,000,000 insurance involved in this enterprise, and I refer merely to the Canadian policy-holders. Therefore it shows at once that it is a question of very large interest, which should be examined with the utmost care by this honourable House. As I am at present advised, if the company, whether represented by its present management or by its old management, was coming to ask for relief, I do not think they would be entitled to any relief. But I think it is our duty to try to come to the relief of the Canadian policy-holders, and if we fail to find means to do it I am quite sure that their interests will be sacrificed. A large number have grown old enough to make it prohibitive for them to now take an insurance with other companies, and it is a very serious matter for them. A large number of them have allowed their policies to lapse, because the assessments became prohibitive, and they were unable, in reason, to respond to the assessments that were made against them. Our object, as I understand the question, should be three-fold. It should be first to devise the means, if possible, of recovering for the Canadian policy-holders all the money that they have paid, except a fair proportion to cover charges of expenses of administration. Our second object should be to revive, if possible, on fair terms, all policies which have been allowed to lapse for non-payment of assessments, because the assessment had become prohibitive ; and our third object would be to convert the policies from the assessment plan to the level premium plan. These I take to be the three objects of this Bill, and if they can be achieved we would safe-guard and we would protect the interests of all parties who have dealt with that company, and I think all means towards that end should be exhausted. I may be over sanguine, but I am under the impression that we can do that, and at any rate we can ascertain if the company cannot be made to accept those provisions to achieve these objects. The great trouble arose because that company carried their operations on the assessment plan. It is well known that United States companies doing insurance business on the level premium plan are affording as good, even better protection, to the parties dealing with them, than our Canadian companies, because United States companies are obliged to make a deposit sufficient to cover all the risks involved, sufficient to provide for all the insured being reinsured at a given moment if the company were to fail. This provision affects United States companies, and in the States they have a like provision affecting all Canadian companies doing business there. Therefore, it shows the advisability, if it is possible, of converting the policies issued on the old plan into the level premium plan or regular system of insurance. If a vote were to be taken on this Bill in its present shape, I declare that for my part I would vote against it. I would vote against the Bill, first because it would affect all companies which are doing business under the assessment plan and it would permit them to change the conditions of their contracts with the parties who have dealt with them. The second reason why I would vote against the Bill would be because it would not afford sufficient relief, because as the Bill, as framed, does not tend to redeem for the Canadian policy-holders the money that they have paid, and which has been taken to the States ; the third reason is, because the Bill, as framed, affords no relief to some fourteen millions of policies which have been allowed to lapse because the assessments had become prohibitive. One of the parties who have written to me is the Hon. J. Hall, a barrister of very high standing, lately of Montreal, but now residing in Calgary. I have been in pos-

session of all the correspondence he has had with the company, and I can appreciate, from having read that correspondence, how it became unreasonable for the parties who were insured to continue to pay their assessments. They were told that if they paid the first assessment that it would be a final assessment, that no other assessment would be demanded, but a second assessment, which was prohibitive, was made against them, and a large number of the parties who were insured with that company had to allow their policies to lapse. Well, to my mind it amounts to confiscation, and it is our duty to use all the means at our disposal to obtain relief for the parties who have dealt with that company. I agree with the suggestion of the hon. gentleman from Toronto that the best way would be to send the Bill to the Committee on Banking and Commerce. It should be accompanied with an expression of opinion in the direction that I have mentioned, especially for the purpose of preventing this Bill being made applicable to all the companies. I think that means will be found, when the Bill is in committee to amend it in such a way that it will remain a public Bill, and that nevertheless it will not affect other companies operating under the assessment system. I think that before this session comes to an end we should pass another Bill amending the Insurance Act applying to all companies, for the purpose of preventing the law being abused as it has been in this case. But this, to my mind, would have to be done by a separate Bill, while the object of the Bill in question should be directed as much as possible towards giving relief to all parties who have dealt with this particular company. Of course, in coming to the rescue of the several classes of persons who have dealt with the company, means would have to be found to do so on fair terms to all. This should be a matter of serious study in the committee to which the Bill is referred, and I have strong hopes that the object may be achieved. For these reasons, and without accepting the principle of the Bill, I would be in favour of the motion for the second reading and of its reference to the Committee on Banking and Commerce.

Hon. Sir MACKENZIE BOWELL—To my mind the suggestions made by the hon. gentleman who has just spoken are altogether impracticable, and I think that a moment's reflection will show him that that is the fact. However, I will endeavour to deal with that question as shortly as possible after making some other remarks. In the first place I think it is a vicious principle—that may be a strong word, but not too strong for the occasion—to attach to a general Act upon the statute-book an amendment of this character, for the reason that it places, as the hon. gentleman from de Salaberry has just pointed out, all assessment companies in the same position, or rather places them in a position by which they can close that portion of their business whenever they think proper to do so. The Insurance Act, and particularly that Act which applies exclusively to life insurance, has been in the past under the sole control and responsibility of the government of the day.

Hon. Mr. LANDRY—Hear, hear.

Hon. Sir MACKENZIE BOWELL—And why the government should upon an important question of this kind allow a private individual to deal with the subject I cannot readily understand. We all know that the business of life insurance is based upon scientific principles, after mature consideration for centuries, I might almost say, certainly for many many decades, upon principles that have been arrived at as safe to the companies and to the individuals, by those who have devoted themselves to actuarial studies. The action of the government, I think, should be, if the House will permit me to say, instead of adding to the difficulties which at present arise, to repeal that clause which is now upon the statute-book permitting assessment companies to carry on business in the manner in which it has been carried on by this company with which we are now dealing. I have, like my hon. friend, received a great many letters from different parts of the country asking my opinion as to what they should do. They have sent me a circular which has been distributed by the vice-president of the company to policy-holders asking them whether they approve of the Bill itself and asking them to notify the company which class of the three they should accept. I frankly confess that in my answer to these friends who have written me I was unable to advise. I

recommended one friend to write to the company and ask them what position he would be placed in by accepting any one of the policies. I put the case to him in this way : Supposing you are insured for $1,000, and you have been paying insurance for the last eight or ten years or longer, ask the company what position you would be in if you accept the first, second or third proposition, and when you get an answer to that you will be enabled to judge for yourself which course to pursue. It is only by placing before the policy-holder the results which would follow either one of the three propositions that he would be enabled to judge as to whether it would be advisable to drop his policy altogether or to continue paying his assessments upon it. The hon. Secretary of State, in his remarks upon this matter, when it was before the House on a previous occasion, made a most extraordinary statement. He said that the parties who accepted this mode of insurance adopted the gambling principle. Now, if there is any gambling principle about it, it must be upon the part of the company itself and not of the individual. How many widows are there, I know many—who have been inveigled into taking a policy of this character by the agents, on the pretense that it was a cheaper system than the regular system, and they pointed out hundreds and thousands of people who had taken insurance of this character because of the great advantages it offered. The parties who insured under this system never thought of entering into a gambling arrangement. If there were any gambling at all it must have been upon the part of the agent or the company, and not on the part of the party who paid his money and accepted the policy, and for that reason I think the remark of the hon. gentleman was altogether uncalled for, and not applicable at all to the parties who took out policies. My hon. friend who has just spoken suggested the idea that parties whose policies had lapsed should be protected, and that parliament should pass an Act compelling the association to recognize the rights of the individuals who have paid large amounts of money into the coffers of the company, but who on account of the excessive assessments which had been made, allowed their policies to lapse. How far would that be just to the company ? We are told that this company has had in Canada between $28,000,000 and $30,000,000 in policies.

Hon. Mr. DOMVILLE—$46,000,000.

Hon. Mr. McMILLAN—How much is there now ?

Hon. Mr. DOMVILLE—$8,000,000.

Hon. Sir MACKENZIE BOWELL—However, that makes no difference in my argument; it only makes my argument still stronger. Would this parliament be justified in passing an Act compelling the company to recognize the rights, if they have any—and I do not think they have—of those who have allowed their policies to lapse ? They took out an insurance policy under certain terms and certain regulations, and these terms and regulations were, in part, to pay each assessment to meet the death rates which might occur during the time their policy was in existence. Another rule and regulation under which they took the policy was that if they failed to pay the assessments which were made upon them then their policies would be null and void. Now, that is a fair bargain, and can any scheme be devised by which the company could, under the circumstances, be asked to recognize a claim on a policy that had been allowed to lapse ? The individual who took the policy might have been inveigled into it and innocently accepted the policy, and, under the regulations, subsequently found it was impossible for him to meet assessments which were made upon him and therefore, allowed his policy to drop. Under the regulations and rules governing the company his rights would cease when the payment was not met. The system itself was wrong, and all such companies should be compelled to wind up as soon as they could and as equitably as they could.

Hon. Mr. KERR (Toronto)—Does the hon. leader of the opposition say that the assessment system is wrong ?

Hon. Sir MACKENZIE BOWELL—The assessment system, as practised, I believe to be wrong and has resulted in the past and will result in the future in the same difficulty as this company has. We are told that in 1885 the government of the day amended the Insurance Act, which is quite correct, and allowed this system to be carried on under certain circumstances and conditions. We have also been told that

that law compels the assessment companies to cease doing business upon the assessment principle. That was the position taken by the representatives of the company, and was represented as being the fact. Now, if you examine the law you will find it is not correct. The law makes provision that if a company desires to retire from that class of business they can do so by giving certain notice to the government, and after having given that notice that character of business must cease. This company did that, and ceased to do business upon the assessment plan, and consequently it left all the people who held policies under that system in the position which has been strongly pointed out by the hon. gentleman who introduced this Bill. That is, failing to continue to accept new policies upon the assessment principle, it imposes on those who still continue in that class of insurance the onus of having to pay the enormous assessments which have been imposed upon them, and the longer that condition exists and the greater the number of deaths that occur, just so in proportion will the assessments have to be increased, and there is where I agree with the principle of the Bill, so far as it relates to that particular point. I asked the question of the representative of the company the other day, what is to be the effect of non-acceptance—providing the Bill becomes law—upon those who still hold their policies ? Well, he said they will have to pay an enormous sum and be wiped out of existence.

Hon. Mr. DOMVILLE—Hear, hear.

Hon. Sir MACKENZIE BOWELL—They say that boldly, and it must necessarily result in that. Hence I do not object to that principle of the Bill, providing for granting a new policy commensurate with the amount that they have paid in, and if that can be extended to those whose policies have lapsed so much the better.

Hon. Mr. KERR (Toronto)—What would become of these policies ? Who would have to pay these extraordinary assessments ?

Hon. Sir MACKENZIE BOWELL—I have stated that already, and the hon. gentleman has not listened to me. I say the result would be that they would have to continue to pay enormous assessments or drop out altogether, and when they all died, except the last one, I suppose he would have to pay his own policy.

Hon. Mr. DAVID—We have dropped enough ; we do not want to drop any more.

Hon. Sir MACKENZIE BOWELL—I agree with that, but that will be the result of continuing the policy under the law as it is on the statute-book, but as this is to affect a private company alone, and only one, it would be a private Bill. The statement made by the hon. Secretary of State that they intended to confine its operation to one company takes this Bill at once from the category of public Bills and places it in the category of private Bills, and by allowing that—I do not desire to say it is an attempt at sharp practice, but we might continue to introduce Bills of that kind and thereby relieve parties affected by it of paying the fee necessary to obtain a private bill. That would really be the result of the suggestion of my hon. friend. I desire also to call attention to the statement made by the hon. gentleman from Toronto when he introduced the Bill, as to the statement alleged to have been made by Mr. Wells. I had never seen the report and I must confess I was somewhat staggered when he read a part of the report in which it is stated that Mr. Wells had spent $10,000 in purchasing—I suppose I may use that expression—or in influencing the members of parliament and the members of the government. Knowing that I was not only a member of parliament but a member of the government and also a member of the treasury board which has to deal with all these questions, I was naturally anxious to know what the facts were. I think any one who listened to the remarks of the hon. gentleman and who will read the official report as it appears upon what is termed the 'Hansard' must come to the conclusion, that he, I will not say intentionally, led the House to believe that Mr. Wells had made this statement in an affidavit which he had made during an investigation which took place by the Insurance Department in the State of New York. On looking at the report I find that is not the case.

Hon. Mr. KERR (Toronto)—I rise to a point of order. I made no statement about

an affidavit and what I stated is reported definitely. I said :

It is reported by the Insurance Department in their report as follows——

And I stated exactly what it was and quoted the language.

Hon. Sir MACKENZIE BOWELL—I know that and I intended to read it. I do not accuse the hon. gentleman of intentionally misleading the House, but I do say that if the hon. gentleman had been fair he would have said that that statement was in the affidavit made by the vice-president of the company in retailing a conversation that he says took place with Mr. Wells, and that it is not a part of the report as coming from the insurance department by Mr Vanderpoel. In making this report to the insurance department of the State of New York, Mr. Vanderpoel incorporates in his report an affidavit made by Mr. Eldridge, the vice-president of the company, in which he purports. I do not say he is telling the truth or he is not telling the truth—to retail a conversation which he had with Mr. Wells in connection with the claims he had against the company. Let us hear Wells' version of that matter—and that is why I was anxious this investigation should take place—when we will ascertain whether Mr. Wells confirms the statement made by Mr. Eldridge, and the interpretation which Mr. Eldridge puts upon his language if he ever used it. I place myself in the judgment of those who listened to the remarks of the hon. gentleman, whether any such impression as that which I have indicated was given by the hon. gentleman, when he made that statement ; the impression made upon the House was that Mr. Wells had made an affidavit stating that he had spent $10,000 in securing that legislation.

Hon. Mr. KERR—I made no statement of that kind and left no such impression.

Hon. Sir MACKENZIE BOWELL—I did not say that the hon. gentleman did. I am not complaining so much of what the hon. gentleman said, but what he left unsaid.

Hon. Mr. KERR—And I made no suggestion of anything of the kind. What I said appears in this report.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman states that he left no such impression. I am afraid he is as reckless in that, as he was unfair in the manner in which he made the statement before. I venture to say there are dozens in the House to-day who will rise and verify the statement I have made that the impression left upon their minds, whether intentionally or not, was that which I indicated.

Hon. Mr. LANDRY—Hear, hear.

Hon. Sir MACKENZIE BOWELL—Can the hon. gentleman have a better evidence of that than the conversation he had with the hon. member from DeLorimier when we discussed the question the other day, before I had seen this report, whether it was possible to get Mr. Wells' affidavit, and the hon. gentleman was present and we then said if it is possible to get that affidavit let us get it in order that we may investigate the charges which he has made. I think, in all fairness, the hon. gentleman might have said that 'that statement was made by Mr. Eldridge as having been made by Mr. Wells' and not have left the impression upon my mind and also on the mind of the hon. gentleman from DeLorimier, because we both took that view of it, and in conversation with the hon. gentleman himself we suggested the propriety of getting this document, if we could, in order to fasten upon Mr. Wells what I declare to be a slander not only upon the members of the government and the House but every member of the treasury board.

Hon. Mr. KERR (Toronto)—I do not think the hon. gentleman wants to do me any injustice about this matter. When I was asked about it, instead of making the statement, what I said was that I would put in your hands a copy of the report I read from.

Hon. Sir MACKENZIE BOWELL—Certainly. What I am explaining is that the hon. gentleman did not state who the party was that made this statement. That is what I am complaining of, and I said in making that complaint, that the hon. gentleman left the impression upon the House and those who listened to him that it was Mr. Wells that made this statement under oath during this investigation. I may have been in error, but I have spoken to one or two gentlemen since without calling their attention to it afterwards, and have asked them what they understood by the speech of the hon. gen-

tleman, and they took the same view as I did.

Hon. Mr. KERR—I do not want to interrupt, but I do not want to be misunderstood or have any implication made about what I stated. I will read from the shorthand report of the debate and I will ask the hon. gentleman to do me the justice of saying that I am correct. The report of my remarks reads as follows :

I have here the account that was given of the investigation and of the interview with Mr. Wells respecting that.

And then I read the account of that interview with Mr. Wells as reported in that case. I did not say Wells had made an affidavit or who had made it. I gave an account of the evidence that was given as to that statement, and that is the statement and there is no question Wells made that statement in conversation, if that evidence is true.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman is begging the question altogether. I did not accuse him of stating it. What I say is that he ought to have stated the source from which he got his information.

Hon. Mr. KERR—I did—the report.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman did read from the report, but the House must understand that he did not tell us that this statement was made by the vice-president of this very company. Had that been done we would have understood it and the impression would not have been left upon the minds of the members who listened to his speech that this statement had been made by Mr. Wells under oath during the investigation. That is what I complain of. I did not say that the hon. gentleman stated it was under oath ; neither can he draw the inference from what I have already said that I made any such statement. I am not a lawyer, in the habit of cross-questioning or brow-beating witnesses, and consequently I must let the hon. gentleman understand distinctly that I do not desire to impute to him an intention to mislead. I say he did mislead by the manner in which he dealt with the question and I think it was extremely unfair ; and if this man Wells ever comes here I shall endeavour, for my own justification and for the justification of the government of which I was then a member, and I think in justice to members of parliament who are impugned by the statement of Mr. Eldridge, to find out who those parties relly were. I understood the hon. gentleman from de Salaberry to say that parliament should not take steps to interfere in this matter and that the companies were not entitled to any relief. If this Bill had for its object the relieving of the company of any of its responsibilities to the shareholders, I would give it my most strenuous opposition, but I understand the object of the Bill whatever the principle of it may be, is to give some relief to those policy-holders whose policies are still in existence, and if that can be done by any means—I think it ought to be done by a private Bill—every member of the Senate would lend his aid to relieve them. It is not relieving the company, as I have already pointed out. The assured accepted the policies under certain rules, regulations and by-laws. If the policy-holders, through excess of assessments were obliged to cease payment, and thereby lose the advantages they expected to accrue to their families at their death, and if we can come to their relief by passing a law enabling the company to give to each policy-holder a regular policy which would cover the amount that they have paid and continue their payments as in the regular life companies, I think it is our duty to do it. That is not relieving the company, because, if we refuse that concession, then the company will continue and each policy-holder that exists now will be obliged, through excessive assessments, to cease paying and will be wiped out and the whole amount of receipts upon the policies covering $48,000,000 will be left in the hands of the company without any relief whatever to the policy-holders. I think it would be a great mistake, and it would be the duty if the Bill goes to the committee—and I do not object to that because it is the best way to try and accomplish the object we all have in view—it will be the duty of the committee to make such regulations as will be equitable to the policy-holders, without any concern whatever for the company. If the charges

which have been made on the floor of this House be sustained by the committee appointed to investigate the affairs of the company, then I take it to be the duty of the government to cancel the company's license at the earliest possible moment. I go further; in order to prevent difficulties in the future, I trust the government will take the responsibility upon itself of repealing that section in the present Act which allows this class of insurance to be carried on. I hold in my hand a copy of the 'Economist,' a publication which deals exclusively with this question, and any one who has received this last number will find facts and figures given in reference to a number of these companies, showing that they are all dwindling down, and the unfortunate policy-holders are gradually dropping out, until millions are dropping down to thousands, and the result will be in a very short time that the whole of them will be wiped out of existence. The sooner parliament sets its face against that class of insurance, the better it will be for the public.

Hon. Mr. McMULLEN moved the adjournment of the debate.

The motion was agreed to.

THIRD READINGS.

Bill (22) An Act to incorporate the Brantford and Hamilton Railway Company.—(Hon. Mr. McHugh).

Bill (28) An Act respecting the Temiscouata Railway Company.—(Hon. Sir Alphonse Pelletier).

Bill (30) An Act respecting the Guelph Junction Railway Company.—(Hon. Mr. McMullen).

Bill (31) An Act to incorporate the Guelph and Goderich Railway Company.—(Hon. Mr. McMullen).

Bill (32) An Act to incorporate the Walkerton and Lucknow Railway Company.—(Hon. Mr. McMullen).

Bill (43) An Act respecting the Quebec and Lake Huron Railway Company.—(Hon. Sir Alphonse Pelletier).

Bill (47) An Act respecting the Kootenay Central Railway Company.—(Hon. Mr. Templeman).

Bill (49) An Act respecting the James' Bay Railway Company.—(Hon. Mr. McHugh).

Bill (53) An Act respecting the North American Telegraph Company.—(Hon. Mr. Gibson).

Bill (64) An Act respecting the Strait of Canso Bridge Company.—(Hon. Mr. Church).

Bill (66) An Act respecting the Pacific, Northern and Omineca Railway Company.—(Hon. Mr. Baker).

Bill (40) An Act respecting the Canadian Pacific Railway Company.—(Hon. Mr. Young).

Bill (46) An Act to incorporate the Boundary, Kamloops and Cariboo Central Railway Company.—(Hon. Mr. Watson).

Bill (63) An Act respecting the Edmonton and Slave Lake Railway Company.—(Hon. Mr. Poirier).

SECOND READINGS.

Bill (85) An Act to incorporate the Alberta Railway and Irrigation Company, and to provide for the amalgamation therewith of the Alberta Railway and Coal Company, the Canadian Northwest Irrigation Company, and the St. Mary's River Railway Company.—(Hon. Mr. Lougheed).

Bill (91) An Act respecting the Toronto and Hamilton Railway Company.—(Hon. Mr. McMullen).

Bill (94) An Act respecting the Timagami Railway Company.—(Hon. Mr. Edwards).

Bill (105) An Act respecting the Lake Erie and Detroit River Railway Company.—(Hon. Mr. Casgrain, Windsor).

The Senate adjourned until to-morrow.

THE SENATE.

Ottawa, Friday, June 3, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

THIRD READINGS.

The following Bills reported from the Committee on Railways, Telegraphs and Harbours were read a third time and passed under suspension of the rule.

Bill (62) An Act respecting the Welland and Grand Island Bridge Company.—(Hon. Mr. Coffee.)

Bill (71) An Act respecting the Ottawa, Brockville and St. Lawrence Railway Company.—(Hon. Mr. Legris.)

Bill (55) An Act respecting the Canadian Northern Railway Company.—(Hon. Mr. Watson.)

Bill (52) An Act respecting the Manitoba and Keewatin Railway Company.—(Hon. Mr. Watson.)

Bill (50) An Act to incorporate the St. Maurice Valley Railway Company.—(Hon. Mr. Legris.)

Bill (83) An Act respecting the Nepigon Railway Company.—(Hon. Mr. McMullen.)

Bill (85) An Act to incorporate the Alberta Railway and Irrigation Company and to provide for the amalgamation therewith of the Alberta Railway and Coal Company, the Canadian Northwest Irrigation Company and the St. Mary's River Railway Company. —(Hon. Mr. Lougheed.)

BILLS INTRODUCED.

Bill (34) An Act respecting the Grand Trunk Pacific Railway Company.—(Hon. Mr. Dandurand.)

Bill (82) An Act respecting the Essex Terminal Railway Company.—(Hon. Mr. Casgrain, Windsor.)

Bill (86) An Act to amend the Criminal Code, 1892, respecting the punishment of fraudulent debtors.—(Hon. Mr. Béique.)

THIRD READINGS.

Bill (33) An Act respecting the Vancouver, Victoria and Eastern Railway and Navigation Company.—(Hon. Mr. Templeman.)

Bill (24) An Act respecting the Canadian Fire Insurance Company.—(Hon. Mr. Lougheed.)

SECOND READINGS.

Bill (44) An Act respecting the Berlin, Waterloo, Wellesley and Lake Huron Railway Company.—(Hon. Mr. Merner.)

Bill (51) An Act to incorporate the Okotoks and High River Lumbering and Development Company.—(Hon. Mr. Lougheed.)

Bill (92) An Act respecting certain Patents of William A. Damen.—(Hon. Mr. Kerr, Cobourg.)

Bill (61) An Act to incorporate the Thorold and Lake Erie Railway Company.—(Hon. Mr. Domville.)

Bill (96) An Act to incorporate the Crawford Bay and St. Mary's Railway Company. —(Hon. Mr. Templeman.)

Bill (48) An Act respecting the Nicola, Kamloops and Similkameen Coal and Railway Company.—(Hon. Mr. Macdonald, B.C.)

Bill (77) An Act respecting the Hamilton, Grimsby and Beamsville Electric Railway Company.—(Hon. Mr. Macdonald, B.C.)

Bill (67) An Act respecting the Ontario Accident Insurance Company.—(Hon. Sir Mackenzie Bowell.)

The Senate adjourned until Monday next.

THE SENATE.

Ottawa, Monday, June 6, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

INSPECTION OF IMMIGRANTS.

Hon. Mr. ROBERTSON—Before the Orders of the Day are called I wish to bring to the notice of the government an article in this morning's 'Citizen' which reads as follows :

DEPORTING PHYSICAL WRECKS.

Quebec, June 4,—Dr. Bryce, medical commissioner of the Department of Interior, has arrived in the city to inspect the medical branch of the immigration department in this city. This morning he visited the new house of detention at Savard park and examined the numerous cases of trachoma confined there for treatment. One immigrant named Dorish Rus, adjudged insane, who came out in the SS. 'Tunisian,' will be returned to England this evening on the same vessel, as well as twenty-five, at least, of the Syrian immigrants out of the forty-five detained among the passengers that came to the port by the French steamer 'Malou,' when she leaves for her return trip to France. A conference is to take place today at the hospital between Drs. Bryce, Howe, Potvin and Gauthier, after an examination of the trachoma parties, when it will be decided now many of them will be deported.

What I wish to ask is, what is the reason that those patients effected with such an abominable disease as trachoma are allowed to come across the ocean at all ? Why is there not an inspection before they come on board the steamers, and why are they not kept on the other side of the Atlantic ? Their associating with other immigrants coming across on the same steamer is pro-

bably the source of a good deal of danger. I think the government should provide means by which they should be prevented from coming across the Atlantic at all, which would also save the expense of returning them again.

Hon. Mr. SCOTT—As ships leave very many ports in Europe, Antwerp, Liverpool, London and various other ports, it would be almost impossible for the government to place agents at all those points in anticipation of an emigration from each particular city or town. I think there is an inspection at Liverpool. At every port where it is anticipated that there will be any considerable migration, there is an agent, but it would be quite impossible to place agents at all the ports in Europe to watch for objectionable emigrants. The United States may do it to a limited extent, but they rely largely on the examination made either of immigrants coming into the United States via Halifax or St. John or immigrants landing at New York or Boston. Those are the main ports. It would be very desirable not to bring those unfortunate people across the Atlantic, but it may not be feasible to prevent it except from certain ports known and recognized from which steamships sail with emigrants —ports such as Liverpool.

Hon. Mr. ROBERTSON—On every one of those steamers there is a physician, and he should be authorized to prevent such emigrants going on board at all.

Hon. Mr. McMULLEN—There ought to be very pointed reference made in all pamphlets issued by Canada encouraging immigration to this country to the fact that if people come here with diseases such as have been referred to, they will be sent back to the port from which they embarked. I can understand the difficulties in the way of an examination at the port of departure; it would be very expensive to appoint immigration inspectors at so many ports, but the next best thing to do is to publish in all immigration literature the fact that diseased immigrants will be returned to the ports of departure.

Hon. Mr. LOUGHEED—My recollection is, that when last session, or the session before, the Immigration Bill was being discussed, it was strongly urged upon the government the necessity of imposing penalties upon masters of ships, should they permit diseased immigrants to be brought to this country. There is no reason why such penalty should not be imposed and collected and the owners of the ships made responsible. It is idle to say that we cannot surround our immigration system with the necessary safeguards. Penalties of this kind are imposed upon masters of ships with reference to other matters, and there is no reason why the government, if they give proper consideration to it, should allow diseased immigrants to be brought into the country. I would suggest to my hon. friend the Secretary of State the propriety of giving some consideration to that phase of restriction. The government is certainly possessed, in the law officers of the Crown, of sufficiently good legal talent to work out a Bill of that character, and I am satisfied that it would act as a very salutary protection in the future against this kind of thing which has been taking place year after year.

Hon. Mr. DANDURAND—There is a penalty already provided against steamship owners who bring unsuitable immigrants to the ports of this country. They are obliged at their own cost to return the immigrant who is declared unfit, to the place whence he came. There is always that check on the ship-owners. I understand there is a very strict clause in the contract between the government and the steamship companies that bring immigrants from the north of Europe. They have a certain bonus for all immigrants they bring, and they are obliged under the contract to return all unfit immigrants, and even to have them inspected before they leave for Canada. As the hon. Secretary of State has said, immigrants who will be found unfit, will find their way to this country, and although there is very strict supervision over immigration into the United States, at the ports of embarkation as well as at New York and other United States ports, still a number of the arrivals are weekly or monthly returned to Europe, and I suppose we cannot expect our experience to be different from that of our neighbours.

Hon. Mr. LOUGHEED—I would point out to my hon. friend that the ship-owners, in the meantime, collect passage money from those immigrants. The cost of their deportation

as against the cost of embarkation does not amount to anything of consequence. The very fact of this occurring from year to year should exemplify to the satisfaction of everybody that the existing restrictions are not effectual. We find the medical fraternity pointing out year after year that numbers of diseased immigrants are being brought to this country by shipping companies and scattered from the Atlantic to the Pacific, and it is time that we adopted a system which would really be restrictive.

Hon. Sir MACKENZIE BOWELL—There is a good deal of force in the remarks made by the hon. Secretary of State as to the difficulties which present themselves in checking undesirable immigration at the ports of departure; but there was an effective system in operation a number of years ago. Every ship ascending the St. Lawrence was obliged to report at quarantine, where a thorough examination of all the passengers took place. If there was any contagious disease on board the vessel or any immigrants that could be classed amongst those prohibited from coming into the country, they could be prevented from landing. The difficulty with the ship-owner or captain would be this: the passengers might all have passed medical examination at the port of embarkation, and disease might break out during the voyage, of which he could have no possible knowledge. If the quarantine regulations in the St. Lawrence were rigidly enforced, in cases where disease is found on board a vessel, and the vessel held until the danger of contagion is obviated, and then the captain of the vessel be compelled to take back all emigrants who are found unfit, the difficulty would be overcome. Why that regulation is not rigidly enforced, I cannot understand. There is great danger in bringing immigrants afflicted with disease as far as Quebec or Montreal and then turning them loose to scatter disease all the way from Quebec to Port Arthur and other western points. I do not know whether those regulations are still enforced or not; if they are not, they ought to be, and if they have been repealed, they should be re-enacted and rigorously enforced.

Hon. Mr. SCOTT—The regulations are still kept up, and I fancy they are enforced with even greater strictness than in former years. The same gentleman has been at the head of the service for a great many years. Among the diseases with which Assyrians are particularly affected is a disease of the eye. I do not know whether it may break out after they have passed the examination, but certainly the examination is made at quarantine. But immigrants are coming in from all quarters. Many come through the United States, and they are allowed to pass through the United States ports, when their destination is Canada, and we have no way of making an inquiry until the medical man has had an opportunity to see them.

Hon. Mr. ELLIS.—With reference to what the hon. leader of the opposition says, there are really two systems in operation in Canada. There is the ordinary quarantine system under the control of the Department of Agriculture, by which vessels with contagious diseases on board are examined and reported to the quarantine officers. In addition to that, at all the ports, Halifax, St. John, Montreal and Quebec, there are medical officers of the Immigration Department to examine every immigrant. Of course it is quite possible that some one or two, or perhaps a dozen, may escape observation in the course of a season, but there is a very rigid inspection by medical officers of the department, and the moment a man is found with the disease he is put in one of the detention hospitals, and the ship that brought him out is compelled to carry him back. As the hon. gentleman for Montreal said, it is quite an infliction upon the ship-owner to take the passenger back, and although it is quite possible—I have not made the calculation to which the hon. gentleman from Calgary refers—that it may be profitable to bring a man across the Atlantic and then to take him back, yet the ship-owners do not care to do that, nor the ship masters either, and as far as possible they avoid doing it. There is quite a check on the importation of disease, but I do not say there is an absolute prevention, because that might be impossible. Sometimes this disease of the eye will develop three or four or five days after the emigrant has left the old country, or perhaps after he has landed in Canada. However, there is a much more rigid system of inspection in force than one would infer

from the discussion which has taken place just now.

Hon. Mr. McDONALD (B.C.).—Take the case of the emigrants who are sent back to England diseased, and the authorities refuse to permit them to be landed there. In such an event the captain would be between the devil and the deep sea. He could not land them at either place. It is quite clear the only way is to prevent them being taken on board the ship. All the ships carry doctors and they can inspect the emigrants and see that they are free from disease before they are allowed to embark. Deporting them does not obviate the danger. Those men being cooped up with hundreds of others for days on board ship might impart that disease to them. The only way to stop it is to make the steamship companies liable to certain penalties if they carry these persons out here. I hope the hon. Secretary of State will confer with his colleagues and see that there is something done, because we do not want the country flooded with those people. Deporting of them does not obviate the difficulty. They spread contagion in the ship and going back to England they spread contagion again, being cooped up with other people on their return.

Hon. Mr. SULLIVAN.—With reference to this disease of the eye, there is a form that sometimes occurs in this country, which is called granulated eyelids. But this malignant type, trachoma, brought in by immigrants is contagious. There is no stage of incubation about this at all. If a man has it you see it. If you do not see it he has not got it. It is quite easy to determine the question by looking at the man. There is an intolerance of light and a discharge from the lids. It is not the eyeball which is affected, but the membrane covering the eyeball. The matter streams out and glutinates the lids together so that there is an intolerance of light and a peculiar expression about the face that any one could determine. What the hon. gentleman from Victoria suggests I think is the proper way to prevent it; that is, to prohibit shipping masters from taking such persons on board. That can be easily done. If you inflict a fine or punishment on the owners of the vessel there is no hardship at all about compelling them to make a rigid inspection. The United States government do not allow such immigrants into the United States and take care that emigrants are examined at the point of shipping before embarkation, as I understand it. I do not know whether Canada has adopted that system or not, but if you want to prevent the introduction of disease like trachoma there is no use trying to do it here. It might escape the notice of ordinary practitioners who have not seen persons afflicted with the disease. They might think it was an ordinary case of inflammation of the eyeball. I believe the only sure way is to inflict a penalty on the ship-owner. If the steamer carries a physician he would be responsible, and the captain would order him to examine the emigrants. He would make sure there was no diseased person on board and in that way would prevent the introduction of trachoma as effectually as we prevent the introduction of small-pox which can hardly be placed in the same category, because small-pox might be in process of incubation some time before it is discovered. There will be no difficulty about trachoma if we have a thorough inspection of emigrants before they embark.

BILLS ASSENTED TO.

His Honour the Speaker informed the Senate that he had received the following communication from the Governor General's Secretary:—

Office of the Governor General's Secretary,
Ottawa, June 6, 1904.

Sir,—I have the honour to inform you that the Honourable Mr. Justice Sedgewick, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chambre this afternoon at 4 o'clock, for the purpose of giving assent to certain Bills which have passed the Senate and House of Commons during the present Session.

I have the honour to be, Sir,
Your obedient servant,
F. S. MAUDE, Major,
Governor General's Secretary.

The Honourable
The Speaker of the Senate.

The Senate was adjourned during pleasure.

After some time the Senate was resumed.

The Honourable Mr. Justice Sedgewick, acting as Deputy to His Excellency the

Governor General, being seated at the foot of the Throne.

The Honourable the Speaker commanded the Gentleman Usher of the Black Rod to proceed to the House of Commons and acquaint that House : 'It is the Deputy Governor's desire that they attend him immediately in this House.'

Who being come with their Speaker,

The Clerk of the Crown in Chancery read the titles of the Bills to be passed severally, as follows :—

An Act to revive and amend the Acts respecting the St. Clair and Erie Ship Canal Company.

An Act respecting the British Columbia Southern Railway Company.

An Act respecting the Canadian Pacific Railway Company.

An Act respecting the Atlantic and Northwest Railway Company.

An Act respecting the Ottawa, Northern and Western Railway Company.

An Act respecting the Montreal, Ottawa and Georgian Bay Canal Company.

An Act respecting the Atlantic, Quebec and Western Railway Company.

An Act respecting the French River Boom Company, Limited.

An Act to incorporate the Pontiac and Interprovincial Railway Company.

An Act to incorporate the Cascapedia Manufacturing and Trading Company.

An Act respecting the Collingwood General and Marine Hospital.

An Act to incorporate the Campbellford, Lake Ontario and Western Railway Company.

An Act respecting the Manitoba and Northwestern Railway Company of Canada.

An Act to incorporate the White Horse and Alsek Railway Company.

An Act to confer on the Commissioner of Patents certain powers for the relief of the Honourable Charles Algernon Parsons.

An Act to amend the Petition of Right Act.

An Act for the relief of James E Taylor.

An Act for the relief of Robert James McDuff Rodger.

An Act respecting the Western Assurance Company.

An Act respecting the British American Assurance Company.

An Act respecting the Guelph Junction Railway Company.

An Act to incorporate the Guelph and Goderich Railway Company.

An Act to incorporate the Walkerton and Lucknow Railway Company.

An Act respecting the Quebec and Lake Huron Railway Company.

An Act respecting the Kootenay Central Railway Company.

An Act respecting the North American Telegraph Company.

An Act respecting the Strait of Canso Bridge Company.

An Act respecting the Pacific, Northern and Omineca Railway Company.

An Act respecting the Canadian Pacific Railway Company.

An Act to incorporate the Boundary, Kamloops and Cariboo Central Railway Company.

An Act respecting the Edmonton and Slave Lake Railway Company.

An Act to incorporate the St. Maurice Valley Railway Company.

An Act respecting the Manitoba and Keewatin Railway Company.

An Act respecting the Canadian Northern Railway Company.

An Act respecting the Welland and Grand Island Bridge Company.

An Act respecting the Ottawa, Brockville and St. Lawrence Railway Company.

An Act respecting the Nipigon Railway Company.

An Act to incorporate the Alberta Railway and Irrigation Company, and to provide for the amalgamation therewith of the Alberta Railway and Coal Company, the Canadian Northwest Irrigation Company, and the St. Mary's River Railway Company.

An Act respecting the Vancouver, Victoria and Eastern Railway and Navigation Company.

An Act respecting the Canadian Fire Insurance Company.

To these Bills the Royal Assent was pronounced by the Clerk of the Senate in the following words :—

In His Majesty's name, His Honour the Deputy of His Excellency the Governor General doth assent to these Bills.

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

BILLS INTRODUCED.

Bill (100) An Act to amend the Pilotage Act.—(Hon. Mr. Scott.)

Bill (103) An Act to incorporate the Canada Artillery Association.—(Hon. Mr. Templeman.)

Bill (112) An Act to amend the Act respecting the Navigation of Canadian waters. —(Hon. Mr. Scott.)

LEAD BOUNTIES BILL.

FIRST READING.

A message was received from the House of Commons with Bill (127) An Act to amend the Act providing for the payment of bounties on lead contained in lead-bearing ores mined in Canada. The Bill was read the first time.

Hon. Mr. TEMPLEMAN moved that the Bill be read the second time on Wednesday next. He said: This Bill is practically only applying the Bounty Act of last session to the financial year beginning the first of July last. The Act was interpreted as applying the bounty to the financial year. It is correcting merely a technical error.

The motion was agreed to.

SECOND READING.

Bill (J) An Act for the relief of Eliza Robinson.—(Hon. Mr. Kerr, Cobourg.)

CRIMINAL CODE AMENDMENT BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of Bill (3) An Act to amend the Criminal Code (1902). He said: Under the criminal law there are certain cases where an accused is permitted to elect whether he shall be tried by a jury or by a presiding justice or magistrate. There is no provision in the law for a case of minors, persons under 16, and this simply enacts that in those cases the parents or guardian, or any one having charge of the accused, shall be consulted first, on the basis that a person of perhaps ten, twelve or thirteen years would not be in a position to judge whether he ought to be tried by a jury or by the presiding magistrate. It is felt that it would be only right that the magistrate should allow the parent or guardian to be consulted.

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

CRIMINAL CODE AMENDMENT BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of Bill (56) An Act to amend the Criminal Code (1892). He said: Subsection six of section 902 of the Criminal Code provides a very severe penalty, $80, on a magistrate or justice of the peace who omits or neglects to make a return at the proper time, and to pay in the fees that he may have received belonging to the county or municipality. The object of the present Bill is to widen that and to provide that:

> Every justice who upon, or in connection with or under colour or pretense of, any information, complaint or judicial proceeding or inquiry had or taken before him, exacts, receives, appropriates or retains any fees, moneys or payments which he is not by law authorized to receive or to be paid.

The present law simply provides for the case where the trial has been had and the magistrate has imposed a penalty, and he has failed to pay it to the municipality. This is a little wider, as hon. gentlemen will see.

Hon. Mr. McMILLAN—Is the penalty increased?

Hon. Mr. SCOTT—No; the penalty is the same.

Hon. Mr. LOUGHEED—Why did not the government go a little further, and provide that such a justice should not have jurisdiction hereafter to try cases? It seems monstrous that a justice of the peace should exercise jurisdiction after committing such an offence.

Hon. Mr. SCOTT—I presume some cases of the kind have been brought to the attention of the department. The suggestion of the hon. gentleman is a very good one, but we have made no change in the law since it was codified in 1892.

Hon. Mr. LOUGHEED—You are not going far enough.

Hon. Mr. DANDURAND—I should think it would be a matter of course that the commission of a justice of the peace would be withdrawn in a case of the kind. We cannot settle the disqualification of parties appointed by the local executives, but it goes without saying, and as a matter of course, I suppose, that a person condemned under such circumstances would have his commission withdrawn by the minister having charge of the administration of justice in the province.

Hon. Mr. LOUGHEED—While the federal government could not interfere with the commission, it could clearly say that such a justice should not exercise jurisdiction.

Hon. Mr. SCOTT—Hear, hear.

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

KING'S SHILLING LEGAL TENDER BILL.

SECOND READING.

The Order of the Day being called :

Second reading Bill (E) An Act to make the King's Shilling a Legal Tender in Canada.—(Hon. Mr. Domville.)

Hon. Mr. THOMPSON, in the absence of the Hon. Mr. Domville, moved the second reading of the Bill.

Hon. Mr. SCOTT—I have advised the hon. senator who has charge of the Bill that I fear it is not a Bill which the House would adopt. When he brought the subject to the notice of the House, it certainly was received with a good deal of sympathy. It seems rather hard that a British subject arriving at Halifax or St. John, who has nothing but British shillings in his pocket, should not be able to buy bread or obtain other necessaries with it ; but, on making inquiry, I find that the hon. gentleman was not quite correct in assuming that provision had not been made for cases of the kind. On inquiry at the Department of the Interior I have received an answer which was addressed to the Finance Minister, as follows :

Referring to your verbal inquiry of this morning, I beg to state that the department has made special provision for the exchange of money at the immigration buildings at Halifax, St. John and Quebec. This work has been intrusted to Mr. G. D. Martin at Halifax, to Mr. J. M. Robinson at St. John, and to Mr. James Macnider at Quebec. In addition to free office accommodation in the immigration building, these parties are granted a certain yearly allowance for their work.

I send you herewith a schedule showing the rates of exchange in force at these ports, I may point out that under our present arrangements brokers are bound to give the immigrants Canadian or foreign currency at the lowest rates of exchange, and notices are posted on the walls of the immigration buildings giving the value of foreign coins in different languages.

Hon. Mr. MACDONALD (B.C.)—What is the rate for the shilling that is quoted there?

Hon. Mr. SCOTT—Twenty-two cents.

Hon. Mr. MACDONALD (B.C.)—That is a very large discount. It is worth twenty-four cents.

Hon. Mr. SCOTT—The rates of exchange are reasonable. They seem to have gone very fully into the question of exchanging European coins. Ample provision seems to have been made.

Hon. Mr. McMILLAN—Is that rate under the ordinary rate that the banks charge ?

Hon. Mr. SCOTT—I understand it is the same as the bank charges.

Hon. Mr. MACDONALD (B.C.)—Are these private money exchanges ?

Hon. Mr. SCOTT—They are authorized by the department, and paid a certain sum, and get office accommodation, and the rates of exchange are posted up in their offices—the rates at which immigrants arriving may exchange foreign coin for Canadian currency.

Hon. Mr. McDONALD (C.B.)—The British shilling passes at the banks for twenty-four cents.

Hon. Mr. SCOTT—Where provision of that kind is made it would be a very serious matter to interfere with our Currency Act, and would only lead to very great disturbance. It is better that provision should be made for the exchange of coin at a fixed value, and it cannot be contended that the rates quoted for these small sums are at all excessive. It would be rather a grave interference to make the British shilling an exception and interfere with the Currency Act of Canada. I do not suppose under any conditions it would involve the deluge we have had of American silver at various times in our history. We all know, those who have memories running back forty or fifty years, the trouble we had at one time to get rid of United States currency. Sir Francis Hincks was the particular statesman who had to deal with it and he wrestled with it for years. It was only by very decided measures being taken that finally Canada got rid of United States money, and then established a Canadian currency. Now that we have the Canadian currency we ought to keep it unimpaired.

Hon. Sir MACKENZIE BOWELL—The hon. Secretary of State has not met the question before the House. The Bill has no reference whatever to the value of the exchange or of the coins to which the hon. gentleman has referred. The question is whether the King's shilling is at the present time legal tender even for twenty-two cents in Canada ?

Hon. Mr. SCOTT—No, it is not.

Hon. Sir MACKENZIE BOWELL—That is what the Bill proposes to provide for. It provides for setting a value upon the English shilling, and that it shall be a legal tender for the face of that value which is put upon it by law. That is what you would have to provide for. You would have to restrict it, no doubt, if you did adopt the principle of the Bill ; you would have to provide for the amount of silver which would constitute a legal tender. In the Consolidated Statutes, chapter 30, provision is made setting a value upon the English sovereign, and also upon the United States eagle, but there is nothing whatever said about English or United States silver. Under the old law, introduced by Sir Francis Hincks, to which the hon. gentleman referred, and which I remember very well, provision was made to reduce the value of United States silver 20 per cent. That remained the law for a number of years, until we got rid of what was termed in those days 'The silver nuisance.' It was just after the civil war in the neighbouring country, and Canada was flooded with the United States currency. In looking at the statutes, I find that the clause regulating the value of the United States silver was repealed. I think the government ought to take it into their serious consideration to see that there is a sufficient quantity of Canada silver minted to supply the requirements of the country. One cannot travel on any railroad or steamer in the country and have a bill exchanged without getting half of the silver in United States currency.

Hon. Mr. MACDONALD (B.C.)—That is so.

Hon. Sir MACKENZIE BOWELL—I have laid it down as a principle always to refuse it, and if everybody else would do the same thing we would soon get rid of it. Across the line our silver and even our bills will not be taken, except in a few places where they have a good deal of trade with Canada. In New York I have had to allow a discount of ten per cent on a Bank of Montreal bill, and even on Dominion notes. In some hotels visited by large numbers of Canadians they will take our money without discount, but it is generally refused. If it be possible, without too great interference with our own currency laws to do so, I think the value of the English shilling should be made known to the people, and that it should be made legal tender to a certain extent, say $5. I would again impress on the hon. Secretary of State the importance of calling the attention of his colleague, the Finance Minister, to the necessity of having a much larger amount of Canadian silver minted for circulation. The banks, I believe, will not take United States silver, except at a discount. I can understand the difficulty very well in places on the border, but so long as the people of the United States refuse to take Canada silver we should refuse to take theirs except at a discount. If the circulation of the United States currency in this country increases, as it seems to be increasing, some measure will have to be adopted to prevent its circulation or it will displace our Canadian currency.

Hon. Mr. LOUGHEED—I am entirely opposed to legislation of this character. Canada is peculiarly a silver-producing country, and very little encouragement is being given to the development of our silver resources. The hon. gentleman who introduced this Bill was led away, I think, by sentiment in its introduction here. But this is something more than a matter of sentiment. Canada will be depriving itself of a very substantial revenue. Our silver coins are worth scarcely more than 50 per cent of their face value in silver. And the government of Canada by admitting——

Hon. Sir MACKENZIE BOWELL—Our silver ?

Hon. Mr. LOUGHEED—Yes, our silver; by admitting English specie of this kind at practically par value would be depriving ourselves of the advantage of coining silver sufficient for our circulation, and thus losing almost 50 per cent in the matter of bullion—and particularly as we are about building a mint, I say we should reserve to ourselves the exclusive right to make legal tender, particularly in silver.

Hon. Mr. KERR (Toronto)—I quite agree with what the hon. gentleman has said, and I would say with reference to the question suggested by the hon. gentleman who preceded him, that I should like to know exactly how far the doctrine of retaliation which he suggests—although he did not like to use that word—would be carried. How much

would we get for our 25 cent silver coin in London ? How many places would he get in London to take it at all? How much would he get for our Dominion four dollar bill or two dollar bill in London, and how many places would he be able to pass it? And, therefore, if the idea is that because the Canada four dollar bill will not be received in the United States, except at a large discount, and some places not received at all, or used in circulation, then what is the difference between the treatment it receives there and in England ? Therefore, if we refuse a United States coin, why should we not also refuse an English shilling, when the English people will not take our Canadian coins? If the matter of sentiment is to be considered, it ought to be a Canadian sentiment. If the matter of sentiment is introduced at all, I think we are carrying it a great deal too far. We have our own coin as a legal tender; let us use our own coin and leave the coins of other countries to find their own value.

Hon. Mr. MACDONALD (B.C.)—I want to mention one incident which is rather humiliating. At the post office at Victoria I have seen an English shilling refused and a five cent United States nickel taken at its face value. If we have any patriotic feeling we should give preference to our own money, and we should not refuse the English shilling or half crown, if we accept United States money.

Hon. Mr. McSWEENEY—In to-night's 'Free Press' there is an article signed by Mr. E. J. Darby, which reads as follows :—

Editor 'Free Press.'—Having made a purchase yesterday, amongst the coin I offered in payment was a British shilling, of 1896, which was accorded the value of only 20 cents. To this I objected saying that at the least it was worth 24 cents, but without avail. I had accepted it previously in change as 25 cents. I would respectfully ask : 'Why American paper $1 silver certificates should be accepted at par and British coin within the empire in this capital of the Dominion be subject to a discount of 25 per cent' ? The sterling exchange table gives the value of a British shilling as $0.24·3. In view of the fact that our Canadian bank bills are refused on the other side of the line except in frontier towns, why should we cast a stigma on British coin within the empire.

E. J. DARBY.

Ottawa, June 4, 1904.

Hon. Mr. TEMPLEMAN—I am inclined to think that the instance mentioned by my hon. friend from Victoria must have been a mistake. The British shilling is common in circulation in the city of Victoria, and is taken at the banks and all public institutions and by the public generally as freely as the Canadian 25-cent piece, and is taken for 25 cents. I never heard in all my life of a British shilling being refused in the city of Victoria. Probably the one offered by the gentleman to whom my hon. friend referred, was a bad coin, or might have been refused for a special reason.

Hon. Mr. MACDONALD (B.C.)—Does the hon. gentleman know that five-cent United States nickels are taken at the post office?

Hon. Mr. TEMPLEMAN—Certainly, they are taken everywhere in the city of Victoria.

Hon. Mr. MACDONALD (B.C.)—I know equally well that the English shilling was refused.

Hon. Mr. McMULLEN—I must say I am disposed to sympathize somewhat with the hon. senator from Rothesay in this matter—to make the English shilling legal tender for 25 cents, though I do not wish to urge it in the face of the statement the Secretary of State has made. However, I do think we should introduce some legislation that would put a stop not only to the inflow into Canada of United States silver, which is generally taken at par, as has been stated by the leader of the opposition, but United States silver certificate bills that are also in circulation and are taken at par. I do think that we should not permit that to go on to the extent it does, in face of the fact that you cannot pass a Canadian bill, as has been already stated on the other side of the House, in the United States outside of the border cities, except at an enormous discount.

Hon. Mr. KERR (Toronto)—Nor can one in England.

Hon. Mr. McMULLEN—No, perhaps not, but, after all, there are a great many favours and considerations that we receive from England that we do not get from the United States. There are a great many things that we are indebted to England for that we are not indebted to the United States for. If the United States ever treated us with the measure of liberality that England treats us, we would be willing to accept their money

on reasonable terms, but they do not do it. We owe them nothing. They do not do anything that would induce us to accept their 25-cent silver coin at its face value, nor their bills either. I say we should have legislation to put a stop to the circulation of United States silver and bills in Canada. You cannot cross into the United States and pass Canadian money anywhere unless at a discount, except at Buffalo and Detroit, and border towns where they take it because they know it is as good as gold. I have travelled through the states to the Gulf of Mexico, and out in those western states you could not pass a ten dollar bill for one dollar. They do not take Canadian money anywhere. I have been on a street car when the conductor refused to take a 25 cent piece for a ride and I had to borrow from a gentleman who recognized my difficulty, until I got my money exchanged. That is how our money is treated in the United States. I say we should have legislation to meet that condition. I sympathize with the Bill to make the King's shilling legal tender in Canada, because I revere the stamp on its face, and I do not like the idea of Canada refusing to accept it at par; at the same time if we decide to have a mint of our own—and I fully agree that we ought to have one—we should encourage the circulation of our own coin. I agree also with the view expressed by the hon. leader of the opposition when he said that a good supply of Canadian silver of all denominations should be provided and put in circulation, half dollars, 25 cents and 10 cents, and we should discount the circulation of United States silver, else we shall be forced, as we had to do years ago—to declare the value of a United States 25 cent coin to be 20 cents and a half dollar to be 40 cents. The result of that policy after the United States rebellion was, the silver currency was called in and recast into Canadian money. I think out of courtesy to my hon. friend from Rothesay, who is absent attending a funeral, that we should adjourn the debate until he can be present.

Hon. Mr. COFFEE—In a matter of this kind we should go very slowly. We all know that in the province of Ontario it would be a very serious matter for the business community if we put a large discount on United States money. Excursions from the United States come to London, Hamilton, Toronto, and other places, bringing with them a considerable quantity of United States money, and in passing through our cities these visitors, especially the ladies, make a great many purchases, and if we placed a large discount on United States currency these people might button up their pocket-books and not spend anything. We must remember also that United States currency is very easily negotiated and English currency is difficult to negotiate. With reference to people going to the United States, we all know that in Ontario a person who has a bank account can go to his bank and deposit a certain amount of money and receive in return United States currency. That has been my experience. I can get United States currency, $50 or $100 at any time from my banker in exchange for Canadian currrency. I think if we prohibit the circulation of United States silver in Canada it will be a serious matter.

Hon. Mr. McMULLEN—I hope my hon. friend did not misunderstand me. All I spoke of was the circulation of silver and silver bills. The ordinary issue in the United States is all right. We all know that.

Hon. Mr. McGREGOR—I do not think the matter requires legislation. It is in the hands of every man to do as he pleases. The man who accepts the United States silver gets something which he thinks is worth what he is parting with.

Hon. Mr. SCOTT—The law is plain. Under our Currency Act, we provide a value for gold and then provide for the coinage of silver and copper, and then we declare:

> That no other silver, copper or bronze coin than those which Her Majesty causes to be struck for circulation in Canada or in some province thereof shall be a legal tender in Canada.

You cannot prevent people taking United States bills if they chose to do so, but you need not accept them. You can say 'I do not regard that as money.' It cannot be proffered as legal tender for a debt or purchase, but if people chose to take it you cannot interfere with their doing so; and the freedom of action rests with every individual. Referring to the Bill under consideration, the only reason given by the hon. senator for pressing the matter was because, he explained, the British immigrants

had no way of exchanging their silver and gold coin for Canadian money. I have given the House evidence that provision is made at Halifax, St. John, Quebec, and wherever immigrants are arriving, for the exchange of foreign coins, not only British but French, German and Norwegian.

Hon. Sir MACKENZIE BOWELL—But that provision is not made by the government. It is done by private brokers.

Hon. Mr. SCOTT—It was a provision made by the government. The parties who act as brokers are not allowed to charge more. We give them a small fee and they cannot charge more than the figures I have given. It is all on the same scale, taking the sovereign at $4.86 as a basis.

Hon. Sir MACKENZIE BOWELL—The law defines what a sovereign is.

Hon. Mr. SCOTT—Yes, that is the basis. The law does not recognize the British shilling or German franc as legal tender, but for the convenience of the emigrants arrangements have been made to facilitate the exchange of coin. That is the only possible excuse for a Bill such as we are now discussing and when I explained this Bill to the hon. senator who introduced it, he said at once : 'I will drop the Bill, on the explanation you give.' I said the government could not allow a Bill of that kind to pass. You are going to interfere with the currency of the country. If a British shilling is to be admitted, then the sixpence, and the threepence, and all the smaller coins must be admitted, and in the same way you would have just as good a right to take the coins of other countries that emigrants are bringing to this country. Each country endeavours to preserve its own currency intact. Canada is the only country that takes a larger view of it, and we do it because we are adjoining the great republic, and it is a matter of convenience for our people to take it. I have refused it, but you can pass it on the street cars and in the shops. The banks will take it, and the only reason why the banks take it is for the convenience of their customers. We all have knowledge of the conditions existing in the states, and if we want to cross the line, we must provide ourselves with United States bills. It is a convenience to have them. It is very unneighbourly of course. I said, in conversation with an American gentleman : 'Our bills are gold; yours are only silver and worth sixty cents a dollar.' I can remember very well when our dollar bills were taken at a value of two dollars and forty cents on the other side of the border.

Hon. Sir MACKENZIE BOWELL—When?

Hon. Mr. SCOTT—Just after the civil war. I have frequently thrown down a ten or twenty-dollar bill and bought ten or twenty dollars' worth of goods, and got a large amount of change as well.

Hon. Sir MACKENZIE BOWELL—Silver was at a premium at that time.

Hon. Mr. SCOTT—There is no use fighting against it. Simply provide yourself with United States money, when you go to the United States. Nobody need take it in Canada, nor the silver coin of any other country. It is certainly our duty to stand by our own coinage and our own currency. I, therefore, move that the Bill do not now pass.

Hon. Mr. DANDURAND—Our situation is similar to the situation all over the world. Every country has its own currency, but for convenience sake and to accommodate business on the border in each country you will have Italian money taken in Switzerland and you will have it taken on the borders of France. It is so all over the world. I do not see any reason, when we have our own national currency, why we should be carried away by a sentiment to alter our system and make it different from what it is all over the world. I think the Bill should be withdrawn.

Hon. Sir MACKENZIE BOWELL—We have drifted away from the point at issue. My remarks were exclusively confined to the circulation of United States silver. The hon. gentleman from Toronto lays down the principle that because you cannot pass Canadian bills or silver in England, that therefore you should take the United States bills and silver. I remember very well, when in Honolulu, offering an English sovereign to pay for goods I had purchased there, and they would not look at it. The Yankee who was with me said : 'I have been all over the

world, and it is the first time I have known an English sovereign refused.' That verifies what I have said. Every country has its own laws and its own mode of doing business. I should like to see a larger amount of Canadian silver mined in our own country and for our own circulation, and then the people will refuse to take that which is not worth its face value, the Yankee silver. United States paper currency is altogether a different thing. That is issued upon an entirely different basis from the silver coin. I do not think it is quite as safe as our own, but it is issued upon a different principle altogether, and the United States bill there is worth a dollar, while the silver is not. Gold and Canadian silver currency, just at the time of the American civil war, were worth a great deal more than 40 per cent premium. I remember travelling in the west once and handing out a five-cent piece to buy a newspaper, and a man who had been in the west said: 'I have not seen a piece of silver for two years. I wish you would give me that.' I handed him the coin as a relic of the past. I repeat, that while it would be impolitic to pass this Bill, for the reasons pointed out by the hon. Secretary of State, there is the other point that I think it well that people would act upon the principle of refusing to accept foreign coin in payment for a debt. My hon. friend from London says he is afraid the United States people would not spend their money if we adopted that plan. Has that ever prevented a Canadian from going to New York or any other foreign place? If he takes Canadian money to the United States or any other country, he goes to a broker and gets his money changed and pays the discount.

Hon. Mr. DANDURAND—What is the difference between the broker taking that money and the United States people taking it?

Hon. Sir MACKENZIE BOWELL—I am simply saying what the practice is, and I am showing that the United States people coming into this country would do what we are obliged to do when we visit the United States. I should like the hon. Secretary of State to point out under what provision the government get the authority to declare what a broker shall sell or buy exchange at. If they give any such authority, it is certainly, unless I am gravely in error, usurping a power for which they have no authority. My hon. friend can open a broker shop in this city, and if he wants to change money he can charge what discount he pleases. Any private individual can do that; but there is no authority, so far as I know, that gives any member of the government power to define what the rate of exchange shall be, or at what rate you shall accept United States, English, German, or any other silver coin. If there is any law of that kind, I should like to know where to find it.

Hon. Mr. SCOTT—There is no law of that kind, and all the government do is done for the convenience of the people, for their own protection, in order that they may not be fleeced. They might go elsewhere and the broker might offer them fifty cents for their dollar, or twenty-five cents, for that matter. The government thought proper to protect the people, and therefore the immigrant can exchange his money for Canadian currency at the rates which I have read. We thought that was the proper thing to do, because otherwise the immigrants would be fleeced. The government order the highest possible value to be given for these moneys consistent with the exchange.

Hon. Mr. McMILLAN—To whom did they give that order?

Hon. Mr. SCOTT—They employ at those points persons whose duty it is when an immigrant lands in Canada to see what foreign money he has, and to say to him: 'If you want to have it exchanged, we can exchange it for you at these rates.' It is simply to insure that they receive full value for their money. It is advertised and put up in the shape of notices. I read a letter stating that there were agents at all those points, and they have the notices up at the various points where immigrants frequent, and they are told that they can exchange their bills for Canadian currency.

Hon. Sir MACKENZIE BOWELL—Might I suggest to the Secretary of State that this Bill should not be dropped in the absence of the gentleman from Rothesay?

Hon. Mr. THOMPSON—I beg to move that the Order of the Day be discharged, and that it be placed on the order paper for Thursday next.

Hon. Mr. EDWARDS—I desire to say one word on this matter of legalizing the coin of any other country. I see no reason for legalizing the British shilling in this country any more than any foreign coin ; but that is not the matter I wish to speak upon. It is this question as to the treatment of our neighbours to the south of us. Any one who knows—and I think we all know as to the conditions or the style of paper that is issued by the two countries—will make a very distinctive difference between the two. The government is responsible for every bill issued by the United States Treasury, and therefore the bill is an entirely different article from that which is issued by the banks of Canada, and it is simply absurd to presume for one moment that each and every individual in such a great country as the United States knows the value of the bills issued by our banks. It is simply absurd to say that we receive bad treatment in the United States. What are the conditions ? One hon. gentleman said : 'You cannot go to the United States and use our currency at all.' That is not the case. You can go through New York and the other states of the union, and in any place where our banks are known our bills are taken ; and you will find, where they are posted in that respect that they have a list of our banks, and once they get that list if the bill is one that is approved of it is accepted. I had a very striking illustration of the matter myself. I went to New York without a single dollar of United States money. It was an oversight on my part ; I usually take United States money with me. I returned from New York at a loss, so far as exchange was concerned, of 25 cents. It was only in one place that I had any exchange to pay. Supposing you have a little exchange to pay, is it not absurd to presume for one moment that no country has the right to charge exchange on our money ? You cannot go down to one of our banks and make a draft on New York without paying something. There is some exchange one way or the other.

Hon. Mr. DANDURAND—Even on a draft to Montreal.

Hon. Mr. EDWARDS—Yes. In dealing with questions of this kind let hon. gentlemen entertain as much antipathy as they please to the United States, but let us be perfectly fair in financial transactions. So far as my knowledge goes, there is no difference between the two countries in regard to that matter at all, excepting this, that when we are receiving a United States dollar, every Canadian knows its value, but in offering our bank notes in the United States the same knowledge does not exist there, because many people of that country do not know the standing of our banks. I simply desire to make these few remarks to express my opinion as to discussions of this nature. We should deal with them fairly on their merits, and not make insinuations which are not warranted against any country.

Hon. Mr. McMULLEN—One word in reply. In New York, Buffalo, Boston, possibly in Portland and those New England states, Canadian money is accepted; but I contend that when you go west or south you cannot use Canadian money; they will not take it at any price. If you go to Houston, Oklahoma, San Antonio, Galveston and Kansas City you could not get a night's lodging for a Canadian ten dollar bill. I admit that what my hon. friend says may be true, because Canada has very close business relations with New York. It is not to be wondered at that our money should be taken in New York, but when you go beyond Chicago and get into the interior of the states, the people there will not take a Canadian five-cent piece or a dollar bill. You might go to a broker and make an exchange, at a heavy discount. I went to a broker and he offered me eight dollars United States money for a ten dollar Canadian bank bill.

Hon. Mr. CLORAN—What guarantee have these people that our Canadian bank bills are safe? Did the hon. gentleman present a Villa Marie Bank bill ?

Hon. Mr. McMULLEN—No.

Hon. Mr. CLORAN—How would a merchant in the south or western states know whether the bill was good or not? They have no guarantee that the bills are good.

Hon. Sir MACKENZIE BOWELL—I want to repudiate the remarks of the hon. gentleman from Ottawa, when he attributed to those who took a different view from himself either prejudice or dislike to the United States. In dealing with this matter I try to deal with it on the principle which he

himself laid down, what I consider to be a common sense view, without any animosity to our friends across the border, and if he attributed that prejudice to myself I must say that he is labouring under a misapprehension, as he is in most of his free trade ideas.

Hon. Mr. EDWARDS—The repudiation of my hon. friend was entirely unnecessary; he was not in my mind and would never be in my mind in making such a statement.

The motion was agreed to.

INSURANCE ACT AMENDMENT BILL.
DEBATE CONTINUED.

The Order of the Day being called:

Resuming the adjourned debate on the motion for second reading Bill (H) An Act further to amend the Insurance Act.—(Hon. Mr. McMullen.)

Hon. Mr. McMULLEN—I want it to be distinctly understood that in anything I have to say upon the Bill before the House, with regard to the New York Mutual Reserve Life Association, I entertain no animosity whatever to that institution, that my sympathies are entirely with the policy-holders, who, unfortunately, were led into accepting insurance in that company. As I stated before, the parliament of Canada, unfortunately, in 1885, made a mistake when they accepted from that company a deposit clothed them in a legalized garb and licensed them to go out and do business with the people of Canada. It was said by the promoter of the Bill that these people were invited to come to Canada to do business. My hon. friend was not in parliament at the time, but I fancy if he had been here then he would not venture to make such a statement, because there was no invitation. They came to parliament. They not only came once, but they came a second time and asked parliament that they should bestow upon them the dignity of being recognized by the government, and accepting from them a deposit of fifty thousand dollars, and in return for that deposit that they should be authorized to do business within this Dominion. As far as I am concerned, I have no antipathy towards this company, but I feel that the House, in justice to itself, and to its own dignity, should not proceed with this Bill until such time as the committee that we have appointed to investigate and report to this House have a fair and reasonable opportunity to make that investigation and that report. I think we should not do ourselves the injustice of doing one thing one day and virtually the next day undoing it. If we should now pass the second reading of the Bill what would we be doing? We would be ignoring the action of the Senate a few days ago in appointing a committee to investigate and report to this House the peculiar incidents that have led up to the disastrous financial condition in which the company is placed to-day.

That committee is clothed with authority to hold an investigation and directed to report to this House. What would be the use of the committee proceeding to hold an investigation if we were to now give this Bill a second reading and refer it to the committee, in the face of the fact that the special committee is actually taking steps to carry out the instructions of this chamber? I certainly think this Bill ought not to be proceeded with until the committee has had a fair opportunity of reporting its finding to the House. There is another feature of this Bill to which I decidedly object. Objection has been raised by others—I had my own—that the Insurance Act, on which rests all stock in insurance companies, should not be amended to make it a vehicle to give this company, a new standing in Canada. If it is financially embarrassed; if disasters have overtaken it, if the policy-holders are in such a position that they do not know what is best to do, the better plan is to bring in a Bill exclusively for the relief of the policy-holders of the New York Mutual Reserve Life Insurance Company, and not attempt, by an amendment to the Act, to give the company a standing again in this country. If we press this Bill we shall be inviting every assessment company in Canada, to look forward for relief in the same way if anything should happen to render such a step desirable or necessary. There are many other assessment companies in existence in the Dominion that stand well to-day, but unforeseen difficulties may arise. They may get into cramped financial position, suffer losses, or quarrel among themselves, as, I believe this Mutual Reserve Fund Life Assurance has done, and may squander their resources.

If they do, with this Bill as a precedent, they will come to parliament to get relief by an amendment of the Insurance Act. Now, we should not encourage that. The law that regulates joint stock companies and the law that regulates assessment companies, should be separated by a clear line of demarkation. The one should not be allowed to interfere with the other. The law that regulates joint stock companies should not, under any pretense, or for any purpose, be made to apply to assessment companies. If assessment companies want relief, let them come and seek it by a private Bill, and I am sure the Senate will give its very best consideration to any Bill introduced in the interest of the policy-holders. What does this Bill propose to do ? There are a certain number of policy-holders of this company in Canada. The Bill offers to these policy-holders an alternative. If you are a policy-holder in the New York Mutual Reserve Fund Life Association, the company by this Bill say to you : You have to consent to an impairment of your policy to an amount that the average contributed by you by way of assessment for the last fifteen years would secure for you a policy in an old line company. That is, supposing you held a policy of $2,000 on which you have paid an average assessment of $30 per year for the last twelve or fifteen years, you would secure a policy at the age of thirty of about $1,400 at the present scale of charges. Now they say 'We will cancel your policy of $2,000 and issue a policy of $1,400 and will carry that for you at the average of what you were called upon to pay for the last fifteen years.' The average, say, was $30 per year. The man entered the company when he was thirty ; he is now forty-five. Now, how much of a policy in a joint stock company will $30 per year get when a man has reached forty-five, or what per cent would he have to pay on a policy at forty-five in a regular company ? He would have to pay $48.30 for $1,400. What does the New York Mutual Reserve Fund Life Association propose to carry them for ? They purpose by this Bill to carry them for $30, and to pay that policy when it matures. Now, if the old line companies have all they can do to pay a reasonable interest to their stockholders and pay their policies when they mature on a charge of $48.30 per $1,400, how can the New York Mutual Reserve Fund Life Association carry a policy of $1,400 for $30 a year ? I say it is impossible. The financial basis on which they proposed to work renders success impossible. They cannot meet their obligations when they mature, on a basis of that kind. They say they have on deposit $228,000 in the hands of the Dominion government. Now they purpose setting aside two-thirds of that, about $150,000. What are they going to do with the rest ? They admit they have $8,000,000 of insurance in Canada. What reserve should they carry on $8,000,000 insurance for policies under the old line all life system? They should carry at least $80,000 for every million ; that would be a very low estimate. They have $8,000,000 in risks, and their necessary reserve under this calculation would be $640,000. They have only $150,000. How do they propose to put up the money ? They ask by this Bill that they be empowered to mortgage every man's policy for a proportionate sum to make up the balance between what is necessary to get them their license and the sum they propose to provide themselves. As I say, they propose to put up $150,000 ; their necessary deposit with the government is $650,000 ; then they propose to ask, by this Bill power to mortgage the policies for $500,000, a proportionate share against each policy of the eight million dollars, and that will stand as a charge against the policy. I have read over this circular that the company have sent out to the different policy-holders, and I must say that a more misleading document I have never put my eye on.

Take the first proposition in the third clause. They say :

> The principle of this Bill has been approved by the Canadian Department of Insurance.

I was amazed when I saw that. I went to the Insurance Department and saw Mr. Fitzgerald and asked : 'Is it true that you have approved of the principle of that Bill ?' He said: 'No, we have not, all that we have done is this—we have acquiesced in the introduction of the Bill. We are willing that it should be introduced, with the hope, perhaps, that something might be brought out in the interest of the policy-holders ; but we have never sanctioned nor in any way approved of the Bill.' I was given a new idea with regard to the mortgaging of a policy.

Clause seven refers to the second method. The first method is a reduction or impairment of the policy from $2,000 to $1,400. The second proposition is, if you do not want to impair your policy, that you pay a sum equal to the amount that you would have to pay in one of the old line companies, deducting the amount of the assessments you have paid from the gross amount you would have had to pay in a stock company. Now let me go back to the proposition I made before. I have said that about the average assessment in the New York Mutual Reserve Fund Life Association on a policy of $2,000, commencing at the age of thirty, would not be more than $30 per year. I question whether the average payment would be as much as that, because they commenced at a low rate. They carried some policies at as low as $1.10 a month, which would be $13.20 a year, so the average will not exceed $30. If you had gone into a stock company at the age of thirty for an all life policy of $2,000, you would have had to pay $40. Now you have to pay $12 more with the accumulated interest every year for the fifteen years; that is $180 saved, and in addition to that the accumulated interest, which would come to pretty nearly half that amount, making $270 you would have to pay, in addition to all the assessments which you have already paid. Then you would start with a policy of $2,000 on the system that along with the money you paid in assessments altogether, the average of that would be the amount they would require you to pay until such time as your policy matured. With regard to that let me draw your attention to the seventh clause of the circular which is as follows:—

> If you chose the latter method to which I have been drawing attention, the reserve required by the Insurance Act can be a charge against your policy, bearing interest at 4½ per cent, with no personal liability on your part to pay such charge.

I ask any hon. gentleman, if that is not a misleading statement? They say, we will charge to your policy a sum sufficient to make up your proportion of the $500,000, in addition to what is in the hands of the Dominion government now to enable us to secure our license to go on, and we mortgage your policy, along with the others, but it is no charge against you; it is something you are not going to be asked to pay—there is no personal responsibility. Well, where does it come in? I will tell you where; it comes in that four and one-half per cent from that date to the time the policy matures, and when the man dies the money is deducted from his policy. In the very next clause they say:

> But if you chose to relieve yourself, if you prefer a policy without a charge, you may at any time pay it off in cash.

That is a liberal offer, is it not? If you do not want to have the mortgage continue, you can pay it off in cash, and in the previous portion of the same paragraph they say 'there is no personal liability against you at all to pay this money.' Now, I contend, that when an insurance company dealing with the public are forced to ask for new tariffs they ought to be plain, explicit and honest, and give those who are doing business with them an opportunity of judging what their intentions are. These principles that they lay down have about each a catch, no matter which way the man holds his insurance. But let me point out another thing; all the policy-holders in the New York Mutual Reserve Fund Life Association are included in these two classes. They all insured upon the assessment plan. They have paid for twelve or fifteen years on that plan; now the company comes down and asks to be placed in a position to deal with these people only on two grounds, and what are they? Either they must submit to an impairment of their policies to an amount which, if paid, would have got them a policy in an old line company, or pay a sum in addition to all they have been paying, to bring them up to the amount they would have had to pay if they had gone into a joint stock company in the first place. These are the two propositions; what proposition is there for the man who says, 'I do not want to be forced into either of these two conditions; I do not want to take a new policy, I do not want my policy impaired.' There is no place for him in this Bill; he is shut out, all he has paid is gone. He must take one or the other of these propositions, or be shut out altogether. Is that fair legislation? Is it fair to legislate away the $228,000 now in the hands of the government, and say to men who have been paying their money 'We will close you out unless you take one or the other of the two positions offered under the provisions of this Bill.'

Hon. Mr. KERR (Toronto)—I do not wish to interrupt the hon. gentleman, but I think he has entirely misunderstood the Bill. It contains nothing compulsory whatever. It is entirely optional with people to take advantage of it or not. The man who wishes to keep on paying assessments can do so as long as he likes. His contract is untouched, unless he chooses to take the option—he has the privilege of paying assessments necessary to carry his policy.

Hon. Mr. McMULLEN—There is no provision in this Bill which warrants the hon. gentleman in making that statement.

Hon. Mr. KERR (Toronto)—I beg the hon. gentleman's pardon, there is.

Hon. Mr. McMULLEN—The Bill deals with only two classes ; I defy the hon. gentleman to deny that. What are the two classes? First, those who will submit to an impairment of their policies, and, second, those who will consent to pay an increased sum to bring their contributions up to the rates under the old line life system.

Hon. Mr. KERR (Toronto)—I am quite sure the hon. gentleman does not want to mislead the Senate, but if he will only look at the first opening lines of the section, he will see distinctly that there is nothing whatever in this Bill that says a policy-holder's rights under the present contract shall cease at all, but the words show it is purely optional—the amount of each policy shall, at the option of the assured, be either so-and-so or so-and-so. He has the right to remain as he is. He can exercise any one of three options, not two, as stated by the hon. gentleman.

Hon. Mr. McMULLEN—I cannot see it as the hon. gentleman sees it, but if he can explain to the satisfaction of the House that there is any provision for those who will not take one or the other of the options which this Bill provides for, I should like to point it out. I have read the Bill and cannot see any provision whatever for those who do not take one or other of these positions. There is another provision in the Bill, to which the insured has to consent. He has not only to consent to an impairment of his policy to bring it down to a sum that he could have got insurance for in an old line company, or pay an increased sum equal to what he would have had to pay if he had been insured in a joint stock company; but he must consent, by this Bill, to pay 5 per cent upon the amount of insurance that he has paid each year to meet expenses. My hon. friend admitted that Canadian policy-holders had $22,000,000 in this company. Supposing that is cut down to $20,000,000, and that they receive an ordinary rate of assessment of $30,000 for each million, 5 per cent on their annual income will yield them $33,000 a year for expenses. That is the amount that those who come under either one of the conditions provided for here would have to pay.

Hon. Mr. KERR (Toronto)—Does the hon. gentleman mean to say that anybody has stated here that the present amount of insurance is $20,000,000?

Hon. Mr. McMULLEN—The hon. gentleman said $22,000,000.

Hon. Mr. KERR (Toronto)—Pardon me, I said it was at one time $22,000,000, but that it has now fallen to $8,000,000.

Hon. Mr. McMULLEN—We will take it at $8,000,000. The average payment, as I have said, is $30,000 per million; that will be $240,000 a year as the income for the $8,000,000. On that the policy-holders would have to pay five per cent, which would yield $12,000 a year. One thousand dollars a month will be collected out of those who contribute the money to meet the yearly payments upon their policies. That $12,000 a year would not go into the funds to meet maturing policies, but would be used to meet the expenses of the executive only. That is the proposition of the Bill. Now in the eleventh paragraph of this circular that the company have issued they say :—

> According to the plan proposed by the Bill your share of two-thirds of this deposit (that is the deposit with the government) will be apportioned to you in paid-up insurance, or if you choose the option providing for a charge on your policy, in reducing the sum charged.

Now I should like to know if it is possible for any ordinary insurer to understand that provision. It says the policy to be issued to you will be apportioned to you in a paid up insurance, or if you chose the option provided for, a charge on your policy in reduction of such charge.? Any ordinary person would fancy, reading that paragraph, that it was the intention of the company to issue a

policy for a certain paid up amount, according to the sum already contributed to the New York Mutual Reserve Fund. There is actually no such intention. The statement is misleading, because it is not the intention to issue paid up policies for the amount that these people have paid in. I am perfectly willing to do all I can for the policy-holders, but I object to giving legislation to this company on the lines of this Bill, and perhaps in ten years have them rapping at the doors of parliament for another measure of relief. We made a mistake in 1885; let us not repeat it now. If this company is to be set upon a basis authorizing it to continue its insurance business here, let us be sure that it is upon a basis that we can fairly hope that by reasonably good management it will be prepared to meet maturing policies, and if the basis it proposes is not of that kind, then I contend the Senate would not be doing justice to the policy-holders if we grant relief in accordance with the provisions of this Bill. I fearlessly assert that it is absolutely impossible for this company to meet maturing obligations on the lines laid down in this Bill. I am interested in a joint stock insurance company and am director of that company, but I am not hostile to this company. All I want is that when this company renews its conditions and re-enters the insurance field and asks for new insurance, that its position will be such that it will have at stake an amount of money that will secure to those who take insurance in the company, and those who now have insurance, that when their policies mature, their money will be there for them. That is the duty of parliament, and that is my desire. The company in which I am interested has $400,000 of stock subscribed, and $100,000 paid up. At the last annual meeting, after making provision for every obligation, including re-insurance of every man and woman that holds a policy in the company on the old line basis in a good stock company, and after providing for the amount of money paid in by the stockholders, $100,000 in cash, we have a respectable surplus still left; but what would be the condition, in our case, if anything happened that we had an enormous number of deaths? Every stockholder on our books would have to pay up to the last dollar of his stock. We have $300,000 stock that has not been called in. That is liable to be called in any day if the necessities of the company should require it. If a number of deaths occur, and we have not the money to meet the payments we have to call on the stockholders to the last dollar subscribed. What is the condition of this company, it has no stock—not a dollar; all they have is simply the deposit that they made with the government here, and they ask, as I said before, to mortgage all the policies to raise a sum in addition to enable them to get their license. I decidedly object to any life insurance company being placed in that position. I object to clothing them anew and sending them out to do business with the people of Canada. Let them form a joint stock company. If they come to parliament and say: 'We are going to ask our stockholders to contribute in the way of stock one-half of their entire policies—say that they have eight million dollars, as the hon. gentleman from Rothesay said, get the men who hold these policies to agree to sign a contribution of one-half of their policies in stock, and on that agree to pay ten per cent; that would be four million dollars. Ten per cent on four million, would be $400,000. Take that, along with the one hundred and fifty thousand, and they could make their deposit with the government and get their license. If any man who becomes a stockholder is unable to pay the ten per cent on his stock, and is allowed to let it stand a charge against his policy in that case, then what kind of company have you? You have a company with four million subscribed capital, with ten per cent paid up, and an amount as subscribed capital upon which you can fall back if your company, of necessity, has to do it in order to meet its maturing obligations. That would be a basis upon which the policy-holders would be safe. Were I a policy-holder, I would be quite willing to take that position, and you would have something then to rely upon, but in that case the stockholders would control the company. They could put in whom they like as managers and directors and presidents and everything else.

I do not know whether that would suit the present incumbents or not. They might say: 'No, we do not want that: we want things to remain as they are and just go on in our present shape.' I say that would be a solid basis upon which to start

anew. But we have an insurance department here; we have an eminent man at the head of the department, Mr. Fitzgerald, a man high up in the business of insurance. Let the company go to Mr. Fitzgerald, or to the Minister of Finance or the deputy, let them lay down a scheme whereby a reasonable and safe relief can be offered to the policy-holders of the New York Mutual Reserve, and after they have matured that scheme, bring it to us and we will give it our very best consideration; but to come here with a Bill that has received the sanction of nobody, unless the promoters of the company—they are the only persons and the solicitors who have advised the Bill—and ask us to pass it and give it a second reading and go into committee and possibly frame a Bill that would grant them relief under it—I say, as one, I am not prepared to do that. We want them to show a reasonably good basis upon which they ask to go out and do business with the people of this country, and unless they do that we are not discharging our duty to the policy-holders and the people of Canada in passing this Bill. We must see that we do not repeat the error of 1885. It is time we should take that stand. I think I have covered almost every point in the Bill. I have endeavoured honestly to point out what I consider the peculiar provisions of it. I declare it to be, in my humble judgment, an exceedingly imprudent Bill for this House to undertake to pass. In the first place, it is imprudent because it is interfering with the law relating to insurance companies on the assessment plan of this Dominion, in asking to graft upon that law a provision that will let this company out of its present dilemma, and it is unsafe because we are opening the door, by the passage of this Bill, to all assessment companies to come here and ask for relief if any disaster overtakes them such as overtook the New York Mutual Reserve Life. In the third place, the financial basis on which they ask to be permitted to go out and do business with the people of this country is not such as would warrant this House, nor warrant the superintendent of insurance, to come to the conclusion that they could fairly hope to meet their policies at maturity. They have no rest account. They have no stock. They have nothing behind them whatever to meet maturing obligations. If an extraordinary or even an ordinary number of deaths took place, they would in a short time find themselves in the same dilemma in which they are placed to-day. We should not start them anew unless their financial position is such that we would feel justified in recommending the people of this country to do business with them, and that the policy-holders who have been in that company could look forward fairly to getting their money when their policies matured. On the other hand, this five per cent that they propose to collect, shows clearly that the executive is looking very sharply after their own interests. They are not willing that their salaries should be paid in the ordinary way. They are not willing to trust to the board and the policy-holders for their annual income, but they want to be placed in a position that five per cent shall be paid by every policy-holder upon his annual payment, in order to provide a sum that will directly enter the pockets of the executive, of which they have absolute control themselves. Let the company sink or swim, the officers are sure to be paid as long as the contributions are made from year to year to meet the maturing sums upon the policies. That is another feature of it, that I do not like. In the last place, I say if they are going to be put in that position, let them come before the House as a joint stock company. Why do not these wealthy men in New York form a joint stock company and contribute two or three millions, or say a million of stock, and on that million pay up say twenty-five per cent, which would be $250,000, and apply $150,000 of the amount that is here and get their license in that way? Instead of doing that, they are taking all the money standing to the credit of the poor policy-holders, and by this Bill are asking power to mortgage their policies as well to enable them to raise these moneys. I do hope that the committee, as one of the matters for investigation, will give thorough, careful attention to what were the causes that led up to the present financial condition of that company and report fairly and fearlessly to this House when they have done so, and if they find that the company met with disaster of an unusual character and that their embarrassment was brought about by unforeseen

disasters which they could not overcome, I am perfectly willing to show them consideration. But if the company have sacrificed the money of the people, if they have abused the powers with which they were clothed in 1885, and if they have squandered the resources of the association, I say they do not deserve consideration at our hands only so far as it is in the interest of the policy-holders, for I do sympathize with those who were unfortunately inveigled into insuring in this company and after being bled from year to year, are now told after fifteen or twenty years that the company have no money to pay maturing claims, and there is nothing left but to mortgage their policies for a sum that will enable the company to get a license, and the policy-holders must consent to pay five per cent upon all the money paid in year after year to enable the executive to run a little longer. The policy-holders are told the company have no money to do the work and they do not want to put a dollar into the institution. That is virtually the language of the Bill. I hope, after the special committee have done their duty and reported to the House, that the Bill will receive the consideration it deserves, and as a matter of justice and courtesy to that special committe, I hope the second reading of this Bill will not be proceeded with until they have made their report.

Hon. Mr. CLORAN moved the adjournment of the debate until Wednesday next.

The motion was agreed to.

MUTUAL RESERVE FUND COMMITTEE.

CONSIDERATION OF REPORT POSTPONED.

The Order of the Day being called :

Consideration of the second report of the Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York.—(Hon. Mr. Cloran.)

Hon. Mr. SCOTT—I ask that this report be allowed to stand. There may be a discussion upon it.

Hon. Sir MACKENZIE BOWELL—Why should there be a debate ? The House has referred that matter to the committee, and it is necessary that the usual course shall be pursued. If the government is going to oppose the grant of a certain amount of funds to carry on the investigation we will know what they are doing.

Hon. Mr. CLORAN.—The committee cannot proceed until this question is disposed of. We are in a peculiar position. We have come to a decision not to assume the position of prosecutors but to act in a semi-judicial position and remain absolutely impartial, and the committee wish that the company and other interested parties should be represented. It will be absolutely necessary, under these circumstances, to have counsel, and I cannot understand why the Secretary of State should desire the delay.

Hon. Mr. SCOTT—The Secretary of State has a duty to perform in this matter. The motion is a motion of want of confidence in one of the most important departments of the government. I made inquiry if the committee had called on Mr. Fitzgerald, the head of the department. One would suppose that out of courtesy to the gentleman charged with the administration of insurance, that the committee would have called on the head of the department to ascertain if there was any justification for the action they proposed taking. I understand they have not done so.

Hon. Mr. CLORAN—Action has been taken in that matter, not only with reference to Mr. Fitzgerald, but also to the Minister of Finance, who recommended the committee to employ counsel if necessary.

Hon. Mr. SCOTT—I think my hon. friend is entirely mistaken, but I do not propose to discuss that. All I can say is that under the law the duties that this committee propose to assume are specially applied to and reserved for the Department of Finance, to the Treasury Board and the official who is at the head of what is called the Insurance Branch. I hold the law on the subject in my hands, and his duties are clearly defined. When there are any inquiries to be made, they are to be made through him. He is the proper channel. I suggest that the committee should call Mr. Fitzgerald before any further expense is incurred, and if, after hearing his explanation, it is found that it is going to be in the interest of the policy-holders, it would be then for the House to consider whether the appeal for counsel should be entertained. At present,

I am not disposed to acquiesce in the resolution, because it is a very unusual thing, unheard of in fact, except when moved as it was in years past when the government had an adverse majority in the chamber, and inquiries were made by the House which ought directly to have been conducted by the government of the day. I am not going to enter into a discussion of it, but, as I said before, no possible good can arise from this inquiry. If any good was going to result the committee would require a number of experts, and the inquiry must extend over a considerable number of months. It is certainly not an inquiry that can result in any benefit whatever for the unfortunate policy-holders. I should ask therefore that this motion stand until Wednesday.

Hon. Mr. McMILLAN—I think if this committee are to do any business, the sooner they get at it the better. The session is progressing, and we cannot remain here all summer. We have done nothing yet. If we follow the advice of the hon. gentleman from Wellington, that we are to do nothing with the Insurance Bill until the report of the special committee shall have been presented to this House as the result of the investigation, we are not likely to receive it until the last days of the session. It will then go to the Commons, and no legislation to relieve the policy-holedrs can be put through this session. I think the government ought not to throw anything in the way of the investigation that is to take place. The second reading of this Bill should be postponed from day to day until we have the report from the special committee. I do not feel like voting against that Bill, because I do not feel that I have enough evidence to satisfy me that that Bill perhaps may not be the very best Bill that can be presented to this House for the relief of the policy-holders, and under the circumstances I think it would be judicious to defer the second reading of the Bill until we have the report of the committee.

Hon. Mr. CLORAN—If the head of the Insurance Department has not been called before the committee, it is owing to a letter received from the Finance Minister. We consulted with the Minister of Justice in regard to counsel. He was quite willing but said that matter pertained to the duties and responsibilities of the Finance Department. We immediately went into communication with the Finance Minister, and we received a letter which is in the hands of the Law Clerk, which letter stated that the Interior Department and the Finance Department would have nothing to do with the investigation.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. CLORAN—Why call them, when they would have nothing to do with it? The letter wound up by saying that if counsel was necessary it was for the Senate to say so. The committee come before this House and say that it is absolutely necessary under the circumstances, in view of the position the committee will take, and I would not preside over the deliberations under any other condition—that is to assume a semi-judicial position, that is, to be perfectly fair to both parties. I do not see why the hon. Secretary of State objects to counsel.

Hon. Mr. DANDURAND—I have nothing to say with reference to the position the hon. gentleman takes, that he wants to sit on that committee in a semi-judicial capacity; but it is quite refreshing to hear that statement as coming unanimously from the committee, because one member. of the committee is the gentleman who laid the indictment, one who was willing to risk his seat and reputation in making out the case. He brings the charges against the company, and all he wants is an opportunity to lay his evidence before the committee. I should be surprised if the House concurs in the statement the hon. gentleman makes, that he wants to sit as a judge in this matter and not as an accuser; but I will not dwell long on this phase of the question because the hon. gentleman from Rothesay is not here. He accused me personally of having an open mind on this question. He had no open mind on this matter; he had a closed mind. This is not the state of mind which is proper for a judge sitting upon a case, but I will pass to another feature of the situation. If this committee, which contains two members of the bar of the province of Quebec, does not feel that it is strong enough in that line, (it is no doubt very great modesty on

their part), I would press them not to maintain the position and would suggest that the committee might be enlarged and some hon. gentlemen from this body could be added, before we employ counsel to help the gentleman who has all the evidence in his hands, who belongs to the committee, and who only asks that he should be given a chance to lay all that evidence before the committee.

Hon. Sir MACKENZIE BOWELL—The position taken by the hon. Secretary of State is that this is a direct attack upon the government of one of the departments. I do not understand that it is so. This company may have complied with every provision of the law, so far as it comes within the jurisdiction and investigation of the superintendent of insurance. They may have done all that. I believe they have. I do not believe there is a member of the Senate or a member of parliament who has greater confidence in Mr. Fitzgerald than I have myself from experience with him, and when I made inquiry some time ago as to the state of this insurance company—that is during the last session of parliament—he assured me that every provision in the Canadian law had been complied with by the company. It was upon that distinct understanding I voted for the investigation. The charge made by the hon. senator from Rothesay is not against the department. If I understand it, it is against the action of the company as it has been carried on in the past, and the misrepresentations which had been made to those persons who had taken out policies. No charge has been made, so far as my recollection carries me back, against any officer of the Finance Department or Insurance Department, and, upon that principle, the charge is that the company had conducted its affairs in a manner that should receive the condemnation of the people of Canada. Mr. Fitzgerald has fulfilled to the very letter his duties. I believe, in regard to this company, and—speaking for myself, and I think I am speaking the views of those gentlemen who voted for the committee, they never had the remotest idea of casting any reflection upon the Finance Department or the superintendent of insurance. I can say to my hon. friend, the chairman of that committee, that he has but one course to adopt when he wants any officer of the Finance Department, and that is to issue a summons to him to appear before the committee, and he is obliged to come. It makes no difference whether he says 'I do not want to have anything to do with it.' You have the power in that committee to compel the attendance of any official of the government, even from the minister down, so that he need not be at all backward in issuing his summons demanding his presence before the committee. I am quite satisfied when Mr. Fitzgerald comes there he will repeat exactly what he said to me, that so far as complying with the terms of the Act is concerned this company has complied with every provision in that Act, but it is not his duty to go outside to inquire as to how they conduct their business or as to how they secure their policies. No man would take that position if the responsibility was thrown upon his shoulders, so that the reason given by the Secretary of State has no basis or foundation in fact, and I think he will come to that conclusion himself.

Hon. Mr. SCOTT—The law is clear and definite. It is the duty of the superintendent to visit the offices of companies that are suspected of not keeping up their reserve. He is obliged to do it. If it appears to the superintendent that the liability of any life insurance company, including matured claims, and the full reserve and reinsuring of outstanding policies are not kept intact, it is his duty to call attention to it and to take action. It is his duty, in the first place, because he has the right to examine the books and the officials, to make the most minute inquiry—all the inquiry that this committee could make; and all I intended to convey to the House was that Mr. Fitzgerald ought first to be called before the committee. If the senator who made these charges were present, he would probably be able to explain to Mr. Fitzgerald the particular charges that he intended to establish, and Mr. Fitzgerald might be able to throw considerable light on them. It may be that he himself may have investigated. It may be he might have foreseen what has actually occurred. I think there was a great deal of misconception connected with this unfortunate company, and I suppose a good deal of it might be cleared away if Mr. Fitzgerald were

called and examined in the first instance. If, after he has given any explanation that may be asked for, the committee still insist and believe that the inquiry can result in any good to the policy-holders. I will not oppose it.

Hon. Mr. CLORAN—I think there is a misconception here. We are not to investigate the official relations between the insurance department and the company; those were all right, as far as the books show. The charges are on different grounds. It is a serious charge against the company, and the charge is the malversation of insurance moneys. That is the sum and substance of it, and for the sake of the policy-holders and the company I hope that the charge is not well-founded, that all the money that has been gathered in has been honestly distributed, and the question is, is this company now seeking new legislation entitled to it? If their administration is honest and fair, give them all they are entitled to. We want counsel to prepare a plan of investigation. We do not want to sit as prosecutors. We do not want to be forced to put leading questions to witnesses, or to examine them to extract the proof from them.

Hon. Mr. DANDURAND—Who has accused the company of malversation?

Hon. Mr. CLORAN—The hon. gentleman from Rothesay made the statement on the floor of the House.

Hon. Mr. DANDURAND—Does he not sit on that committee?

Hon. Mr. CLORAN—Yes, but he stated before the committee that his duty was done.

Hon. Mr. DANDURAND—Does he not declare he was ready to establish his charges?

Hon. Mr. CLORAN—He takes the position that any honourable member would. He says: 'I have done my share of the work; now you will have to do the remainder. I am not going to sit here as an accuser. I have accused them before public opinion, and the Senate and I will accuse them no longer.'

Hon. Mr. DANDURAND—So that from the position of accuser, he passes on to the bench?

Hon. Mr. CLORAN—Somebody has to accuse.

The motion was allowed to stand until Wednesday.

GRAND TRUNK PACIFIC RAILWAY BILL.

SECOND READING.

Hon. Mr. DANDURAND moved the second reading of Bill (34) An Act respecting the Grand Trunk Pacific Railway Company.

Hon. Sir MACKENZIE BOWELL—I should like an explanation.

Hon. Mr. DANDURAND—The Bill is simply authorizing the company to accept the amendments to the new contract which has been entered into. It is simply giving the company the right to accept the amended contract which has been made with the government.

Hon. Sir MACKENZIE BOWELL—Would it not be better to postpone this Bill until the contract has been ratified. The other measure has not passed yet.

Hon. Mr. DANDURAND—If the Bill is rejected, this measure would fall to the ground; but we can, notwithstanding, send it to the committee. We can take the second reading to-night, and it will go to committee in the ordinary course.

The motion was agreed to.

The Bill was read the second time.

The Senate adjourned.

THE SENATE.

Ottawa, Tuesday, June 7, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

GRAND TRUNK PACIFIC RAILWAY BILL.

MOTION FOR SECOND READING RESCINDED.

Hon. Mr. YOUNG—Owing to an inadvertence yesterday, Bill (34) An Act respecting the Grand Trunk Pacific Railway Company, which had not been reported upon by the

Standing Orders Committee, was read a second time. I desire to call the attention of the hon. gentleman in charge of the Bill to that fact, so that it may be corrected to-day by moving that the motion for second reading yesterday be rescinded and that the Bill be placed on the Orders of the Day for some future time.

Hon. Mr. DANDURAND—In compliance with the suggestion of the hon. gentleman, I beg to move that the motion carried yesterday for second reading of Bill (34) An Act respecting the Grand Trunk Pacific Company be rescinded and that the Bill be placed on the orders of to-day for second reading to-morrow.

The motion was agreed to.

LIGHTHOUSE KEEPER AT CRANE ISLAND.

INQUIRY.

Hon. Mr. LANDRY inquired :

When was Mr. Joseph Painchaud appointed keeper of the lighthouse at Crane Island ?

What were the motives of public interest which determined the Minister of Marine to dispense with the services of this old employee ?

When was Mr. Joseph Painchaud notified of this decision of the Minister of Marine ?

Was a complaint brought against Mr. Painchaud ?

By whom ?

Of what was Mr. Painchaud accused ?

Was the complaint in question communicated to Mr. Painchaud with a request to answer it ?

If in the affirmative, what was the answer of the accused ?

If in the negative, why did the Minister of Marine, before acting, refuse Mr. Painchaud the right to disprove the accusation brought against him ?

Did Mr. Painchaud ask for an inquiry, and why and upon whose recommendation was it refused him ?

Is it the intention of the government to afford Mr. Painchaud an occasion to disprove the accusation of which he is the victim, or is it to be understood that the policy of the government, at least in the present instance, is to chase out of its employment an employee with forty-three years of service, without any form of trial, and to cause him to lose the pension to which he had a right ?

Hon. Mr. SCOTT—The minister of the department to which the motion has reference suggests that the hon. gentleman should move for papers and they will be brought down.

Hon. Mr. LANDRY—Shall I bring it in the form of a motion ?

Hon. Mr. SCOTT—I will accept this as a motion for papers.

THE SAVARD PARK.

INQUIRY.

Hon. Mr. LANDRY inquired :

1. Has the government acquired, in the course of the spring, in the suburbs of Quebec, a property or a part of a property known under the name of the Savard park ?
2. What was the extent of this park ?
3. What is the extent of the part acquired by the government ?
4. How much has the government paid for the part bought ?
5. Has the amount agreed upon been paid in full, or has a part thereof been retained to meet the payment of the hypothecs with which the property in question might be charged ?
6. In what proportion ?
7. How much still remains to be paid ?
8. From whom was this property bought ?
9. For what object ?
10. How much has the government spent, and how much does it propose to spend, above the purchase price, to put this part of the property in a state to receive the sick persons who are to be sent there ?
11. What class of sick persons does the government intend to send to this hospital ?
12. What is the staff of such establishment, and how much a year does it cost in salaries ?
13. What are the names and residences of the physicians whom the government has appointed to this establishment ?
14. What is the annual salary of each of them ?
15. How much, in the estimate of the government, is the annual maintenance of such establishment going to cost ?

Hon. Mr. SCOTT—The answers are as follows :

1. Yes, part.

2. We have no information in the department as to the total area of this park.

3. Three acres and the buildings.

4. Purchase price, including two buildings, $14,000.

5, 6 and 7. The sum of $8,000 was paid on account, leaving a balance of $6,000.

8. From Mr. Elzéar Savard.

9. For a detention building and hospital for sick immigrants.

10. It is estimated that the cost of repairing and fitting up the buildings will be about $14,000.

11. The persons to be treated in this hospital are those who may be rejected under the medical regulations of the department at the seaports and who may be found to be afflicted with minor contagious diseases such as trachoma, favus, and any other diseases which, in the opinion of the medical officers, are sufficient to require the deportation of such immigrants if they, or the transportation companies bringing them

to Canada, are not willing that they should be treated.

12. The staff of the hospital includes the medical superintendent, matron, two interpreters who also act as guardians, a messenger and a female servant. The estimated amount required for their salaries is about $3,400.

13, 14 and 15. The physician in charge is Dr. A. Gauthier and his salary is $100 a month. The cost of the maintenance, annually, of the establishment will depend on the amount of work that will be required, but the transportation companies are required to pay a rate which is estimated to be sufficient to cover the whole cost of maintenance.

Hon. Mr. LANDRY—Does the hon. gentleman say that six thousand dollars has yet to be paid ?

Hon. Mr. SCOTT—Yes.

Hon. Mr. LANDRY—Is it because the money has to be paid to other parties ?

Hon. Mr. SCOTT—The reasons are not given. There may be some cause for it of which I have not been informed.

THE MARTELLO TOWERS AT QUEBEC.

INQUIRY.

Hon. Mr. LANDRY inquired :

Does the government know that one of the Martello towers at Quebec, the one which stands on the historic ground where, on the 13th of September, 1759, the battle known under the name of the battle of the Plains of Abraham took place, is now used by the Ross Rifle Manufacturing Company to serve as a pedestal for an enormous and unsightly tub, in which, in summer only, the water accumulates which the company needs for the purposes of its factory ?

Has the government ever given its authority for such a use of military properties for industrial purposes ?

Were the military authorities consulted upon this subject, and is it also with their knowledge and with their approval that this part of the fortifications of Quebec has been granted or leased to the Ross Rifle Company, and that the very roof of the tower has been pierced in order to permit the construction of the carpentry which serves as a base for the tub in question ?

When was this permission given ?

Upon what conditions and for what length of time ?

As a matter of fact, was the consent of the Mayor of Quebec asked for beforehand, and was it obtained ?

Is it the intention of the government to cause the unsightly addition which the Ross Company has made to the Martello tower to disappear as soon as possible, this being of no utility to the company, at least in winter, thanks to the rigour of our climate ?

Is it equally the intention of the government to withdraw the use of these historic towers from the industrial operations of a private company, and to preserve intact towers which are an ornament for the old city of Quebec ?

Hon. Mr. SCOTT—The minister considers that these questions are not in parliamentary form ; that the questions ought to be put direct ; there should be no innuendo. preamble or insinuation. The hon. gentleman has introduced opinions and conclusions of his own which, perhaps, the department might not share, and he should therefore remove those particular phrases from the question and put it in a more direct shape and he will get a reply.

Hon. Mr. LANDRY—Will the hon. gentleman point out what the infractions of the rule of parliament are ? Perhaps the minister will have no objection to answer the questions which are put in the right form ?

Hon. Mr. SCOTT—I presume the objection is to the insinuation that the Martello towers have been degraded by having a 'tub' placed on top of them.

Hon. Mr. LANDRY I cannot call it anything else but a tub.

Hon. Mr. SCOTT—The hon. gentleman has given his own conclusion ; perhaps he will put the question in a more direct form and I will try to get it answered. The hon. gentleman says that the Martello towers are.

Now used by the Ross Rifle Manufacturing Company to serve as a pedestal for an enormous and unsightly tub, in which, in summer only, the water accumulates which the company needs for the purposes of its factory ?

Hon. Mr. LANDRY—The only thing I can drop out of it is the part which states that it is used to accumulate water, but I cannot describe it better than by calling it a tub. Perhaps I can meet the minister's view by calling it a reservoir.

Hon. Mr. SCOTT—I do not know the esthetic term that would suit my friends in the department.

Hon. Mr. LANDRY—I will try to meet the wishes of the hon. Minister of Militia.

Hon. Mr. SCOTT—It is the usual practice, in the other House, as hon. gentleman know, to put questions direct without any deduction or expression of opinion. The hon.

gentleman expresses an opinion of his own in this question. The better way is to ask the question—direct—for what purpose it is used, and in what way the Martello tower is being used. I need not suggest to my hon. friend; he can very readily frame a question which the department will have to answer.

Hon. Mr. LANDRY—I want to know from the government if they propose to leave that tub—or shall I call it reservoir there. That is the principal question. However, I shall put the question in a form to meet the wishes of the Minister of Militia.

Hon. Mr. SCOTT—I would suggest to the hon. gentleman to put his questions in a more direct form.

Hon. Mr. LANDRY—I shall do so.

THE TRANS-CANADA RAILWAY.

INQUIRY.

Hon. Mr. LANDRY inquired:

Whether the Trans-Canada Railway Company has made overtures to the government to obtain a subsidy to aid in the construction of a railway from Quebec to Port Simpson?

What is the nature of the subsidy asked?

What is the amount per mile and for how many miles?

Has this request for subsidies been recommended by any one, and by whom?

Does the government intend to grant the aid asked for?

Have any negotiations taken place between the government and the Trans-Canada Railway Company or any party whatever with the view of inducing the Trans-Canada Railway Company to give up its charter for any part of its line intended to become a part of the National Transcontinental Railway?

As a matter of fact or policy, will the National Transcontinental Railway travel over the ground and serve the country the Trans-Canada intended to cover?

Hon. Mr. SCOTT—I will take this as an order for papers and I ask the hon. gentleman to let it stand.

The inquiry was allowed to stand.

THE FAST LINE AND THE WINTER PORT.

INQUIRY.

Hon. Mr. LANDRY inquired:

Are there at present, or have there been since last session, any negotiations going on on the subject of the establishment of a fast line of trans-Atlantic steamers?

With whom have these negotiations taken place?

On what basis?

What Canadian port has been designated as the terminus of ocean and river navigation in summer, in connection with the establishment of the fast line?

Which is the winter port?

What speed are the ships of the fast line to have? What draught of water?

At what date approximately, or at least in what year, will the first vessel of this line make its first voyage?

Hon. Mr. SCOTT—There have been no negotiations since last session of parliament.

THE ROSS RIFLE.

INQUIRY.

Hon. Mr. LANDRY inquired:

Has the Ross Rifle Company sold any rifles to the government?

When, in what quantity, and at what price?

How much, on the average, in the past, has been the cost of the purchase of each rifle of the different models which have been placed in the hands of the Canadian Militia since confederation?

Does the government know, and can it inform us of, the price of the fire-arm with which the American infantry is armed to-day?

Hon. Mr. SCOTT—No, there are none actually delivered. There was a contract to deliver a certain number of them—100,000—and the price fixed was $25 each rifle, but none have so far been delivered.

Hon. Mr. LANDRY—My inquiry goes a little further. I should like to know the average price of the different models of rifles which have been issued to the Canadian militia since 1867, and the price paid in the United States for rifles which they are putting into the hands of their militia.

Hon. Mr. SCOTT—I do not know if the department would be informed as to the last question. Perhaps it would be as well to let the inquiry stand.

Hon. Mr. LANDRY—Yes, and communicate the question to the department.

Hon. Mr. SCOTT—I have already done so, and that is the only answer they gave me, that no rifles had been delivered—that there had been a contract to deliver rifles and that the contract price was $25 for each rifle.

PETITIONS RE GRAND TRUNK PACIFIC BILL.

Hon. Mr. MACDONALD (B.C.) rose to:

Direct the attention of the Honourable the Secretary of State to the advisability of placing before the Senate, necessary to an intelligent understanding, before the second reading of the

Act to amend the National Transcontinental Railway Act, copies or the originals of all requests and petitions by provincial governments, municipalities, boards of trade, mercantile men or associations, manufacturers, steamship companies, producers and raisers of cereals, horses and cattle, and by the purchasers of such products, showing the necessity for increased transportation facilities, and praying for the construction of the Grand Trunk Pacific Railway.

He said: I think the hon. Secretary of State will consider this a reasonable request that all petitions and questions from different bodies, from provincial governments, municipalities and transportation companies, should be laid before the Senate before the discussion on the Transcontinental Railway is proceeded with. It is a very important matter that we should know, because some of us oppose that scheme and we would like to ascertain on what foundation it has been supported. I have no intention of making any quotations in regard to this matter, but the Montreal 'Gazette' of to-day has fallen into my hands, and I see that in Montreal the Transportation Commission is now sitting, and it met the boards of trade, and mayor of Montreal and a number of commercial men and the chief thing they pressed on the commissioners was with reference to increased harbour facilities and elevators and things of that kind in the improvement of the harbour. Then they go on to the question of transportation direct, and they state as follows:

It was urged that because of the improvement of the Erie canal, which might divert to Oswego traffic passing through the Welland canal, the deepening of the Welland canal was no longer advisable and that instead the immediate prosecution of the work of deepening and canaling the French river should be most energetically advocated; that it should take precedence of all other works in connection with transportation routes, and that the canalization of the Ottawa river should be proceeded with to give an alternative all-water route from North Bay. The cost of deepening these rivers to accommodate vessels drawing 20 feet would be about $85,000,000.

The only reference to the Grand Trunk Pacific is as follows:

That the board, which, as stated in its resolution of December 10, 1902, favours the extension of the Grand Trunk system westward from Northern Ontario to the Pacific ocean, advocates the early completion of such extension.

There is no reference in that resolution, or that opinion of the Board of Trade of Montreal to the continuation of the road from northern Ontario—that is Lake Nipissing or North Bay down to Moncton.

Hon. Mr. SCOTT—That reference, which my hon. friend has read, was before the present scheme was brought to the notice of parliament; it was not evolved for some six or eight months after that. That reference which my hon. friend is quoting from when the Grand Trunk Pacific first proposed to build a line from North Bay to a point at the end of the road was in 1892. I am not aware that there are any communications. I shall make some inquiries about it, but there were none, within my knowledge, in the various sources from which my hon. friend has quoted. If there are any I will be very glad to bring them down.

Hon. Mr. MACDONALD (B.C.)—I wish to see what foundation the government is proceeding on, and I think if the government had waited until the commission reported it would have been a wise thing.

BILL INTRODUCED.

Bill (116) An Act respecting certain patents of the Canadian General Electric Company and others.—(Hon. Mr. Kerr, Toronto.)

SECOND READINGS.

Bill (8) An Act respecting the Nova Scotia Permanent Benefit Building Society and Savings Fund.—(Hon. Mr. McDonald, C.B.)

Bill (104) An Act respecting the Tilsonburg, Lake Erie and Pacific Railway Company.—(Hon. Mr. Wilson.)

Bill (57) An Act to incorporate the Interprovincial Railway Bridge Company of New Brunswick.—(Hon. Mr. Domville.)

Bill (93) An Act respecting a certain patent of E. A. Small.—(Hon. Mr. Mitchell.)

Bill (90) An Act to incorporate the Bessemer and Barry's Bay Railway Company.—(Hon. Mr. Gibson.)

Bill (60) An Act respecting the Kettle River Valley Railway Company.—(Hon. Mr. Templeman.)

APPOINTMENT OF J. B. JACKSON.

RETURN LAID ON THE TABLE.

Hon. Mr. SCOTT—I beg to lay on the table of the House the return ordered by the House on June 1, with reference to the

appointment of Mr. J. B. Jackson. The Order in Council is brought down, but the recommendation to council is not among the papers furnished me. It was considered confidential. I said that was the practice. In this case it makes no difference, because I know it was simply on the recommendation of the Minister of Trade and Commerce.

Hon. Sir MACKENZIE BOWELL—I dare say that will give all the information I require, but the reasons advanced for not producing the recommendation would make one infer that there was a division in the cabinet as to the propriety of making the appointment, which I have no doubt there was, owing to the character of it.

The Senate adjourned.

THE SENATE.

Ottawa, Wednesday, June 8, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

QUEBEC GOLF CLUB.

INQUIRY.

Hon. Mr. LANDRY inquired :

1. Has the government leased to the Quebec Golf Club the exclusive use of the Cove Fields ?
2. At what price per year ?
3. When does the lease expire ?
4. Is it the intention of the government, on the expiration of the lease, to lease anew the same land to the same club, with the same exclusive reserve, or to offer it in a general manner to any person who would like to lease it on the same conditions of payment and of maintenance, but with the obligation to keep it open and accessible to the public of Quebec ?

Hon. Mr. SCOTT—The answers are as follows :

1. Yes, subject to the department resuming possession in the event of the land being required for military purposes.
2. $200.
3. 1st May, 1916.
4. This matter will be considered in due time.

DISMISSAL OF LIGHTHOUSE KEEPER AT CRANE ISLAND.

MOTION.

Hon. Mr. LANDRY moved :

That an humble address be presented to His Excellency the Governor General; praying that His Excellency may be pleased to cause to have laid before this House a copy of all documents, papers and correspondence relating to the appointment of Mr. Joseph Painchaud to the keepership of the lighthouse at Crane island, of the complaints brought against him, of the dismissal of that officer, and of the requests for an inquiry made by him, and of the refusal of the department to grant them.

The motion was agreed to.

FRENCH VERSION OF MILITIA ORDERS.

INQUIRY.

Hon. Mr. LANDRY rose to call the attention of the House to the following facts :—

I. On the 9th of April, 1902, Honourable Mr. Landry made the following inquiry :—

'Honourable Mr. Landry inquired of the government—

1. In what year were published the last regulations and orders for the militia of Canada ?
2. Has the French version of these regulations ever been published, and in what year ?
3. If such version has never been published, why ?
4. Does the government intend to put at the disposal of the French officers of the Canadian militia the French version of the aforesaid regulations, and when will it be distributed ?

Honourable Mr. SCOTT—The answer sent me by the department is as follows :—

1. 1898.
2. No.
3. Because the issue was a provisional one.
4. Yes, shortly.'

II. On the 9th of June, 1903, after having repeated the above inquiry, Honourable Mr. Landry put the following question :—

'When will the French officers of the Canadian militia be expected to be put on a foot of equality with the other officers of the Canadian militia, in getting the French edition of the regulations and orders for the militia of Canada' ?

The following answer was then given :—

'Honourable Mr. SCOTT—On the 9th April, 1902, orders had been given for the immediate revision of the regulations and orders, and it was the intention to have copies in the French issued as soon as possible thereafter. The revision was practically complete in the early autumn, when the work was suspended in view of the intention to revise the Militia Act during the now current session. As the new Militia Bill will not be proceeded with during this session (1903), instructions have been given to complete the revision of the regula-

tions and orders commenced last year, and to bring it up to date, and new regulations and orders, both in English and French, will be published and issued to all concerned with the least possible delay.'

And that he will ask the government—

A year having elapsed since the above promises have been made, and the French officers of the Canadian militia having never had the French version of the last regulations and orders for the militia, when does the government of Canada intend to do justice to the French element of our Canadian militia ?

Hon. Mr. SCOTT. The work of revising the regulations and orders has been advanced as far as it is possible to do so before the new Militia Bill becomes law. As soon as this is done the work will be completed, and a French edition will be at once prepared.

Hon. Mr. LANDRY—Do I understand the French edition is prepared concurrently with the English edition ?

Hon. Mr. SCOTT—I presume so, because it says 'and a French edition will be at once prepared.'

Hon. Mr. LANDRY—But the other one is finished ?

Hon. Mr. SCOTT—They are waiting now. There will be some changes and the other one will have to be revised when the new Militia Act comes into operation. And when that is done the French edition will be circulated.

POLITICS IN MILITIA APPOINTMENTS.

Hon. Mr. LANDRY—Before the Orders of the Day are called I should like to direct the attention of the hon. Secretary of State to the following article in this morning 'Citizen' :—

A MILITARY SENSATION.

Lord Dundonald's Speech at Windsor Banquet. Deplores the interference of politicians with the appointments to the Canadian volunteer force—The condition, he says, is intolerable.

Toronto, June 7.—The 'World' this morning publishes the following sensational story under an Ottawa date :—

A Montreal officer who was present at the military dinner at the Windsor Saturday, stated here to-day that Lord Dundonald's sensational speech, although carefully written out and intended for publication, had been carefully suppressed by the Montreal newspapers. This is what the general said :

Hon. Mr. LANDRY.

When a nation is in peril the commanding officer has the supreme control of the military appointments, and he is responsible to his country for its efficiency in war. In time of peace, unhappily, through political intriguers, we are in their web, and appointments are made without regard to military efficiency and to the great peril of the nation's safety. Officers in command of the forces of this country should not be selected because of their particular politics, but unfortunately this is the case

A most flagrant instance of political interference has recently come before me in connection with the appointment of officers in the new eastern townships cavalry regiment, the Scottish Light Dragoons. The commanding officer of the corps had selected officers because of their apparent fitness from a military point of view. The names reached me and were sent to council, and gentleman, what do you think happened ? The list having my approval was returned with the name of one officer stricken off, and initialled by the Minister of Agriculture.

The gentleman whose name was stricken from the list was Dr. Pickel, the mayor of Sweetsburg, and warden of the county of Missisquoi, a man chosen of the people and well qualified to serve his King and country. His political colour was not, however, that of the Minister of Agriculture, and consequently he was not considered fit to serve his King in the military force of Canada.

'If,' said Lord Dundonald, 'the Hon. Sydney Fisher has been as well versed in soldering as in agriculture, he would have better understood the responsibilities of officers, and this would not have happened.'

After making a few more remarks, the general said : 'It is intolerable that my recommendations, made in the best interests of the force, should be so grossly interfered with by any minister, not connected with the department.'

Lord Dundonald's speech was greeted with tremendous applause.

Lt.-Colonel Whibbard also made a speech in which he endeavoured to shield the Minister of Agriculture, saying that it was difficult to suppose that Hon. Mr. Fisher would be guilty of such an act.

It goes without saying that the speech is the talk of both Ottawa and Montreal.

I have no doubt my hon. friend has seen this article, and that he is in a position now to give us some information on the subject. I want to know if the major general has made the speech which I have just read, and, if so, whether the statements therein contained are facts ? I want to know if it is true that the Hon. Mr. Fisher has dropped his plough to pick up the sword and whether the Minister of Agriculture in this country is stronger than the Minister of Militia ? I want to know if the Minister of Agriculture has interfered in a matter which belongs to another department, to the extent of de-

ciding that an officer who has served his King and country is not fit to do so any longer if he happens to be opposed to the government of the day ?

Hon. Mr. SCOTT—When I read the morning paper I saw that there was an announcement about a military sensation, but as I belong to the peace party I rarely read speeches from military men. I certainly did not read a single line of that article, and the incident to which the hon. gentleman has referred is new to me. It is the first time I ever heard of it. I should, in the first place, doubt the authenticity of the report, and until Lord Dundonald himself assumes the authorship of it, I would be unable to make any comments whatever.

Hon. Sir MACKENZIE BOWELL—I would ask the hon. gentleman to bring under the notice of his colleagues the fact that a speech purporting to be delivered by the major general has been read in the Senate, and to ascertain whether it be correct or not. If correct it shows an interference with the Department of Militia on the part of a minister of another department which under the circumstances, would be unjustifiable. I do not pretend to say, however, that even the Secretary of State would be exempt from responsibility for the action of his colleagues on this or any other matter unless he repudiated it. The charge is of such a grave character that in the interest of the force itself and of the community as a whole, we should know whether a gentleman occupying the high position that Lord Dundonald holds has made such a statement. I shall not give an opinion now on this question. I have good reason to know, from past experience, that whether this be true or not there are many instances of a somewhat similar character in which politics has had more to do with the appointment, the promotion, and the removal of officers, than their efficiency. And here is a statement purporting to have been made by the highest military authority in the country that he recommended a certain gentleman, who, from the position he holds in the county of Missisquoi, must certainly, to say the least of it, be a respectable and reputable man, and he is struck off the list of officers on account of the political opinions that he may hold. Such an act is enough to destroy the efficiency of the military force in the country, and if the force cannot be managed and controlled without introducing the question of politics, it is high time that the country expressed an opinion of a character which would bring condemnation upon any minister who interferes in the manner in which the Minister of Agriculture is alleged to have interferred in this case. I could give instances of capital officers, men who had served in the volunteer force for years, men who were efficient in every particular, having been rejected and refused commissions, and it is not only believed but known that it was on account of their political complexion. I know further that when certain politicians of the other House came to Ottawa and represented to the Minister of Militia that a certain young man was desirous of being employed in the service of his country on the active force, he did get a commission but it was not until after that member of parliament had represented to the government that he, his father and his own relations, belonged to the Liberal party. Now, from my personal knowledge of that young man I can say that he was as capable and as worthy of having a position in the militia force as any man in Canada. He stood high in the profession, and passed the very best examinations, and I do not wish to be understood as objecting to his appointment. I think it was a worthy appointment, but what I object to is that no appointment to any of those battalions was made or could be made until it was represented that the man to be appointed belonged to the Liberal party. If we have trouble with any other country we should not have to depend upon one party exclusively, whether it be Liberal or Conservative.

Hon. Mr. LANDRY—Hear, hear.

Hon. Sir MACKENZIE BOWELL—And in a matter of this kind, if there is any question that should be impressed on the minds of the people of Canada, it is the idea that we are a unit in the defence of our country, and no matter what our political views may be we pride ourselves on being British Canadians as has been amply shown during the trouble in South

Africa and on other occasions. A man's political complexion and views have nothing whatever to do with that fealty which he owes to the country in which he lives, and to the sovereign who governs the country. I speak somewhat warmly on this question, because I have been during the larger portion of my life connected with the volunteer force, and when the Conservatives were in power I laid down the principle very strongly, when approaches were made to me when acting as Minister of Militia, to have promotions and appointments decided upon the question of politics, I put my foot down upon it as firmly as I possibly could, and declared that no question of politics or religion should ever influence the department while I had anything to do with it, in the appointments to, or promotion in the volunteer force; that merit alone and service would be the only principle that should guide the department while I had anything to do with it. I urge upon the Secretary of State, and I do it in all sincerity, to bring this question under the notice of his colleagues, and if it be shown that the major general's statement is correct, then it will be for the country to condemn the minister who interferes in the manner in which he did for the reasons which he alleged, and in justice to Lord Dundonald, if he did not make that statement, it should receive a contradiction or an explanation at the earliest possible moment.

Hon. Mr. DANDURAND—I do not believe that it is the proper time to discuss the administration of the Militia Department on a simple incident that arises through the publication of a partial report of a speech made by an employee of the government in the city of Montreal.

Hon. Mr. LANDRY—Who is the employee?

Hon. Mr. DANDURAND—I will mention the name presently. Hon. gentlemen need not be afraid, it is Lord Dundonald. An expression has fallen from the lips of the hon. leader of the opposition, upon which I wish to comment, and it is that a grave charge has been made by the reading of this newspaper report. I agree with him to the extent that a grave charge has been made, and I should not like to condemn the party who is charged with the offence mentioned in that report until I know that he accepts the responsibility for the offence. Lord Dundonald is accused of having made an after dinner speech in which he condemned a minister of the Crown for his action in the administration of the Department of Militia. I do not see how the report referred to could bear the signature of the hon. Minister of Agriculture, except that he would be representing for a time the Minister of Militia himself, and I cannot admit for one moment that an employee of the government, whoever he may be, would have such a dull sense of his duty as to criticise his employer and a minister of the Crown in the way that is mentioned in that newspaper. I should not admit it for one single moment. There are other ways for an employee of the government to show how dissatisfied he is with the administration of the department. It is for him to sever his connection with that department, and I credit Lord Dundonald with enough common sense to feel that if he wants to sever his connection with the Department of Militia, he would have taken another mode than the one he is charged with having taken, because it goes without saying that it would simply mean the departure, the abrupt departure of Lord Dundonald from the service of the Dominion of Canada.

Hon. Mr. FERGUSON—I am not surprised at the observations which the hon. gentleman has addressed to the House, for the reason that when I read the paper this morning I felt a very great deal of surprise at the outspoken nature of this declaration by Lord Dundonald. I saw this report yesterday in some other paper, not the 'Citizen.' It appeared in the Montreal press yesterday, and this morning it was reproduced in the 'Citizen,' and it occurred to me that my hon. friend the Secretary of State would be eager to get on his feet when he met this House to-day to make some explanation with regard to this most extraordinary statement of the action of his colleague the Minister of Agriculture who is residing at Ottawa at this moment. I think it extraordinary that my hon. friend did not communicate with him and ascertain the facts with regard to this statement. I agree with my hon. friend that it does seem rather extraor-

dinary that Lord Dundonald should have spoken so openly, if he did so as indicated in the newspaper report. We have details and names given, all the particulars ; everything is there in a detailed way and it is of such importance, dealing with the military question in this country, that I must express my very great surprise that the Secretary of State did not interrogate his colleagues before he came to this House and did not cause inquiry to be made as to whether Lord Dundonald made the statement, or whether the Minister of Agriculture had interfered with the administration of the Militia Department to such an extent as is indicated in that report. It has now gone two days without contradiction, and the assumption is that there must be a very large grain of truth in the charge, otherwise the statement would not have been made and we would not have been left without a contradiction either from Lord Dundonald, the Minister of Agriculture, or the leader of the government in the House of Commons.

Hon. Mr. SCOTT—I do not propose to add anything to what I have said. I stated truthfully—and I think the hon. gentleman is not observing the ordinary courtesy in such matters—that I saw nothing of the article. When I saw the heading of Lord Dundonald's speech I did not read it. I never heard of it till it was mentioned by the hon. gentleman, and I am not going to discuss a hypothetical question as to what should be done. I know the action that would be taken if the facts were true.

Hon. Mr. McMULLEN—I want to say that I regret very much if there is a justifiable foundation for the report that has been published in the 'Gazette.' I agree largely with the views that have been expressed by the hon. leader of the opposition when he says that in defence of our country we should not know either Grit or Tory and if any minister of the Crown, in the discharge of his duty, permits himself to be actuated by political spleen in either rejecting or choosing officers for the militia I would say at once that he is not fit for his position. I can hardly believe that the Minister of Agriculture lent himself to what is charged. I earnestly hope that it is not true. I hope that whenever the matter comes to be fully explained that it will be found there were some other reasons than simply that this officer was a Conservative, for the course the minister took, if he did what is charged. I hope, for the credit of the Crown and the government, that no minister would be small enough to be actuated by mere political spleen in such a matter, and for that reason and that reason only to scratch a man's name off the list when he is recommended by Lord Dundonald for a certain position in the militia. I hope it is not true. I hope the hon. Secretary of State will inquire into the whole matter and be able to report to us that the statement made by Lord Dundonald is largely overdrawn. I should like that to be the result. If it is not the result, if Mr. Fisher is guilty of what is charged I can only say that I am exceedingly sorry that any minister should lend himself to such a transaction.

Hon. Mr. DOMVILLE—I take exception to the words used by my hon. friend from DeLormier (Hon. Mr. Dandurand). I think that he did not select his language carefully. My hon. friend on the other side (Hon. Mr. Landry) had a perfect right to call attention to this matter. I have been in the militia, and know that while I served under the Conservatives I got fair-play from them, although they knew that I was fighting them every inch, and I think the Liberals of this country are prepared to do the same. If a mistake has been made, well, sometimes people will make mistakes, and too much importance should not be attached to after-dinner speeches. When my hon. friend calls Lord Dundonald an employee I take exception to that word.

Hon. Mr. DANDURAND—What is he ?

Hon. Mr. DOMVILLE—He is sent out here by King Edward of England.

Hon. Mr. DANDURAND—I beg the hon. gentleman's pardon, he is our paid employee.

Hon. Mr. DOMVILLE—The hon. gentleman does not understand the question. He takes up too many questions in a wrong way in this House when he does not understand them and he is evidently not posted on this. The leader of the opposition has been a colonel of a regiment and a minister of the Crown, and he knows that there is a royal warrant governing the position of

the general commanding here, and if we ask England to send us a general officer, it does not follow that he is an employee. Who is the general commanding officer ? Did he sit here and blow off wind when there was war in South Africa ? No, he fought through the war and proved himself a most successful general. Politics should be set aside in a matter of this kind. Let us all remember we are part of the British nation, and it is our duty to stand by His Majesty's commanding officer in Canada. I know very little of Lord Dundonald personally. I have never met him socially, and merely exchanged greetings with him, but he has come out to this country covered with laurels gained in fighting the Boers. Many generals did not succeed in that war.; he did, and when he has been sent here to command our forces, I say to refer to him as an employee is an insult. He is not hired. What does he get here ? Not a fraction of what he got when he was in England or what he would get if he were in the east. He comes here to do his best for Canada and for the empire, and to speak of him as an employee, as if he was simply a clerk in the civil service, or as a man we hire to-day and send away to-morrow is unwarranted, and I am sure no hon. gentleman in this House would endorse such language. My hon. friend may smile ; I have seen him smile on other occasions, and perhaps before we are through here there will be some more smiling ; but this honourable body ought to ask the hon. gentleman to withdraw that word 'employee.' In case of war, parliament disappears and our forces must then defend our country as best they can and conduct the war to the best of their ability. The hon. Secretary of State answered the inquiry very appropriately ; he had not looked into the matter. I do not know whether it needs looking into. We know that after-dinner speeches sometimes do not mean anything. I am sure my hon. friend from DeLorimier will regret hereafter, if he does not already regret, that he has thrown a slur on a British general who has fought for the empire and is covered with medals and with honours for the services he has rendered.

Hon. Mr. DANDURAND—I see no odium in the expression 'employee.' We are all to a certain degree more or less employees of somebody. We are here ourselves as employees of the people of Canada. I think it is a high honour to be a high salaried officer of the Dominion, and that is the position of Lord Dundonald whom we can appoint or dismiss when we please.

Hon. Mr. DOMVILLE—The hon. gentleman says he is an employee here. I am not. I am an employee of nobody.

Hon. Mr. ROBERTSON—I think we are making a little too much of this discussion. You will notice this report is not given by any of the newspaper men of Montreal, but by a private individual who reports it without giving his name. Therefore my opinion is that there is no truth in the report, and that the whole thing will be contradicted.

BILLS INTRODUCED.

Bill (106) An Act to incorporate the Chicoutimi and Northeastern Railway Company.—(Hon. Mr. Domville.)

Bill (109) An Act to incorporate the Montreal, Nipissing and Georgian Bay Railway Company.—(Hon. Mr. Kerr, Toronto.)

Bill (K) An Act respecting the Northern Bank.—(Hon. Mr. Watson.)

THIRD READINGS.

Bill (68) An Act respecting the Hudson's Bay and Northwest Railway Company.—(Hon. Mr. Kerr, Toronto.)

Bill (91) An Act respecting the Toronto and Hamilton Railway Company.—(Hon. Mr. McMullen.)

Bill (105) An Act respecting the Lake Erie and Detroit River Railway Company.—(Hon. Mr. Casgrain, Windsor.)

Bill (44) An Act respecting the Berlin, Waterloo, Wellesley and Lake Huron Railway Company.—(Hon. Mr. Merner.)

Bill (96) An Act to incorporate the Crawford Bay and St. Mary's Railway Company.—(Hon. Mr. Templeman.)

Bill (48) An Act respecting the Nicola, Kamloops and Similkameen Coal and Railway Company.—(Hon. Mr. Macdonald, B.C.)

SECOND READING.

Bill (103) An Act to incorporate the Canadian Artillery Association.—(Hon. Mr. Templeman.)

NAVIGATION OF CANADIAN WATERS ACT AMENDMENT BILL.

SECOND READING

Hon. Mr. SCOTT moved the second reading of Bill (112) An Act to amend the Act respecting the navigation of Canadian waters. He said: The object of this Bill is to amend section 14 of chapter 79, which provides the signs and signals to be given by the different ships. It is merely a matter of detail. There have been a good many collisions of late, and the object is to make such changes as to avoid in future collisions which experience has shown may be avoided. It is a mere matter of signals.

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

BOUNTIES ON LEAD ACT AMENDMENT BILL.

SECOND READING

Hon. Mr. TEMPLEMAN moved the second reading of Bill (127) An Act to amend the Act providing for the payment of bounties on lead contained in lead-bearing ores mined in Canada.

Hon. Mr. LANDRY—Is this an amendment to the Bill which was passed last year?

Hon. TEMPLEMAN—No, there is only one clause providing that the payment of bounties may be made from a certain date. It is to clear away an ambiguity in the law passed last year.

Hon. Mr. FERGUSON—Does it extend the time for payment.

Hon. Mr. TEMPLEMAN—It does not affect the law at all; it is only making it clear that a bounty is to be paid from the beginning of last financial year instead of from the time of the passing of the Act.

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

CRIMINAL CODE AMENDMENT BILLS.

THIRD READINGS.

The following Bills passed through Committee of the Whole and were read the third time and passed.

Bill (3) An Act to amend the Criminal Code, 1892.—(Hon. Mr. Scott.)

Bill (56) An Act to amend the Criminal Code, 1892.—(Hon. Mr. Scott.)

INSURANCE ACT AMENDMENT BILL.

DEBATE RESUMED

The Order of the Day being called:

Resuming the further adjourned debate on the motion for the second reading Bill (H) An Act further to amend the Insurance Act.

Hon. Mr. CLORAN said: As hon. gentlemen will remember, last evening I moved the adjournment of this debate on account of the absence of the hon. senator from Rothesay. I have very little to say in regard to the Bill and its merits at present. Probably if I were not in the position which I hold to-day in regard to the company, I would have a good deal to say owing to representations made in the matter by highly interested parties, such as the united association of insurance agents in Canada, who have written me protesting against the passing of this Bill on very strong grounds. I will not detail them here now. I have had also representations from many of our leading citizens throughout the Dominion, stating that the Bill is more or less of a cover for the wrong-doing of the past. Whether that is true or not I am not in a position to say, consequently I will not discuss the merits of these representations to-day, but my position in regard to this Bill is this: As far as I can see, it is a measure proposed for the relief of the company. Now, if the company is in a sound position, doing good, legitimate, profitable business for the policy holders there is no need of this Bill. If the company is in another position, one where wrong-doing can be legally and rightfully charged, then I say that the presentation of the Bill now before the House is exceedingly premature in view of the action already taken by this honourable body. This House has decided by a vote that an investigation into the affairs and the position of this company, as far as it does business in Canada, is absolutely necessary. A few days after that decision a Bill is presented to this House to decide and conclude what should be done before the investigation is held. It is like a physician recommending a remedy before diagnosing the case. The duty of the House is, not to pass the Bill before the case is diagnosed. We have to find out the evil, and if no evil exists there is no

necessity for the Bill. If there is evil in the administration of the affairs of this company, this Bill will not remedy that evil. The men best authorized to speak in regard to that question are the insurance agents of this country, and in a public meeting in Quebec last week they unanimously passed a resolution denouncing the Bill, so that, under the circumstances, I, as a senator, contend that the presentation of the Bill is premature. It is an argument used by the friends of the measure, that it can be amended in committee, and the evil remedied there. Why suggest the remedy before the evil is known ? That is the question which this honourable body will have to settle, so that as far as I am concerned in the matter I contend that this Bill is premature to-day. I am not prepared to discuss the merits of the Bill, owing to the position I hold as chairman of the committee appointed to investigate the matter ; and in regard to that committee I say that we are not there to find a verdict for or against the company. The sole duty of the committee is to ascertain the facts, to ascertain the position of that company in Canada, and find out what they have done with the money paid to them by the Canadian policy-holders. That is our only duty in relation to it, and why such agitation should arise about this matter is more than I can understand. The company may have nothing to suffer by the investigation. If the facts that will be ascertained are to the credit of the company, the company's credit will be benefited throughout the insurance world. If the facts are against the company the sooner they are made public the better for the policy-holders of Canada and throughout the world. That is the position I hold. The committee of investigation are simply there to ascertain facts, and when they have ascertained them, they will report to this honourable House, and the Senate will take the course that ought to be taken.

Hon. Mr. DOMVILLE—I hold a most unfortunate position before this honourable body. I came here in good faith to protect the policy-holders of Canada. Month after month has passed by and I have been met with every obstacle. As my hon. friend has just said, if there is no wrong-doing what harm is there in the investigation ? When a celebrated case occurred in the United States and a man was charged with bribing the government at Washington, what did he say ? He asked ' How can there be a funeral if there is no corpse ' ? There was no corpse and therefore there was no funeral. But my hon. friends who are opposing me, are treating me and the bleeding policy-holders as if we were trying to defraud this country, as if we were not asking simply for our rights, and to my mind it is peculiar that the company should have so many advocates or so many people defending them. Are they not a corporation that have been attacked right and left ? Have they not been fighting in the United States and turned down right and left, but all of a sudden, in our Canada, our own Canadian home for Canadians, we find this representative body, the highest body in Canada, endeavouring to shield the company from something. Why shield them? I know it is the duty of an advocate to make the best case he can for his client, but we are not advocates here and we are not employees. We are here to legislate for the people of Canada, and it will be a very great mistake if by any sophistry or any wire pulling or any work that I will not designate as I might designate, this inquiry should be defeated ; but if that is done then let the Senate take the responsibility before Canada. Let them be in a position to stand forth as I can and say to the people, ' I have worked for you. I have done my best.' If hon. gentlemen who think as I think that there should be an investigation, strictly within parliamentary lines, and we are defeated in our object, what will the people say ? Where is the Senate ? The Senate is doing good work ; the Senate is endeavouring to protect us, and how are we defeated. Wire pullers are at work all through the corridors night and day. Members have been button-holed. I say it fearlesly. I have never asked any hon. gentleman whether he would support my motion or not. I left it to them as independent men to do what they thought to be right. What made these wire pullers button-hole hon. members? Are hon. gentlemen here as advocates ? Yes. They are here as advocates but not for great corporations, not for individuals, but for Canada who sent them here. If Sir J. Macdonald appointed senators on that side of the House he did so thinking they had

the public confidence, and on the same line when Sir Wilfrid Laurier sent members to this House he sent them believing they would work in the interests of Canada and not as advocates for any special company or special cause. Now we are brought down to this Bill. What does it mean ? My hon. friend said I was taking up the time of the House. I have taken up no time. They have taken up the time burking me—I withdraw that expression because it is not parliamentary—but what they have done has been in a large measure to frustrate my efforts on behalf of the public. What does the Bill propose to do ? Why was it brought in ? I am not blaming the government. The hon. gentleman told me there is an insurance law on the statute-book, and that the government had compelled this company to conduct their business strictly as the statute allowed them and they could not go any further. Therefore, the government stands aside and if the required deposits are made the department stands aside. But if a Bill is needed in the interests of policy-holders who should be responsible ? The government of the day should bring it in. If that insurance law is wrong—I do not say it is wrong or right, because you know conditions change in a number of years and it becomes necessary sometimes to change a law and it may be necessary to-day, why should my hon. friend undertake to do it himself ? Why should he be the champion. Did I not give notice in the Senate that I would bring in a Bill last year. I was not allowed to go any further. I withdrew it. I started again this year, but my hon. friend, like Sampson pulling down the pillars, steps in before me and says I will do it. The people will ask why is the government not taking up this matter and why is the hon. gentleman bringing in a Bill that nobody wants ? The insurance companies had their meeting recently in Montreal, and at that meeting they passed resolutions condemning this Bill in every respect. They said it should never pass, and they sent copies of the resolution to this honourable House and to the government. The insurance companies, the public, the actuaries and those gentlemen who understand the whole business declare it to be a fatal Bill to pass. Who does want it ? The government wash their hands of it ; it is so reported in the debates if we may refer to it. The Secretary of State announced that the Bill was going to be introduced but he took it back and said he had made a mistake, and now my hon. friend from Toronto presents a Bill and says 'I am going to give you a Bill gratuitously.' Who is he championing ? The government will not have anything to do with his Bill, and the insurance people will not have anything to do with it, and the poor unfortunate policy-holders say you are going to rip us right up the back with it. Who is it for ? The hon. gentleman from Victoria says 'Oh, why not wait, to hear ? Why send this Bill out broadcast ? Why adopt it in the House without knowing anything ? I will tell you what the effect will be. I hold in my hand a circular, sent broadcast through the country, which says that this Bill is acceptable to the Insurance Department, and they send out proxies for members to vote yea or nay. They say this Bill is going to meet the case and the poor unsophisticated policy-holders will sign proxies everywhere, believing that this document which has been sent to them is in the right direction because it has the official stamp and signature of the government. Is that not deception ? I am an unfortunate policy-holder in this association and I have just received a notice to pay my premiums and what does the notice say ?

The new business of the Mutual Reserve Life Insurance Company from January first, 1904, to May 23rd, 1904, equals the new business from January 1st, 1903, to July 25th, 1903. The company is two months ahead of 1903 ; date for date the gain in new business amounts to three million dollars. The members are the company and its prosperity is their prosperity.

My hon. friend made an apology for them in this respect, that they had gone into business under certain conditions and the times had not been prosperous and the business had not worked out as they expected it would work out and they were entitled to the relief of being able to load up these policies and charge what they liked, and then they come out with this circular, the ink on which is barely cold, congratulating the company on its prosperity. I stand here as the advocate of the policy-holders, and why should we be opposed by the hon. gentlemen, and why is he going to force a Bill on us that we do not want which virtually wipes us out ? I can understand what might drift

through my mind if I were doing it. I might say to the public 'I have saved you; it is true parliament should take the Bill, but they would not accept it. They only take the name of it; but if you look at the Bill as passed by the House you will see I have been your salvator mundi, and this other cheap jack from Rothesay—we wipe him out.' On the other hand the public will say. 'How did you take this thing up and why did you not abide by it? Why did you not allow them to go on? The company will send out circulars "Parliament met, and the attack was a determined one against us but the government knew better. They give us a Bill. It has gone to a second reading." And that is put in their circular to the policy-holders to dupe them into supplying more money for the directors to spend. I can give my hon. friend the details of that Bill. There are more lawyers than one. There are lawyers of the House as well as in the House who know what they are talking about. We were somewhat forewarned as to what was going to occur by the brief that was placed in my hands. This brief is not asking parliament to do something, but it starts out by a blackmail against Mr. Wells who was at one time vice-president of the company. Is that something to influence this House? Will they be deceived by drawing a herring across the track? What has the blackmailing to do with it? The hon. gentleman who had this brief and dropped it on the floor will not claim it. They have not claimed it until to-day, and I am prepared to prove on oath by gentlemen within the sound of my voice that this brief is altered in the handwriting of Mr. Eldridge, the president of the company. I think Mr. Eldridge was closeted with some gentlemen this morning. I do not say they were senators, and he gave them a brief in which he tells them what they are to do at the last. He is instructing them. I think the hon. gentleman said the other day that the company had nothing to do with the Bill.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. DOMVILLE—Does the hon. gentleman say they had nothing to do with it?

Hon. Mr. SCOTT—The company had nothing whatever to do with the Bill in the inception of it.

Hon. Mr. DOMVILLE.

Hon. Mr. DOMVILLE—Has the insurance company nothing to do with this Bill to-day?

Hon. Mr. SCOTT—I have explained.

Hon. Mr. DOMVILLE—Tell me now.

Hon. Mr. SCOTT—The insurance company are in no way responsible for the Bill. I am responsible for the Bill and I explained how it arose.

Hon. Mr. DOMVILLE—It is on somebody's shoulders now. We have been trying for two months to get that.

Hon. Mr. SCOTT—I will explain it after awhile.

Hon. Mr. DOMVILLE—I accept what my hon. friend says that he is responsible, and therefore not the government—he personally is responsible.

Hon. Mr. SCOTT—I do not separate myself from the government.

Hon. Mr. DOMVILLE—I do not understand the hon. gentleman; he is the representative of the government here. Do I understand it is a government Bill?

Hon. Mr. SCOTT—I will make my own explanation.

Hon. Mr. DOMVILLE—Now we have it in a quasi official position. It is getting a father at last. Where does the hon. gentleman come in? There is the Mikado and the Ticoon. It is like Jinks's baby—without a father. Hon. gentlemen, there is no joke about this thing. It is too important for anybody to abstain from threshing out its merits, and nobody need be afraid of the result. As to this brief, perhaps my hon. friend is offended at my reading the brief, as it is his Bill. It was picked up off the floor and brought to me. The Bill calls for considerable attention. Hon. gentlemen must feel that this is an important matter and must ask themselves, are they serving God or Mammon?

Hon. Mr. SCOTT—I wish the hon. gentleman to understand perfectly that I said the origin of the Bill was due to myself. I had nothing to do with the drafting of the Bill. I had hoped the Bill would be framed in a way to relieve the unfortunate policy-holders, and that was my sole motive. I said

the details could be examined when the Bill went to committee.

Hon. Mr. DOMVILLE—I accept my hon. friend's position. I am not here hired by the company or the public. I am not an employee. I am simply here in the interests of the public, and I hold the trumps. I want no more cards. I hold the trumps—I hold Canada. I have behind me 56,000,000 people who have been swindled. I am advocating the rights of 56,000,000 of people—not 20,000,000 as has been stated in the debate. My hon. friend was wrong in his details. When we got to millions it made no difference which either it was 20 or 60 millions—get the man off, the millions amount to nothing. What is the effect of the Bill ? First of all you are asked to break a sacred contract by an Act of parliament. Will you do that ? Will you break my contract and the other man's contract because a Bill is brought in by my hon. friend from Toronto ? Are you going to break my contract and allow these people to take away my rights and the rights of millions of people ? I do not think it is reasonable to ask it. I am sorry to see that the company have got into the condition in which they are. If they had our consent it would be good policy to get such a Bill passed as would put them in a shape which would suit them, but we would not accept it. When they secured their legislation in New York under the Registration Act, they registered as a company on the level premium system, and they offered to take us in, but we said no, we will not go in with you. We made a contract for a policy on the assessment plan ; we made a contract with the Mutual Reserve Life Association of New York, but you start another company under another name and you say we must come in and take the conditions you choose to offer.' Who are the people ? The managers. How do they get the management ? Simply because they are in control. Hon. gentlemen might say: 'Why don't you get control ? You are all policy-holders ? Every policy-holder has a vote. Why don't you get control ? I stated in the House the other night that we could not get control, because when Mr. Harper died he had all the proxies of all the policies in his possession, and what is more, Mr. Burnham stated that Mr. Harper had willed all these proxies to Mr. Burnham, and that Mr. Burnham with those proxies controlled the situation ; they were in the citadel and could do what they liked. They signed this document and stated that Mr. Harper never made a will giving proxies to Mr. Burnham, and he goes further and says Mr. Burnham never used them. This is made on honour to the hon. gentlemen of this House. Every one of them has a copy signed by Mr. Burnham and Mr. Eldridge and Mr. Camp, saying they never had proxies willed to them, and never used them. I am prepared to prove that Mr. Harper willed the proxies to Mr. Burnham, and that Mr. Burnham used those proxies to keep himself in power. Who is he ? Nothing but an official of the company, but their strength is so great and their power so omnipotent that they were able to control that company and they control it to-day, and they turn to the unfortunate policy-holders and say, 'we will bleed you to death. We will load you up with calls that bring your policy down to nothing. We will call so much money from you that it will ruin you to pay it, or we will give you an alternative of getting out and we will take the money.' Supposing the policy-holders are wiped out, what will the trust be ? Where will the fiduciary trust go ? It will go to whoever will take it, and we who have paid our money and in good faith insured with them, have no redress whatever. Where can we go to obtain a remedy ? We come to the Senate and ask this honourable body to help us. We do not bring politics to bear on it. We do not say what nationality we are, but we ask you to give us justice. Is there any harm in that ? Why do they attack me ? They have been attacking me behind my back in the corridors, making all sorts of charges which are not correct, because something has to be done. They are in difficulty ; they are in their death throes, and something must be done for them. Why whitewash them ? As my hon. friend (Hon. Mr. Cloran) has said, if they are all right they do not require it. They say the hon. member from Rothesay does not know what he is talking about. If so, parliament will have said the Mutual Reserve Association is all right, and the company can say : 'We are licensed to rob, cheat, swindle'—that is the first part of their Bill

It is to compel policy-holders to get out. If we stay in, what then ? It has been stated around the lobbies to-day, 'you are robbing the company.' There is no company ; so many gentlemen have agreed to stand together and to assess one another, and to pay off claims as the policy-holders die. There are no stock-holders. We cannot get hold of them, and now we are trying to save what there is out of the wreck, and we are met by the cry, you are ruining somebody—that is to say, the policy-holders are ruining the management, who cannot have all the money they want to spend ; they cannot hire counsel to defend them all over the world ; their job is gone, and they plead with the House to save them ; and in doing so, they bring up all sorts of false issues to try and influence votes in the Senate. I do not suppose the hon. Secretary of State wants to endorse this company. I cannot see what his object would be in doing so. He says the company consulted him.

Hon. Mr. SCOTT—No ; I said when I heard the hon. gentleman's observations, I was very much touched with them. I saw it meant ruin to a great many people, and I got hold of the solicitor of the company and said : 'You must do something ; this company must make some reparation to the people who are suffering, and I suggest you return to those who are still members of it something of what they have paid.' I did not promote the Bill, but I suggested some lines on which the Bill ought to be prepared —that they should give some money to those who have been paying assessments.

Hon. Mr. DOMVILLE—The hon. gentleman met the solicitor ?

Hon. Mr. SCOTT—Yes.

Hon. Mr. DOMVILLE—My hon. friend might have said further that the solicitor waited on him. How otherwise could he have met the solicitor ? If this Bill becomes law, it will do just what I have stated—it will wipe us out. The Mutual Reserve has spent thousands of dollars to induce members to give up their present contracts for other contracts provided for in this Bill. In December, 1903, less than one-third of the members in Canada had consented to make a change. This Bill goes further ; it makes

parliament a party to the illegal transactions of the Mutual Reserve in Canada and elsewhere. I know I am up against some very sharp lawyers. I do not know how many are engaged in this thing, but he who runs may read. They argue : 'When you took a policy in that company you must have known what you were doing. You made a contract, and what have you got to say, as would be said in the law courts, in defence of your finding fault to-day ?' Our defence is very simple. We fall back on the statute which I hold in my hand. It says :

> No portion of any moneys received from assessments or for death claims shall be used for any expenses whatever, and every notice of any assessment shall truly specify the cause and purpose thereof.

Every British subject is supposed to know the law, but we may ask why, after devoting our money to other purposes, have you permitted them to do so ? Why bolster them up now ? We took our policies under subsection 4 of clause 39, having faith in the integrity of all parties, and we find that the money has been taken illegally and used elsewhere, contrary to the provisions of the law of our country.

Are you going to legislate for the past, and say that those who have broken the law, who have taken our money and used it to organize a company elsewhere, when they find they are in deep water, when they find they cannot swim any longer, when there are judgments against them everywhere ; are you going to come to their relief ? We have asked for a committee to look into this matter. We say that we have been robbed and cheated by these people : that we cannot get redress anywhere, and we ask you to look into our case. It is really laying a petition before the Throne. This House, in its goodness, has granted us a committee to investigate. A charge is made to-day that I am on the committee as a judge. Judge of what ? What finding can I bring in ? All that the committee can do is take evidence ; we cannot manufacture evidence. If we attempted to do so, there are hon. gentlemen on the floor of the House now who would see that no manufactured evidence is brought in. At any rate, this branch of parliament, in its wisdom, consented to the appointment of a committee,

and the public of Canada are looking to the Senate to help out the policy-holders who are the victims of this company. If you can bring in a Bill that is any good we will accept it cheerfully, but we are not prepared to have a Bill chucked in as was done the other day. We are told to take the preamble; we do not want any preamble. We can bring in a Bill ourselves, and in such shape that it will be satisfactory to this honorable body. You are passing a Bill which is tantamount to saying that the company have complied with the law. If they have complied with the law, why give them legislation to use with the public? Perhaps my hon. friend may tell me now that if the policy-holders were to accept this Bill and policies were issued under it, what would the present policy-holders get in any individual case? How much would he be loaded up with, or how many premiums would he have to pay to keep his policy alive? If they do not accept either one of the propositions, how much would they get if their policies were cancelled? If I had brought a Bill before the House I would have shown that. I would have provided that a gentleman insured in that company, in changing his policy would get so and so in the new policy, but that has not been provided in this case. It is a herring dragged across the trail by this company. Look at their statement! So sure were they of their premises, so well had they done their work, so carefully had they—I will not use the word canvassed; I must keep within parliamentary bounds—so carefully had they done their work, that when they issued this pamphlet, which every member has seen, they were sure that they had influence in parliament, directly or indirectly. They said in clause 7, page 36:

> Had the resolution of inquiry been adopted and referred at once to a committee of this honourable Senate, bearing on the necessity of such an investigation, the company would gladly have presented its facts to such a committee.

This is a tissue of falsehoods from top to bottom, as I shall be prepared to show, and before this honourable body had acted upon the motion to appoint a committee, so sure were they that they had a power behind the Throne which would allow them to do anything they liked in this parliament.

that they issued this statement to every hon. gentlemen and told them that my resolution was not to pass. This was issued in advance of the decision of the House. They are well accustomed to this work; they have been accustomed to lobbying in Washington. They could not use money here as they have used it elsewhere. My hon. friend presents a Bill which he says is in our interest. We do not want the Bill. We say it will ruin us. Supposing you pass this Bill and confiscate our rights, what is our legal position? You have broken our contract, we cannot go before the courts and ask for redress. Why? Because parliament is legalizing everything this company has done. We say they have acted illegally, have committed every possible rascality and now this House is asked to give them a Bill which will white-wash them and they can go on and rob without restriction. Therefore, aside from breaking our contract, you are asked to legalize violations of the law which I have just read. Why all these Herculean efforts? There is nobody dying here. I had supposed that when I brought this matter up I would have had the unanimous support of hon. gentlemen. I did not suppose I was to have legal talent arrayed against me; I did not suppose I had to fight at Ephesus. Of course the details of this measure are hardly worth exposing now, because if the Bill goes to committee we will fight every detail of it. I am now opposing the principle of the measure. It is vicious to ask us to pass a Bill in advance of the investigation by the special committee. The committee must report with great care, and as quickly as possible, and they will do so unless impediments are thrown in their way. It is quite possible that some hon. member may move to load up the committee and embarrass us again. When I submitted my motion to the House, a good many spoke favourably of it, but when the vote was taken, they voted us down by one of a majority. They had a perfect right to do so. We ask for a committee, and they said we will not grant a committee. We will not allow these people to be investigated. You are interfering with the anointed, so to speak. I shall not be surprised to see a

motion in this House to enlarge this committee. First they wanted the committee one way, but they could not get it; then the House granted a committee the other way, and I shall not be surprised if a motion is made to change the committee again. I am going to fight this thing and see it through, whatever pressure may be brought against me or whatever the circumstances may be. If this honourable body will allow me to move that the debate be adjourned until the report of the committee is presented, then the House will be in possession of the facts and will be able to deal intelligently with the case. That is better than putting the cart before the horse and giving a remedy before they know the nature of the disease. They shall have an accoucheur when the time comes. Just now it is premature. If I am to be turned down I know the people of Canada will say that I have made a good fight, that I have done my duty according to my light. It will be a regrettable day for Canada if the people feel that because of strong influence men can be found—I will not say in this House—ready and willing to defend this company, right or wrong. If that should happen, the Senate will have forfeited the good opinion of the people of Canada. I move, seconded by the Hon. Mr. Bolduc that this debate be adjourned to a reasonable date, until the report of the committee can be brought in showing the result of the investigation.

The SPEAKER—That is an unusual motion, and I should like to have it in writing.

Hon. Mr. DOMVILLE—My motion is as follows:

That the debate be adjourned until the 4th July next, awaiting the report of the investigating committee.

Hon. Mr. SCOTT—I should like to secure the attention of the House a few moments, while I make some observations on the subject which we have had under consideration. In doing so, I do not wish to be represented as an apologist of this company. Of course I have known something about them. I have never had any interest in them. I have not favoured their methods of insurance, and more than that, I never favoured other companies who have adopted similar methods. In the first place, when the subject was brought under our notice by the hon. member for Rothesay, I felt really something ought to be done. The condition of the policy-holders who were paying under the assessment principle meant ruin. The only chance to escape financial ruin was to die early. Those who lived any length of time must necessarily have to throw up their policies and sacrifice anything they have paid. I thought something might be got out of the wreck. It might not be very much, and therefore I asked Mr. McMurchy, who is the solicitor of the company 'Why cannot the company come forward and make some offer which will result in allowing something to people who have already paid money into the company.' 'The company,' he said, 'have long since ceased to issue policies on this basis; they have not issued any since 1899. The system has been condemned, and the policies they issue now are on what they call the straight life.' 'Now,' I said, 'Give those who have kept up their insurance, a policy for the value, at all events, of the payments they have already made.' 'Well,' he said, 'the company would be quite willing to do that.' That was the origin of it. I had nothing whatever to do with the drafting of the Bill. I understood when the Bill was drafted it was submitted to Mr. Fitzgerald, the superintendent of insurance, and that he made very many material alterations. There was in the original draft only one option; he changed that to three that parties would have a right to take up. The Bill, as I understand it, is entirely permissive; it rests with the policy-holders themselves to accept it or not. A gentleman who had a right to give an opinion suggested to the solicitor that he should consult the policy-holders, send them a copy of the Bill and ask them if they would like to have a Bill of that kind passed. I am informed that a very large proportion of the answers received were favourable; that they saw the folly of trying to pay those assessments, and would be glad to accept policies on the straight life principle. I do not know the extent or numbers of the answers. I have not gone into details. I only know those general facts which have come under my observation. It is possible there may have been frauds in the past. There have been frauds in all those companies. The system

is a rotten one; it ought never to have been sanctioned by the parliament of Canada. It was a terrible mistake and if we can in any way correct it now we should do so; but it is not this company alone that is affected. There are four or five other companies which must come to grief one of those days, and, if we are to interfere at all, I think it should be after calm judgment and advice, that the law be changed that some arrangement should be made by which all companies will issue only straight life policies, because the system on which the mutual association companies are founded is a rotten one. There is only one company that manages to gather from time to time large acquisitions of three or four hundred people, and in that way they can keep going. You can keep it going so long as you get a large number of young and vigorous lives; but the moment membership comes to a standstill the company must perish. There is no chance of its existing. I do not know anything about the management of this company. It may have been good or bad, but in all the cases which have come under my notice, so far as assessment is concerned, there had been stealing. There is every inducement to defraud. They have large percentages for agents and management and so the very vitals, the money paid in, is consumed by the management. In 1877, we consolidated our Insurance Act. It was threshed out thoroughly, and a very excellent Act was put on the statute-book. I had charge of the Bill myself. In 1884, a proposition was made to alter the law to allow mutual companies to come in on what is called the assessment system. It was vigorously resisted by every one who had any experience in insurance companies. It was opposed by Mr. Cherriman, the head of the Insurance Department. It was stated that a gentleman who held a high office in this company came here and lobbied for a change in the insurance law. I can understand promoters lobbying for a Bill of that kind, because every officer of the company would have opportunities to make himself rich. Mr. Wells came that year, and a Bill was brought in but it failed to pass. Sir Leonard Tilley, who was then Finance Minister, in addressing the committee in the House of Commons said he felt it his duty, in considering the Bill, to read a memorandum put in his hands by the inspector of insurance. That memorandum was an absolute condemnation of the principle of assessment companies. In moving that the House resolve itself into a Committee of the Whole to consider a resolution to amend the law, Sir Leonard said:

> Perhaps I shall best explain the nature of the Bill and the necessity of it by reading a memorandum which has been placed in my hands by the inspector of insurance.

Then Sir Leonard read the memorandum in which the superintendent of insurance set forth a number of conditions that he thought should be adopted before considering the application, and generally condemned the system. The resolution was reported. It got no further than the House of Commons that year. The next year, I presume, Mr. Wells put in an appearance again, and pressed for his measure. Mr. Cherriman again reported, and he has marked it in italics. If any hon. gentleman chooses to look at it, it will be found in the insurance report of 1884. In the preface, page 28, he says:

> I have put in italics the alterations and the additions made to the original Bill and beg to disclaim any responsibility for them.

He then gives in italics the objectionable clauses, and makes a number of other comments that are not favourable to the Bill. It got through the House of Commons, and it came up to the Senate in July, 1885. I make those observations in order to show that even at that remote date, public attention was called to the weakness of mutual insurance companies at that time. People were warned over and over again, but there is always the temptation to get something good at a cheap rate. People imagined they were going to insure their lives for a sum at which it was absolutely impossible on any sound basis to obtain the results they sought. Our Mr. Wark spoke very strongly on the subject. In the debates of 1885, page 1178 of vol. 2, he spoke as follows:

> They induce individuals to insure under their management with the assurance that nothing more would be taken out of the proceeds than was actually necessary for the management of the affairs of the company. A stock company whose officers are appointed by the stockholders are guarded against any unnecessary expenditure, whereas these companies have no check upon them. They may appropriate whatever they think proper towards salaries and expenses, and the insured, who are scattered all over the country, are not present at the meet-

ing. The directors write to the insured for proxies and re-elect themselves. I have had some transactions with the Union Mutual Company of Maine. Some years ago the inspector or commissioner—I do not know what the title is—of Massachusetts threw some doubt upon the position of this company and it left its business to a number of individuals connected with insurance in different states.

He goes on to describe the enormous expense connected with a small company of that kind in which he was interested. He says:

I have had myself $55 returned at one time, and it got down the next time to $22 and a few cents, and I believe that the next year there was nothing divided at all, whereas I was assured in the policy that the profits would be increasing from year to year because I paid a very high premium.

Mr. Dickey also spoke on the subject, and quoted what he thought would be a safeguard. He quoted the clause introduced in the Consolidated Insurance Act, of 1877. Mr. Dickey says he thinks that with this clause in it, it might safely go. He reads the clause as follows:

The Finance Minister may from time to time, instruct the superintendent of insurance to visit the head office of any company licensed under this Act and incorporated elsewhere than within Canada, and to examine into the general condition and affairs of such company; and if such company declines to permit such examination, or refuse to give any information necessary for such purpose in its possession or control, its license shall be withdrawn.

Then Senator Poirier took a very strong stand and spoke as follows:

Our laws are very strict with regard to stock companies, which are called old line companies. They have to make a heavy deposit and have a large reserve. Before they can get a permit to begin business they must deposit $50,000 with the Minister of Finance, and, further, they have to deposit additional sums as the Minister of Finance and the superintendent of insurance think proper, and we know that some strong companies have deposited with the government as much as $750,000. I believe that is perfectly right, and that we should protect the people who insure, because that business is not well understood even by lawyers, and laymen who do not understand it at all, should be protected. I approve of rigorous measures being adopted, but under this Bill those measures would only apply to companies which are already safe and which have capital in some cases amounting to $30,000,000 or $40,000,000, while the assessment companies having no assets whatever, are permitted to enjoy all the benefits of the law while they incur none of its charges or obligations. Again, I think that is not right. We ought to protect our people and protect the regular companies doing business on sound principles, against companies which have no assets whatever and cannot even be brought before a court of justice to compel them to meet their obligations—companies represented by respectable men some of them, but others having at their head men who have not a cent of their own invested. If such companies should fail, as I could prove they almost all invariably do, because their basis is a false one, they ought to be required to bear the same burdens as regular companies. They should not enjoy all the privileges and be subject to none of the responsibilities imposed by the law upon stock companies.

Another gentleman who spoke very strongly was the late Senator Ogilvy. He objected to the Bill because it contained some clauses that were most vicious. He said:

Many of these companies, when they are started have not the least background to work on. Take a stock company which has to deposit $50,000 with the Finance Department, and you have not only the security of the stockholders, but you have also the security of the deposit. Now these mutual insurance companies pretend to insure for almost nothing, which everybody knows cannot be done, and they go on doing a business that kills the regular insurance companies, and does not at the same time protect the interest of the people who are insured with them. I could mention more than one case in Canada already where policy-holders have come to grief, simply because this was not done. I hope the Minister of Justice, with his usual care of all Acts that are introduced here, when the Bill comes before us again will look into it most carefully and see that provision is made for a proper deposit before such companies are allowed to go into operation at all.

That was pretty good warning as to the folly even of recognizing those mutual assessment companies. Mr. Wells seems to have been very successful however. He managed to get the law put on the statute-book. I hold in my hand the last number of the 'Economist' for the month of May. They seem to entertain a much better opinion of this Bill than my hon. friend does, but before referring to that I will just read some of the comments they make. They quote the Bill and they say:

Each holder of an assessment policy shall within sixty days after the date of the license, give notice to the company which of the options he selects, and in default of such notice he shall be deemed to have selected the first.

This proposed legislation has, doubtless, been framed as a measure of self preservation by some of those connected with assessments who are far-sighted enough to anticipate the inevitable. But the question will naturally arise, if the assessment system of life insurance is impossible as a permanent success, why was that not discovered long ago by the actuarial and financial experts who are supposed to advise those members of the government who are not deeply versed in these matters?

And he goes on to discuss the Act of 1885. When the Bill of 1889 was brought up there was another discussion and he says:

It does seem curious to me that the government should allow these assessment companies to go forth and do business in Canada, stamped with the sanction of the government, when their own superintendent of insurance tells them that the principle upon which they do business is not one which he can recommend, which is purely experimental, and he does not know whether it is sound or not.

Sir Richard Cartwright also strongly criticised the form of the Bill, and he quotes a number of gentlemen of high integrity who condemn that system also, but this paper does not hesitate to say that it is a mere matter of time when they must come down. They further say:

The I. O. F. of Canada, an assessment society which operates under Dominion incorporation, has insurance in force of over $228,000,000, but its accumulated funds only amount to some $30 per $1,000 insurance in force. Assessment societies should be compelled to provide the proper reserve for each policy each year and also submit a valuation of their assets and liabilities to the Insurance Department, in order that policy-holders may be protected.

They also quote the Ancient Order of United Workmen, and they say:

The A. O. U. W. of Ontario, which has over $72,000,000 insurance in force, is on the eve of collapse. Some thirty-five Canadian assessment insurance societies have already gone to the wall.

So that this company does not stand alone. This company has maintained its footing, but they have seen the folly of it and declined to issue any mutual policies since 1899. I think this question is a very important one. I did think of sending this Bill to the special committee, though not as representative as I should like to have seen it. It is not the proper way to deal with a large subject of this character, and on that account I took strong objection the other day to the formation of that committee. I considered that the Banking and Commerce Committee, as a representative body, embracing a very large number of members of this House was a better committee, and I felt if they could make some suggestion it would receive the consideration of this chamber, and that is the sole reason for my action. My hon friend interpreted my action as an endeavour to sustain this particular company. I am doing nothing of the kind. I am simply calling attention to the general principle. The company seems to have recognized the fallacy of insurance of this sort, and have long since ceased to do business in Canada on that basis, and I know that no possible good could arise by a report of the committee, because there is no report they could make. They could perhaps damage the company, and in that way make it perhaps impossible for them to allot any compensation to the unfortunate policy-holders that are caught in this net, but in matters of contract between the company and the policy-holders that is entirely within the prerogative of the provincial legislature. We have no power to disturb a contract existing between the policy-holders and the company, and therefore, we could accomplish nothing. No good could be gained. It is a matter of notoriety. I think I have given abundant evidence that all these companies were extravagantly managed. The temptation was very strong. They got a large amount of money on a percentage basis to carry on the affairs of the company, which money went to the management. Those highest in office probably got the most, therefore it did not seem to me if the committee was delegated to point out how relief could be obtained, that they were seeking the right method of doing it. I think there has been a great deal of misrepresentation. This company has been conducted probably on very much safer and better lines than other companies. I am speaking merely of the system, and not of the merits or demerits of this particular company. I am speaking entirely of the principle upon which the mutual assessment plan is based. The representations which have been made from time to time by the hon. Senator from Rothesay, I think have been exaggerated. I do not think the hon. gentleman seriously believed the statements he made, because it seemed absolutely impossible that the absurd proposal and statements that were put before me here could be true, because there are certainly people near headquarters that would have discovered this who would not have allowed it to go on, and the only effect of an investigation by the committee that I can see, would be to still further weaken if possible or throw discredit upon this company. If the company are willing to come to the aid of the policy-holders, surely it is our duty rather to encourage them than to discourage them. If this Bill is rejected

they will not be affected by it at all, it is not especially in their interests. They have a contract with the policy-holders. Those who chose to continue and meet the inevitable will perhaps continue from year to year. Those who are wise will sacrifice all they have paid at the present. If by getting the company to accept the amounts they have already paid and issuing to them a new policy, I maintain their position will be so much improved. It will be a certain advantage. They will not get back what they expect. No doubt about that. They cannot recover it. There is no way to recover it. This is a mutual company: who are you going to recover against—your mutual friends? It is not a stock company. You cannot even get at the deposit here; that fund cannot be touched unless the whole thing goes up; then it will go into court. That is the only solution of the matter. But as each policy-holder leaves this terrestrial sphere, those who are still holders of the policies here are assessed according to the various amounts, as in any assessment society. It sprung out of a simple condition of affairs. Benevolent societies were established by persons who knew each other, and they each contributed to a fund, and while they were all honest and true to each other, the fund was not wasted, and the funeral expenses were paid to the widow and something besides; but later on a different condition of things arose when the business was enlarged and the chances for fraud and the chances to take the money increased. They said: The policy-holders have to depend upon each other to pay the death claims, but as far as the fees that are paid are concerned they are small, individually, and they go to support the management of the company.

Hon. Mr. McMULLEN—I cannot find anytirely from the statement made by the hon. gentleman from Toronto. I do not profess to one of these three options, they cannot remain out.

Hon. Mr. SCOTT—I draw my opinion entirely from the statement by the hon. gentleman from Toronto. I do not profess to know anything about the details of the Bill. This Bill may be changed when it goes to committee. Probably when Mr. Fitzgerald goes over it, he will make certain changes. I understood he said that further changes might be made in committee, but as far as the principle went, it was the only thing that could be done. There was no other channel open, no other method that could be applied, and I cannot understand how hon. gentlemen will look at it in any other light. I am not in any way responsible for the details of the Bill, I have not taken any interest in it. I thought we might consider it when it got to committee.

Hon. Mr. MACDONALD (B.C.)—I should like to ask why it is made a part of the General Insurance Act. It invites other companies to come in and take advantage of the provisions of this Bill, whether good or bad.

Hon. Mr. KERR (Toronto)—Let me say with reference to the question as to the option about continuing on the present plan, perhaps it will be more convenient if I make an explanation of the subject in addition to the explanations made by the hon. Secretary of State about the introduction of the Bill, because it arises out of that. After the suggestion was made by the Secretary of State, which I learned of before, about a Bill to embody certain proposals that would give some measure of relief to the policy-holders, a Bill was prepared and was submitted to Mr. Fitzgerald, as I was informed, and then presented to me, and I was asked if I would introduce that Bill. I read the Bill, and said that if it had the approval of the superintendent of insurance I would be quite ready to introduce it, but I should like to speak to the superintendent of insurance about it. An appointment was made, and I saw the superintendent on the subject. The result of the interview was that a suggestion was made by myself as to further options that might be given to the policy-holders, and those were considered by the superintendent of insurance and adopted, and upon that the Bill was framed in the form in which it is now presented to me, and I was asked then to introduce it. I saw him personally again before introducing it and—I wish the hon. gentleman from Wellington to understand this now—he informed me distinctly that he approved of the principle of the Bill, and after what has been stated by the hon. Secretary of

State, I think that it will be perfectly plain that he did, and when I suggested to him the possibility of there being other options given, as for instance, the option that they should continue on the assessment plan, his answer was that that and other matters of detail could be considered in the committee and probably other changes would have to be made. That is the way in which it was, and that is the reason I suggested that it should go before the Banking and Commerce Committee. On that same day the conversation occurred, and within a few hours the Bill was presented to me here, so that I understood when I was making the statement about this Bill that it was not to be considered that the principle of the Bill was thoroughly affirmed but that it was simply to pass the second reading and go before the Committee on Banking and Commerce, where the whole subject of the relief could be considered at large, and there every kind of option could be given that could be suggested. I therefore understood that the whole matter, including the option to remain as you are, the three options that are presented in the Bill, and not the two spoken of by hon. gentlemen, were understood by the statement I made before the House, and that is the way in which it was. I did not give the details of the different interviews, because I did not think it was convenient, but there has been so much insinuation and so much suggestion made that the Secretary of State thought right to make the statement he has made, and I think it right I should make this explanation. As to the suggestion of the hon. gentleman from Victoria, if he will take the trouble to look at the Insurance Act he will find that any company doing business on the assessment plan may obtain a license here on the conditions which are prescribed by the Insurance Act. Many companies have availed themselves of that privilege, and are doing business here now—several at all events. Then he will find that by an amendment that was effected in 1899, supplementary power was granted. The supplementary power that was granted was one by which a company doing business on the assessment plan, under the provisions of the Act as it then stood, might go into the business on the level premium plan as we call it, or fixed premium plan, and in that case, that it should make its deposit in respect of the fixed premium business separate and distinct from the deposit in the hands of the government, and that was to continue in the hands of the government in respect of the assessment plan business, and it was provided that if a company had done that it should cease to take new business on the assessment plan and should do business only on the general plan. It will be seen, therefore, that it is that particular clause of the Act that we are striking at here, and one of the matters I intended to submit, and I think I stated that in the House—was whether they should not also recommend a repeal of the section which enables an assessment company to do the regular line business. But I did not wish to tie the House or myself to a principle of that kind in the Bill, which I have not fairly worked out and on which life insurance companies have not generally been heard. That is why it is a necessary amendment to section 42 of that Act.

Hon. Mr. MACDONALD (B.C.)—I thank the hon. gentleman for the explanation, but the Act does not deal with a case of this kind of quasi insolvency.

Hon. Mr. KERR (Toronto)—The hon. gentleman is entirely mistaken.

Hon. Mr. MACDONALD (B.C.)—Is there not an arrangement being made by this Bill, to pay the clients of the company less than they are entitled to ?

Hon. Mr. KERR (Toronto)—Not at all. It is a proposal for the relief of the company, to save the assured from being subjected to very heavy assessments.

Hon. Mr. DOMVILLE—My hon. friend cannot be serious in that ?

Hon. Mr. KERR—And therefore it is not because this company is in insolvency. It is not so at all. If the hon. gentleman will read the statement embodied in the petition presented by the company to this House, it will be apparent that its financial position is not at all one of insolvency ; that, on the contrary, it has its reserve for the full amount required by the Act ; and, in addition to that, it has a surplus of some $466,000. That statement is before the House, so that there is an entire misapprehension in talking about insolvency; and I am not surprised, be-

cause so much has been said about the company, and said without any proof, here on the floor of the Senate, and after reading the statements on both sides, I am not surprised with any one running away with the idea that it is insolvent. But it is not so.

Hon. Mr. DOMVILLE—It is insolvent.

Hon. Mr. KERR (Toronto)—It did a large business, but, by reason of dissensions in the management of the company, its business was reduced, so much reduced that they saw the necessity of going into regular life business. I desire to disabuse the minds of hon. gentlemen altogether about that. If it were an insolvent company, the Finance Department would have to take charge of it.

Hon. Mr. MACDONALD (B.C.)—Is the proposed arrangement not more for the benefit of the company than for those who pay assessments and dues?

Hon. Mr. SCOTT—No.

Hon. Mr. MACDONALD (B.C.)—I have always thought this should be a separate Bill, perfectly free from general insurance legislation.

Hon. Mr. McMULLEN—One word in explanation of the position the hon. gentleman from Toronto assumes. I am very glad he has offered his explanation to the Senate. I took the point that there were only two options in the Bill to all those holding policies. He challenged my statement on that point; and now, by his statement, he virtually confesses that I was right; and I was right, because there are only two options in the Bill. He says it was the intention—and I have no doubt it was—to put in an additional option, and he might possibly have been under the impression it was put in; but when I made the statement that there were only two options in the Bill, I was undoubtedly right.

It being six o'clock, the Speaker left the chair.

After Recess.

Hon. Mr. FERGUSON—I do not propose to take up much time in discussing this question. It has been very amply discussed for many weeks past. I have not had the pleasure of being present in the House during the whole of this debate, but I have heard my hon. friend from Rothesay on several occasions putting forward his views, and have also heard other hon. gentlemen discussing the question, and there has probably been nearly all the discussion that will prove serviceable upon the subject. My own view with regard to the Mutual Reserve Company is simply this: They have, in my opinion—and that is no new opinion at all, because I have held it for many years—carried on business in Canada on a fallaceous principle. There may have been mismanagement and wrongdoing; there certainly has been quarrelling in the management, but I attribute the present unfortunate position of the Canadian policy-holders in that company more to the fallaceous system on which the company have been doing business than to any other cause whatever. My hon. friend from Rothesay, during the addresses he has given in this House on the subject, has directed his attention very much towards exposing the management of the Mutual Reserve Company, and he has incidentally—I do not imagine for a moment that he started out with any such object—impeached the Finance Minister and the department of insurance very seriously, because if matters have been as bad as he says they are, and the insurance department has been apathetic and has not performed its duty towards the company and the public, no more serious charge could be laid against the Finance Minister and the department of insurance. For my own part, I am free to say that I believe not only the present Finance Minister, but former finance ministers and the department of insurance all through, and the parliament of Canada, if you like, have something to answer for on account of having legalized and continuing to legalize these assessment companies doing business in Canada. I believe that a very great mistake was made when that was done, and we are now reaping the consequences of our folly. I will go further and say, although I do not want to be an alarmist, I fear we are still going the same way to a certain extent, and that a great deal of what is called insurance in Canada, which is apparently turning out all right, will one day cause a great deal of trouble, such as has occurred with the Mutual Reserve

and other assessment companies. I think that the insurance department and the Department of Finance are really open to charges of neglect of duty, inasmuch as they are not taking up this question more seriously. There is less excuse for them to-day than there was for the government and parliament of Canada in 1885, when this system was allowed to be introduced into Canada, because they have so much before them in the way of evidence of the evil effects of assessment insurance, and therefore they are more culpable in many instances where they have failed to interpose their power to curtail, or restrict, or entirely prevent the operation of fallacious insurance in the country. But I conceive that at the present moment we have a duty to perform, even more serious than that of exposing the affairs of the Mutual Reserve or other companies following fallacious methods of insurance, or of impeaching the Finance Department, or the department of insurance; we have a duty devolving upon us, and that is to do the best that can possibly be done at this moment for the relief of Canadian policy-holders in connection with this company, or it may be in connection with other assessment companies. That is a point on which I should be inclined to criticise the hon. member from Rothesay; I notice that his efforts seem to have been directed very much more in the line of exposing the affairs of the Mutual Reserve Company, and of criticising incidentally the department of insurance, than it has been in the line of suggesting some relief for the Canadian policy-holders. The course which my hon. friend has pursued in this House during the last two or three weeks has made it still more imperative on this parliament to deal with the question of relief for the Canadian policy-holders, because the effect of this discussion will be very disastrous indeed upon the interest of these policy-holders. I predict that if parliament goes on exposing wrong-doing, and turning inside out the affairs of this company in a manner most discreditable to them, the effect of it will be that nearly all those who hold policies on the assessment plan in that company will, probably, before the year is out, or before very long at all events, allow all their policies to lapse. If nothing is done, after all the attention that has been called in this House and the press to this company, and the many bad things said about their operations and their system of insurance,—if parliament rises without finding some measure of relief the effect will be that as much of this insurance will be dropped in a few months as has been dropped in as many years. The hon. member from Rothesay has the right, as a member of this House, to discuss matters of this kind as he has done. It will always be the right and duty of members of parliament to use their positions and influence for the purpose of exposing what they consider wrong-doing, but the effect of the course he has pursued, and the attention he has directed to the subject will be such as I have indicated, unless some remedy is provided at the present session of parliament. The motion which my hon. friend made to postpone the cosideration of this Bill until the 4th July is one which it would be very unfortunate indeed for the House to adopt. The committee which has been struck to investigate this company was not instructed to devise any measure of relief, yet it is proposed to postpone the further consideration of this Bill until the 4th July. At that time this House will have been nearly four months in session. Members will be very weary and anxious to get home. There will be, as there is always at the close of the session, a great rush of measures from the other branch of parliament, and the effect will be that ample consideration cannot possibly be given to any measure of relief if the consideration of this Bill is postponed until the 4th July. The result will be that we will part without having done anything in the way of applying a remedy. I have not given the matter as much consideration as I ought. I have looked at it casually, and I am not sure that we can give any ample or adequate relief. At all events it is our duty to see what we can do. The Bill which the hon. member from Toronto has submitted to the House may be very imperfect. I understood him to say that it could be improved and changed in very important particulars. We should, therefore, allow the Bill to be read the second time, and sent to a committee composed of hon. gentlemen who are most conversant with insurance questions, including the members of the committee that has already been struck for the

purpose of investigating the affairs of the company. If we were to do that the superintendent of insurance could be brought before the committee, and his and other expert opinions elicited. We would have the advice and assistance of some of the ablest gentlemen in the Senate. They would put their heads together, and try and find some remedy for the policy-holders of this company. To my mind, there are two options distinctly set forth in this Bill by which a certain measure of relief would be given to policy-holders on the assessment plan in this company. I think there would have to be some other provisions also. It seems to me indispensable at the start that we should take no man's legal rights away.

Hon. Mr. DOMVILLE—Hear, hear.

Hon. Mr. FERGUSON—It should be open for any policy-holder in this company to refuse or accept any of these options and to continue to contest any legal right which he thinks he has against this company. We should in addition to that, if any policy-holder prefers to remain in the company on the assessment plan, permit him to remain there if he so desires and take his chances, and we might give him also the options that are contained in the Bill submitted by the hon. gentleman from Toronto. We might be able to do much more than that. However, I only indicate some points that have suggested themselves to my mind. For the reasons which I have given, and which I do not care to amplify at any length just now, we should not agree to the motion to postpone the consideration of this Bill until the 4th of July, and we should give the Bill a second reading without committing ourselves to its principle. I am not going by my vote for the second reading to commit myself to the principle of it. It is a well recognized rule that such a course can be and very often is pursued. We can send the Bill before the committee and other propositions may be brought up, and it will be found later on whether any adequate remedy can be given the Canadian policy-holders in this Mutual Reserve Company, at the same time that will not interfere with the investigation which the hon. gentleman from Rothesay is pursuing with regard to the management of the affairs of the company. There will be no clashing as far as I can see, and I therefore desire to intimate that if the House does not agree to the motion to adjourn the debate until the 4th July, that I shall move for such a reference as I have indicated, to the committee for the purpose of endeavouring to devise a remedy for the position in which the policy-holders of the Mutual Reserve Life Association are placed in Canada.

Hon. Mr. SCOTT—The hon. gentleman had better move the amendment now.

Hon. Mr. CLORAN—I rise to offer an amendment to the motion made by the hon. senator from Rothesay. I move, seconded by the Hon. Mr. McMullen :—

That the second reading of this Bill in regard to the Mutual Reserve Fund Life Association be postponed for eight days.

I was very much astonished to hear the hon. senator from Marshfield introduce into this debate even the slightest suspicion of politics.

Hon. Mr. FERGUSON—Politics ?

Hon. Mr. CLORAN—Yes. We have been discussing this question during his absence for the past two months, and I have listened to all the speeches and have never understood from the remarks of the hon. gentleman from Rothesay that he wished to impeach the Minister of Finance or his department.

Hon. Mr. FERGUSON—He did it all the same.

Hon. Mr. CLORAN.—The hon. gentleman says he did it just the same, but those who supported the hon. gentleman from Rothesay took very good care, and I myself took very good care to say that the Finance Department had nothing whatever to do with this investigation. If the company had violated the law of Canada governing its relations between itself and its policy-holders, and the department did not take steps to enforce respect for the rights of the policy-holders, then the department would be at fault : but that is not the charge made by the hon. member from Rothesay. The charge is one of internal economy with which the department of insurance has nothing to do. The department of insurance simply has to find out whether the company doing business in this country is fulfilling and obeying the provisions of the Insurance Act, and, according to appearances, this company has done all that,

so that the administration of the insurance department, whether under the Conservative government or under the Liberal government, is not called into question at all. We admit, on both sides of politics, that the Mutual Reserve Life complied with all the provisions to the letter—I will not say to the spirit of the law; but what I understand the hon. member from Rothesay has charged is this, that there has been mismanagement of the funds paid by Canadians into the treasury of the Mutual Reserve Life Fund Association. There is the whole question. What has the insurance department to do with malversation of funds? That pertains to the police department either of New York or of this country. Neither the insurance department nor Mr. Fitzgerald nor any other officer has a right to go to the company and say: 'You are stealing $100,000 a year, or your secretary is paid $10,000 a year;' or 'you are paying $50,000 illegally to your general manager.' No officer of the department has a right to search for proof of anything of the kind, and that is the charge which is made by the hon. member from Rothesay, that the funds of this company, that is, the money of the policy-holders, has been paid to a board of directors, who are expending and distributing this money illegally.

Hon. Mr. SCOTT—The hon. gentleman has not studied the law.

Hon. Mr. CLORAN—What is the law?

Hon. Mr. SCOTT—The law is that the insurance department have a right to go and examine the books in New York if they like. And if the company refuse to expose their books and every paper in the office their Canadian license can be withdrawn.

Hon. Mr. DOMVILLE—When I moved for papers, the hon. gentleman said they were not within their purview, and the government could not get the information. I asked for information at the start, and the hon. Secretary of State said they could not get it. Now he says they have right of access to the books and papers of the company, and if they have, they should know what is going on.

Hon. Mr. SCOTT—They knew what was going on.

Hon. Mr. CLORAN—I can readily distinguish the difference between the position taken by the hon. member from Rothesay and that of the hon. Secretary of State. The inspector of insurance certainly has right of access to all the books of the company; but when an officer of a company steals $100,000 he does not enter it in his books.

Hon. Mr. MACDONALD (B.C.)—He puts it in his pocket.

Hon. Mr. CLORAN—That is why a committee of inquiry is necessary. I understand that the inspector of insurance has a right to go through all the transactions of the company, but he is not empowered to say to the officers of the company that they have done this or that wrongfully; he has to take the books as they are, and that is why a committee of inquiry is required in this case. I have nothing to say against the stability and honesty of this company whatever. I know absolutely nothing about this company; I am ignorant as a child in regard to its transactions. I am perfectly willing to accept light from both sides, but I cannot understand why such zeal, why there is such agitation in the corridors, and on the floor, and in the rooms of hon. senators on behalf of this company. What is the hon. senator from Rothesay seeking? He is seeking for protection of the policy-holders. This company, during the past fourteen years, has carried some $46,000,000 of insurance in this country. Canadians, like the hon. senator from Mille Iles (Hon. Mr. David) and the hon. senator from Rothesay (Hon. Mr. Domville), have paid anywhere between $2,000 and $5,000 a year to this company, and have been unable to meet the extortionate assessments. The result has been that the business of the company, which was between forty-two and forty-six millions, is now only eight millions of dollars. Under such circumstances is the Senate called upon to give the company new legislation to force the remaining eight millions to drop out, as so many Canadian policy-holders have had to do? I cannot understand all this zeal in behalf of the interests of the company. If the company is in as good a condition as they say it is—and I know nothing about it—it will bear investigation. All I know is the

tidings of suffering that have been brought to my notice within the last two months. Are they true or not? That is what the committee have to find out. This committee, as far as I am concerned, is not appointed to devise a remedy for the situation. We are not here to protect the company or the policy-holders; we are here to ascertain the facts and report them to this honourable House, and the House after digesting the facts can say what remedy is required to meet the situation. There is the whole question. I have no feeling against the company or the policy-holders. As far as I am concerned, I see no necessity, at present, to decide upon the Bill. I am not opposed to the motion of the hon. gentleman from Marshfield. It may be wise, prudent and necessary, but the first thing I consider this honourable House ought to do is to ascertain what the evil is, and then apply the remedy. I simply wish to explain the position I hold before the House.

Hon. Mr. McMULLEN—I wish to draw the attention of the House to three points in connection with this matter. In the first place, I think it will be generally admitted that it was unfortunate that parliament, in 1885, amended the Life Insurance Act in such a way as to give this company the status they have had before the public as a company licensed under the law to do business in Canada. I think that is admitted on all hands. We should guard against making any mistake now. Let us carefully investigate the causes that have led this company to the position they now occupy before parliament. They tell us that the assessments they have been collecting were too low to enable them to carry the risks they undertook to carry, and they ask us to legalize two acts, first to impair the policies so that the average sum that was paid by those who held policies in the company will secure them policies on the old line life system for a fixed amount, or to legalize them in calling upon the policy-holders to increase the amount that they have contributed in the last ten or fifteen years in the way of assessments, by asking them to put up a lump sum that will bring the amount that they have paid altogether for the years they have been insured for, say $2,000, up to what they would have to pay if they were insured in one of the old line companies. Now these are the two propositions. What does the committee want to do? The committee say, 'before we clothe the company with that power, let us find out if they can prudently and properly use the money they have collected up to the present time from the policy-holders. Have they squandered it? Have they sacrificed the money? Are they obliged to come to parliament by reason of the profligacy and extravagance that has characterized the management of the company for fifteen years? Is that why they seek relief?' Is it not just to the policy-holders that we should know whether the company's skirts are clean, whether they are in a position to come before parliament and ask for legislation of that kind, and we cannot know that until the committee has made an investigation and reported. I have said that we made a mistake in 1885; we should not have attached to the Insurance Act an amendment that allowed this company to do business in Canada. It was a mistake then; let us now rectify that mistake? The hon. Secretary of State told us this afternoon that there are numbers of assessment companies doing business in Canada and that the probable end of all those companies is that they will have to go to pieces. Here is a door opened by the amendment that is now introduced to give relief to the New York Mutual Reserve Company, an invitation to all the other assessment companies to come to parliament if they get into a tight financial position and ask that relief be given them also. That will be the result of legislation of this kind. As I said before, let us sacredly guard the legislation that regulates stock insurance companies in which the people of this country are investing their money with the hope that after doing so for a lifetime their wives and children will have something to depend on after their death. That legislation is more sacred than any other legislation on the statute-book of Canada to-day: more sacred even than our banking legislation. If assessment companies ask to be legalized to do business, let it be by separate legislation, so that the people of Canada will know that we have not touched the Act which regulates stock companies. Let them know that we will treat these assessment companies on their

own merits when they come to us and not by an amendment to the Insurance Act. These are the facts; let us get to the bottom of the facts. If men have abused their position, if witnesses can prove to the satisfaction of this House that that company has abused its powers and has squandered the money of those insured in it, the best thing we can do is to take the policy-holders out of their hands by an Act of parliament and distribute whatever assets they have amongst those who are entitled to the money. If these reports about their condition are not true and they deserve consideration, and if it is considered best in the interests of the policy-holders, to put the company in a position to continue doing business, we can govern ourselves accordingly, but let us know first whether they have been guilty or not guilty of wrongdoing. We want to see whether they have a clean sheet; if they have, let us treat them fairly and generously, but until we know that, I, as a humble member of the House, am not prepared to support the second reading of this Bill.

Hon. Mr. FERGUSON—I want to make an explanation with regard to the charge of having introduced politics into the discussion. What I did say was, I knew that the hon. gentleman from Rothesay did not intend it, that it was incidental, but nevertheless his line of advocacy in the House was an impeachment of the department.

Hon. Mr. DOMVILLE—I did not impeach the department at all.

Hon. Mr. FERGUSON—My hon. friend the Secretary of State understood the hon. gentleman as I did, for on Monday last he said:

> The motion is a motion of want of confidence in one of the most important departments of the government.

And he further said:

> I am not disposed to acquiesce in the resolution, because it is a very unusual thing, unheard of in fact, except when moved as it was in years past when the government had an adverse majority in the chamber and inquiries were made by the House, which ought to have been directly made by the government of the day.

So my hon. friend the Secretary of State read my hon. friend's course precisely as I read it.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. GIBSON—The discussion has taken such a wide range that the affairs of the committee are getting mixed up with the legislation which has been proposed by the hon. senator from Toronto. I have under my hand, and later on will take the liberty of reading to the House, the opinions of the Associated Insurance Agents and Presidents of all the companies in the Dominion of Canada. Surely their opinions ought to carry some weight in this House. With regard to the proposed adjournment of this discussion I wish to impress on the House that I agree entirely with the idea of my hon. friend from Marshfield. The putting off of this Bill until the fourth of July is something which this House should be very slow to adopt. This legislation which is before the House has nothing to do with the alleged mismanagement of the Mutual Reserve Life Insurance. Its object is to prevent a recurrence of the mismanagement, if there has been any. Now, how are we to frame a Bill of that kind unless an opportunity is given to the gentlemen who know something of the insurance business to be heard. I am bound to say, and every hon. gentleman in this House will admit, that the experts in the insurance business should at least be given a hearing, and that is one of the reasons why I supported the Bill when it was introduced by the hon. gentleman from Toronto and the motion to send it to the Banking and Commerce Committee. It was for the express purpose of allowing the gentlemen who are opposed to the legislation as introduced to state their objections. We do not want to legislate without having information from these gentlemen, if their opinions are worth having. I am not here to vindicate the Mutual Reserve Association. I have not sought, nor do I wish to stifle investigation, but I say do not so mix up this Bill with the alleged misconduct of the insurance company that the members of this House will not know whether they are voting for the Bill or to condemn the company.

Hon. Mr. MACDONALD (B.C.) Whose Bill is this?

Hon. Mr. GIBSON—The Bill is a public Bill in the interest of the insured people of Canada, and I quite agree with my hon. friend from Wellington, so far as this Bill

is concerned, that no more important legislation can come before this House. A man may be a shareholder in a bank or in a joint stock company, and if the business or the management of the company does not suit him, he can sell out his stock, but once become insured in a life insurance company he is there as long as he lives and he cannot withdraw from it. In view of that fact, this House ought to go slowly in the matter of insurance legislation, and I want to emphasize what my hon. friend from Prince Edward Island has said, that the sooner legislation to prevent a recurrence of what has taken place with the Mutual Reserve is put on our statute-book, the better for the country and the better for the insurance companies all round. If we postpone this Bill until the 4th July, hon. gentlemen know that towards the close of every session members are anxious to get home, and legislation does not receive at the hands of hon. members of this House that careful consideration which it would have when Bills are dealt with at an earlier stage of the session. The insurance agents, all those who are affected or are rather interested in the insurance business in Canada, have held a meeting and the president of the association sent me a letter with a copy of a resolution which they sent to the Hon. Mr. Fielding, calling his attention to the fact that while they had no objection to the Bill as proposed by my hon. friend from Toronto, if it was dealing simply with one company, and with one company only, and if these gentlemen who are interested in the Bill can convince the committee that it is simply dealing with that one company, then provision should be made for that one company only, so that other companies cannot take advantage of it.

Hon. Mr. POIRIER—How can it be termed a public Bill if it is only dealing with one company ?

Hon. Mr. GIBSON—I am not going to dispute that. I am going to show the House that the insurance agents of the Dominion look upon it as a public Bill. The insurance companies, through their representatives, have drafted a resolution, a letter, which they sent to Mr. Fielding as the head of the insurance department, calling his attention to the belief which they hold, that this Bill of my hon. friend from Toronto, is dealing entirely with one company and if it is dealing only with one company, and if it is only a private Bill. If it is a public Bill, it must be disposed of in this House and it cannot go to committee. Then if the House is to dispose of it, how are we to get the benefit of the advice and experience of men who have devoted their lives to the life insurance business ? Surely the Bill should go to some special committee, in order that we may get the opinion of these men.

Hon. Mr. SULLIVAN—Do these gentlemen by any resolution or act of theirs approve of this Bill ?

Hon. Mr. GIBSON—If the hon gentleman will bear with me I will read what they say. I have three or four letters from different people, but they are all practically along the same line. I have the authority of the gentleman who is president of the Life Officers Association, and I shall read his letter, showing his consent to lay this matter before this honourable House. It is dated 17th May, 1904, from Hamilton and reads as follows :—

The Federal Life Assurance Company,
Hamilton, Can., May 17, 1904.

Hon. William Gibson,
The Senate, Ottawa.

Dear Mr. Gibson,—As promised, I inclose herewith a copy of a letter signed by myself on behalf of the Life Officers' Association and addressed to the Honourable Mr. Fielding in reference to Senator Kerr's Bill. Kindly make such use of it as you may deem to be in the best interests of our companies.

I inclose a second copy.

Yours faithfully,
DAVID DEXTER,
President.

2 encs. (Letters).

He is president of the Life Officers' Association. This letter which was inclosed is dated from Toronto, May 16th, addressed to Hon. W. S. Fielding, Minister of Finance, Ottawa, and reads as follows :—

The Canadian Life Insurance Officers' Association, Toronto.
Toronto, May 16, 1904.

Hon. W. S. Fielding,
Minister of Finance,
Ottawa, Ont.

Dear Sir,—On behalf of the Life Assurance Companies, members of this association, I have been asked to lay before you the following views in connection with Bill 'H' introduced into the Senate by the Honourable Mr. Kerr, Toronto, entitled 'An Act further to amend the Insurance Act.'

1. The Bill is introduced on behalf of, and can apply to the business of only one institution, the Mutual Reserve Life Insurance Company, formerly known as the Mutual Reserve Fund Life Association of New York ; yet it has been framed in such a way as to give the impression that it is of general import. This association considers that the introduction into the General Insurance Act of provisions such as are contained in the Bill in question, giving power to change the amount of the policy, alter the premium, and entirely reform the contract, would convey an erroneous impression to the Canadian insuring public, and to the insuring public of other countries where our Canadian companies are seeking business, in regard to the stability and standing of our regular companies, and of life assurance in general in Canada.

2. The association is also of the opinion that the General Insurance Act should not be made the vehicle to give relief to any one institution in particular. If this be allowed to be done in the case under consideration, it would appear that it may form a dangerous precedent.

3. The members of the Canadian Life Insurance Officers' Association would respectfully express their regret that there has been included in the General Insurance Act legislation dealing with assessment assurance, inasmuch as it has afforded an opportunity for those who advocate assessment assurance to urge that that class of assurance and regular life assurance being legalized by the same Act, were in fact the same, and, as a consequence, many people have been deceived thereby. Should further legislation on the subject of assessment assurance be introduced into the General Insurance Act as proposed, it appears to this association that it will have the effect of aggravating this impropriety.

4. The association ventures to suggest that whatever legislation parliament deems it advisable to grant in the premises, such legislation should be in the nature of a private Bill, so that it will be unmistakably known to apply only to the society seeking it—the Mutual Reserve—and thus, that sound life assurance shall not be injured or prejudiced thereby.

Yours very truly,

DAVID DEXTER,
President.

All I have to say in conclusion is that I support the recommendation of my hon. friend from Prince Edward Island, that this is a subject which should be dealt with without any further delay, and that it is not for the purpose of burking any inquiry. It is the duty of parliament, whatever legislation is necessary to safeguard the rights of the assured of the people of Canada, that steps should be so taken by the Senate with the least possible delay.

Hon. Mr. CLORAN—Does the hon. gentleman say he is prepared to endorse that resolution ? Is he prepared to vote for the second reading of a Bill that is condemned by the resolutions of the insurance associations ?

Hon. Mr. GIBSON—I am prepared to vote that the Bill be referred to a committee.

Hon. Mr. CLORAN—Then the hon. gentleman endorses the principle of the Bill ?

Hon. Mr. GIBSON—I do nothing of the kind. If the hon. gentleman will allow me to explain, I want this legislation to be put in shape by men who understand the insurance business, and not to be done haphazard by hon. gentlemen in the House who have not given the matter enough attention, who perhaps do not know the intricacies of life insurance. I am not at all prejudiced against the company, nor am I in its favour ; but what I desire above all things is that the hon. gentleman who has introduced this Bill should be so assisted by the people who are interested and who are affected thereby, as to make that Bill as workable as possible, and I think there is the greatest danger to the assured, to the people of Canada, if we postpone the consideration of the Bill till the 4th July, delaying it to such a late period of the session that no matter what kind of legislation should come down, if there is any evidence of the other end of the House closing up, members of this House would not remain and give the matter the consideration it deserves.

Hon. Mr. BEIQUE—I am afraid there is some misapprehension on the part of several of the members of this honourable House on the question now before us. There seems to me to be an impression that there are objections on the part of several members of this House for an investigation taking place in connection with the affairs of the Mutual Reserve. As far as I have been able to ascertain—and I have had occasion to discuss the matter with several of my hon. colleagues—I have not found one who has expressed any objection to an investigation taking place, and for my part I declare that I am in favour of an investigation, because it is important that it be ascertained, even as a matter of information for parliament, whether the insurance law has been abused or not. I am in favour of an investigation, because a proper investigation is necessary for the purpose of ascertaining what is the remedy which should be applied ; but because I am in favour of an

investigation it does not follow that I am in favour of what I consider would destroy the interest of a large portion of our community who have interests at stake in that company. I have had occasion to say during a previous debate on this subject, that I was also against the Bill if it were to be passed in its present state. I have stated some of the reasons why I would be opposed to it, and shall take the liberty of repeating them, and adding other reasons. I am against the Bill because it is made to apply, as it is drafted, to all assessment insurance companies, and therefore permitting them to change the conditions of their contract with their policy-holders. I would be against the Bill as regards the policy-holders in that very Mutual Company, because in its present shape the Bill would change the conditions and the relations between the company and the policy-holders without the consent of the policy-holders. I am against the Bill in its present shape, because, to my mind, it does not contain the proper provision to afford relief to the parties who are interested in the company. Because I am against the Bill as framed it is not a reason why I should vote against it receiving its second reading and being sent to a committee, who will ascertain whether a remedy is required and what should be the remedy, and I think that it is absolutely necessary that it should be done, unless we come to the conclusion to sacrifice in cold blood the interests of a large number of people who have considerable at stake in this company. I ask hon. gentlemen if the matter is to be treated in the spirit in which it was approached by the hon. gentleman from Rothesay—that is, as a matter of vengeance against the company——

Hon. Mr. DOMVILLE—I call my hon. friend to order. He has no right to accuse any hon. gentleman of making a motion in the spirit of vengeance. I ask the hon. gentleman to retract that.

Hon. Mr. BEIQUE—I say the hon. gentleman from Rothesay, to my great regret, has approached the subject with passion, and he has——

Hon. Mr. LANDRY—I rise to a point of order. Will the hon. gentleman sit down? The hon. gentleman imputes motives to the hon. gentleman from Rothesay: he has no right to do so, and I ask the ruling of the Speaker.

Hon. Mr. BEIQUE.—I refer to the remarks we have heard this afternoon from the hon. gentleman from Rothesay, imputing that a large number of members of this House are influenced by a desire to cover this company instead of protecting what he deems to be the interests of the policy-holders. I do not say that the hon. gentleman does it knowingly, or with any bad motive.

Hon. Mr. LANDRY—The hon. gentleman said vengeance.

Hon. Mr. BEIQUE—I say that the manner in which he approached the subject, even with the good faith with which, I have no doubt, he acted, was not calculated to best serve the interests of the shareholders in that company.

Hon. Mr. LANDRY—The hon. gentleman should withdraw the words he used when he said the hon. gentleman was inspired by a spirit of vengeance.

Hon. Mr. DOMVILLE—And passion.

Hon. Mr. LANDRY—I ask the hon. gentleman if he will withdraw that expression; if not I will ask the ruling of the Speaker.

Hon. Mr. BEIQUE—I have just explained.

Hon. Mr. LANDRY—No, there has been no explanation.

Hon. Mr. BEIQUE—I do not doubt the good faith of the hon. gentleman, but I take his words as they were pronounced in this House, and I say that the hon. member had no right to impute bad or illegitimate motives to a number of his colleagues.

Hon. Mr. LANDRY—I ask the Speaker's ruling.

Hon. Mr. SULLIVAN—The hon. gentleman meant to use the word revenge. As a Frenchman, he may not understand the niceties of meaning of English words. Vengeance is a good deal stronger than revenge. Vengence belongs only to God. 'Vengeance is mine' saith the Lord, 'And I will repay.' I say no good man with any good nature would hesitate to withdraw such an abominable word as vengeance.

Hon. Sir MACKENZIE BOWELL—Either word is out of order.

The SPEAKER—There has never been any decision by the Speaker on the use of the word vengeance; but we have a rule which forbids the use of words calculated to irritate and annoy, and I trust the hon. gentleman from DeSalaberry will withdraw that word.

Hon. Mr. BEIQUE—I have no objection to abide by the decision of the hon. Speaker.

The SPEAKER—I do not positively decide.

Hon. Mr. BEIQUE—I have explained in what sense I used the expression, that I did not intend to impute any bad motive to the hon. gentleman, but to refer to the manner in which he addressed this honourable House. I think that we should be jealous in maintaining our liberty to promote such legislation as we think is fair, and the hon. gentleman from Rothesay has no right to lecture, and to impute motives to the hon. gentleman from Toronto, as he did for an hour or more this afternoon. For my part I must resent language of that kind. I believe in the honour of every hon. gentleman in this House, and I am sure there is not an hon. member who can be approached or button-holed by any company or the representative of any company, and I am sure the hon. gentleman from Toronto, as he explained, took charge of the Bill at the request of the officers of the government, so to speak, or of the superintendent of insurance. He has explained to the House in what way he did so, and I think he did not deserve the aspersions which were cast on him by the hon. gentleman from Rothesay this afternoon.

Hon. Mr. DOMVILLE—I never referred to the hon. gentleman from Toronto at all. It is a very unfair attack to make against me. I said they were button-holing them all round. I could produce half a dozen gentlemen on the floor of the House that have been button-holed. I never mentioned the hon. gentleman from Toronto. If the cap fits—I did not put it on.

Hon. Mr. KERR (Toronto)—The hon. gentleman could not put it on my head because I have not button-holed a member or asked a member.

Hon. Mr. BEIQUE—Supposing that the investigation is made by the committee and it be ascertained that the company has been robbed to any extent, what will be the result of that investigation?

Hon. Mr. CLORAN—Stop them from robbing further.

Hon. Mr. BEIQUE—What will be the result of that investigation ? If no remedy is applied, the result will be to discourage the policy-holders and to induce them to let their policies lapse and it will be a dead loss for every one of them. In making an investigation we should study whether remedies can be applied to the evil, and decide what are those remedies, and this can only be done by proper investigation and by a committee which will have, not only the entire confidence of this honourable House but which will have the entire confidence of the country. The country has its eyes upon this honourable House. This is a question of very large importance, and I hope this honourable body will rise to the occasion and deal with this matter with calmness and with judgment, and in such a way that its action will commend itself to the attention and will receive the approbation of parliament and of the whole country. Now, whether the session lasts a month and a half or two months, it is not too long to study the question which is now before us, to properly mature it. I believe we have no time to lose, and I am in accord with the suggestions which have been thrown out. I believe the Bill should now receive its second reading, it being well understood that we do not accept the principle of the Bill nor the details of it. For my part, I repeat, that I would vote against the Bill in its present shape, and if I were to find that the committee who are to be intrusted with the consideration of the Bill with a view to amending it as it should be amended, wanted to shirk their duty or to cover the company or refuse to hold the investigation I would vote against the measure.

But I am sure that we can find in this honourable House a committee composed of men of experience who will, with the hon. gentlemen who have been already appointed on the other committee, take the trouble to make a proper investigation and devise the proper means to come to the rescue of these policy-holders. I have said on a previous occasion, and I repeat it, I believe that the remedy should go to the extent of not only

protecting the present policy-holders but also trying to revive the policies of those who have been compelled, so to speak, to allow their policies to lapse, and this, I think, may be achieved by making different classifications. It is well known that in every large insurance company there are a number of classes. They insure on the fifteen or ten year plan or on the tontine plan, or on the regular life, and I cannot see why we cannot treat the parties who have dealt with this company as different classes of policy-holders. Take, for instance, those who come under the regular system of policy, who have insured since 1899—they are perfectly secured by the deposits made with the government. Treat as another class those who hold policies under the assessment system; and treat as a third class those whose policies should be revived on such terms and conditions as would be fair to all the other policy-holders. At any rate, whether this be practical or not, it can only be ascertained by proper investigation, and when that investigation takes place, experts in this insurance should be consulted, so that what we do will be in the true interests of and will be fair to all parties concerned. But it is a question which cannot be decided lightly, and before a serious investigation has taken place. For these reasons I would be in favour of enlarging the committee or of referring the whole matter to the Banking and Commerce Committee, or enlarging the committee in order that they may make a more thorough study of the whole question, and the committee should have not only the duty of making the investigation but also of drafting the Bill as a measure of relief.

Hon. Mr. CLORAN—After the remarks which have fallen from the hon. gentleman from DeSalaberry, on behalf of that committee I beg to tender him the resignation of one member already, if he has a more competent and more fair person to put on it. I refer to the hon. gentleman from Stadacona. The hon. gentleman has stated that he wanted a more fit and proper committee to investigate.

Hon. Mr. BEIQUE—Oh, no. I appeal to hon. gentlemen; I never said anything of the kind! I made no suggestion of anything of the kind! I did not say anything against the committee that has been appointed. I said that the committee should be composed of strong elements——

Hon. Mr. CLORAN—Stronger men certainly.

Hon. Mr. BEIQUE—I say that the present members should remain on the committee. I said that those who are already members should remain so, but we have for instance Senator Cox.

Hon. Mr. DOMVILLE—He can't wait.

Hon. Mr. BEIQUE—A man of large experience in insurance business. Will it be denied that he would not be a valuable addition to a committee having to deal with that subject? And we have a number of hon. gentlemen here who have been for years in this honourable House, and with all the confidence that I have in the committtee which has been appointed, I think if it was increased to nine members instead of five that it might be an advantage and that its report would have still greater weight with the country.

Hon. Mr. CLORAN—I accept the explanation of the hon. gentleman, as far as it goes, but I want to tell him right here that this committee was not created by the Senate for any such purpose as he is pleading for to-night. This committee was appointed for one sole purpose, simply to hear evidence on both sides and report the facts to the Senate. Does the hon. gentleman think, young and inexperienced as I am, that I would undertake to organize or be chairman of a committee called upon to frame a law? Not at all. But I was quite capable of presiding over a committee appointed to hear evidence and report it. All I want is ears; I do not want much brains to do that. The committee do not need to be experts or actuaries or presidents of railroads to report evidence. They have simply to sit there and call witnesses, and when the facts are placed before the committee to report them to the House. If the hon. gentleman alluded to the committee, I do not speak on my own behalf, but I wish to say that hon. members like the hon. senator from Stadacona and the hon. gentleman from Missisquoi and the hon. gentleman from Rothesay are not chickens in this House.

Hon. Mr. BEIQUE—I did not say anything of the kind.

Hon. Mr. CLORAN—The hon. gentleman wanted a fit and proper committee, and he repeated it three or four times, and I as a member of that committee will not sit silent and hear that expression used in reference to the hon. gentleman from Stadacona. If this committee were appointed to draft a Bill to amend the Insurance Act it would be altogether different; but this committee is simply appointed for one purpose, to ascertain the facts and bring them before the House. I have no feeling in the matter but I do not want to stand by and hear hon. senators on the committee charged with incompetence and belittled. I do not speak on my own behalf. I can tolerate that for some years to come. Probably it will be different when I am older.

Hon. Mr. KERR (Cobourg)—I wish to protest respectfully but firmly against any further delay in the discussion. To adjourn the further consideration of the Bill until the fourth of July, as suggested, is out of the question, and as far as I am concerned to adjourn it for one week is out of the question. Time, according to my notion of life is very valuable. We have a great deal to do yet and we have not done very much this session. I supposed when I came to the Senate with my knowledge of the Dominion parliament, that about four months would be the normal length of a session, and my own view was that we ought to do all the work of parliament within three months. Now that we are relieved by our constitution of doing the work of the several provinces. I must say that I have been very much discouraged, from my experience of last session, and so far of this session. I fear we will not be able to bring our sessions within any reasonable length. We are now on the last week of the first three months of the session, and to postpone this Bill for one week would look to me like an unreasonable and wicked waste of valuable time. Some hon. gentlemen who have spoken have, according to my humble view, exhibited an undue and unnecessary degree of warmth in discussing this matter. I was just picturing to myself how I would be treated by a judge if, as Crown prosecutor, I were to present a case against the accused with the energy these charges have been pressed against this company. The company may be guilty or not guilty; I shall reserve my decision until I hear the evidence. I do not care very much who is the author of the Bill now before the House, but this one thing I shall be careful of, that before it finally passes the Senate it shall be a Bill of this House, and if in its present form it is not a proper Bill, it is within our power to make it so. I have listened to the discussion this afternoon and evening and am more and more convinced that the course I should like to have seen followed when this matter was before the Senate on a previous occasion was that not only this inquiry, but the Bill itself, should have gone to the Committee on Banking and Commerce, and now in taking the view I want to point out that that committee is a large committee. I have every confidence that they will do their duty, and if, in the course of this investigation and consideration of the provisions of this Bill, they find it necessary to refer certain portions of it to a sub-committee they can do so and facilitate the work and economize time in that way. For these reasons I shall vote in favour of the second reading of the Bill to-night, in order that valuable time may not be lost. I want it distinctly understood—and you must give me credit for this—I am not here to consider what is the interest of the company or the motives of any hon. gentleman. I impugn no man's motive. I believe that the special committee is composed of high-minded, honourable men, every one of them, although I opposed the reference to that committee for the reason that I thought the Banking and Commerce Committee was the proper body to which it should be referred, and I have serious objection to the multiplication of committees unnecessarily. We have standing committees enough to deal with all the questions that come before them, and these committees if they think fit can appoint sub-committees; but what I would beg of hon. members, whether they are in favour of, or against this Bill, that they should speak in a more temperate and moderate tone, and not assume that everybody who does not take a certain view is influenced by bad motives. We all have good motives, and those motives are to secure justice to everybody, no matter who may be affected. For these reasons I shall vote for the second

reading, and then to have the Bill referred to the Committee on Banking and Commerce, so that that committee can get to work and consider it, and, if it is not satisfactory, to prepare another Bill which will contain such provisions as will meet the case, and when it comes before this Senate for further consideration that such a Bill will be presented as will meet the views of the majority of this House and that justice may be done in the premises.

Hon. Mr. McMILLAN—I should like to know where we stand at present. Do I understand that the motion before us is to postpone the second reading of the Bill until to-morrow week ?

Hon. Mr. CLORAN—I moved an amendment to have this matter postponed for eight days, so that the committee can investigate and report.

Hon. Mr. McMILLAN—If the motion means to postpone the second reading of this Bill until the 4th of July, I certainly must vote against it, because it means no legislation this session for the relief of the policy-holders; but if it is only for this day week, I do not know that it will make any material difference and for that reason I am prepared to vote for the amendment to the amendment.

Hon. Mr. DOMVILLE—With the permission of the House, I should like to withdraw my amendment and accept the proposition of my hon. friend to postpone the second reading of the Bill, for one week.

Hon. Mr. WATSON—I understand the amendment has been withdrawn and that the proposition now is to postpone the matter for eight days. What better position will that put us in ? I have listened with a great deal of interest to the discussion, a good deal of which has been irrelevant to the subject before the House. Some hon. gentleman spoke at length and never referred to the motion before the chair. But it has been suggested by the hon. gentleman from Marshfield that it is his purpose to move, after the second reading is carried, that the Bill be referred to a committee to be composed of some members of the House along with the members of the committee of investigation, and to refer the investigation and the Bill itself to that committee with instructions to report a Bill that will give such relief as they deem can be given to the policy-holders.

Hon. Mr. CLORAN—We cannot do that.

Hon. Mr. WATSON—If the House should resolve on that, it appears to me that the committee who take the time and trouble to collect and weigh evidence, will be in a position to give any relief that may possibly be given by suggesting a remedy to this House, and that remedy can be furnished by the Bill of the hon. gentleman from Toronto. There may be nothing of that Bill reported but the title, but it will come from the committee in a shape acceptable to the Senate and will afford some measure of relief. The Bill of the hon. gentleman from Toronto has been objected to as a public Bill and as a private Bill, but some sort of a Bill must be introduced to give relief to the policy-holders. An investigation has been authorized by the House and the committee has been appointed. I am sure from the speeches we have heard in this House by members of that committee we can safely say they are not going to sit on the bench with gentlemen of open minds. I do not think a man who can make speeches such as we have heard in this House can divest himself of the strong feeling he has against the Mutual Reserve Fund Life Association and make a fair report.

Hon. Mr. DOMVILLE—Judge of what ? We are to report evidence.

Hon. Mr. WATSON—There is sufficient evidence in the minds of those gentlemen, as any one who reads their speeches can see, to condemn the company. I think that the Bill ought to be read the second time, and then I shall be prepared to support the motion of the hon. gentleman from Marshfield to enlarge the committee and refer this Bill and the investigation to that larger committee, and they will have time to consider it thoroughly and report suitable legislation. There is another point to be gained; if this company have complied with all the regulations imposed on them by the Insurance Act, it may be necessary to let this Bill take the form of a public measure and provide such legislation for the government of insurance companies in the future that no company doing an assessment business will hereafter fall into the condition of this company. We have a right to guard

against that. For harmony and for united effort on the part of the Senate, it appears to me the suggestion of the hon. gentleman from Marshfield is the only one to adopt, because we know that it is a question of whether the proposed amendment will carry or not. Nearly every motion in connection with this investigation has been decided by close voting; the Senate is about divided equally on the subject. If the suggestion of the hon. gentleman from Marshfield and the hon. Secretary of State is accepted, we have practicaly a unanimous opinion to send this Bill to a committee, and if that can be done we shall have the best possible results from any action the House may take in connection with the matter.

Hon. Mr. LOUGHEED—I rise with some degree of hesitation to make observations on this subject. I have refrained from participating in any way in the discussion which has extended over a considerable length of time, having very serious doubt as to the course which should be pursued; but since listening to the discussion to-day I have satisfied myself as to the course I should follow. When the hon. gentleman from Rothesay introduced his motion to investigate the administration of the Mutual Reserve Fund Association, the fundamental reason advanced was that redress should be given to those who suffered wrong at the hands of that company, and, as I understand it, that has been the central idea in every step taken up to the present time. My hon. friend from Victoria (Hon. Mr. Cloran) tells us that the only thing which the committee was delegated to do was to inquire into the honesty or dishonesty of the administration of that company clearly eliminating from the scope of the inquiry the element of redress. It seems to me the paramount question and the only question which would warrant this chamber in dealing with the matter is to solve the difficulty which has been presented as to how redress can be given to the policy-holders.

Hon. Mr. CLORAN—Why did not the Senate say so in the first place ?

Hon. Mr. LOUGHEED—I understand that the question of redress is entirely outside of the scope of that committee, and the point which I am endeavouring to make is this : notwithstanding the investigation and report which may be made by the committee, no matter whether that report may find that the administration of the company was honest or dishonest, capable or otherwise, that report can in no way affect the redress of the policy-holders. That being the case, it naturally occurs to ones mind what is this chamber going to do with reference to the paramount object of this legislation, namely, that redress shall be found for the policy-holders.

Hon. Mr. McMILLAN—I should like to ask the hon. gentleman if it should come out in the investigation before that committee that there was mismanagement of the affairs of that company, would it not to some extent affect the legislation which might be suggested by the Committee on Banking and Commerce ? For that reason we want to have an investigation into the question to some extent before we decide upon a measure.

Hon. Mr. LOUGHEED—The question propounded by the hon. member from Alexandria (Hon. Mr. McMillan) is quite a reasonable one, but permit me to say that should this investigation result in no finding, would not the idea be a deeply seated one in the mind of every hon. gentleman in this chamber that legislation is necessary to assist the policy-holders in obtaining redress with reference to this company. We have listened to many disquisitions on the science of insurance, and on the evils of the assessment system. The hon. Secretary of State this afternoon went back almost to the days of confederation, and traced down to the present time the evils which have been pointed out by statesmen on different occasions that would result under the assessment system. This being the case, and the insurance branch of the Finance Department having pronounced that it is desirable that some legislation should be introduced at this session of parliament, for the purpose of assisting the policy-holders of the Mutual Reserve Fund Life Association, then I think we may eliminate from the question before us the proceedings of the investigating committee. It appears to me that is an entirely different branch of the question now at issue. This being the case, I must confess that accord-

ing to my view of the subject, the redress will in no way trench upon the duties of that committee, and in no way invade the duties which have been cast upon them. Therefore, it is a very fitting question for this chamber to consider, if it would not be advisable to refer this Bill to the Select Committee on Banking and Commerce. Now, I do not mean to say I am in sympathy with this Bill. If the hon. senator from Toronto had introduced a blank piece of paper for the purpose of complying with the forms of this chamber, so that the question might be brought before the Committee on Banking and Commerce, we would not have entered upon a discussion as to whether there are defects in the Bill or otherwise. I, therefore, think we have to consider this Bill as blank, that the matter will be entirely dealt with by the Committee on Banking and Commerce. I can very well appreciate the difficulty of framing a Bill at the present time to meet the requirements of the situation. In the first place, we have the insurance companies objecting to the form of the Bill as introduced, and I think the reasons which they have advanced are logical and sound; but I do not think the insurance companies of Canada should be in any way tainted by the administration of a foreign company, provided that the allegations which have been made as to maladministration should be established. On the other hand, we have the policy-holders objecting to the form of the Bill. They have formed their own conception as to how far this Bill will infringe upon the rights they already possess. I can readily appreciate the difficulty of one sitting down to frame a Bill under the circumstances to which I have alluded, which would be acceptable to all parties. I am, therefore, of opinion that the Bill, entirely irrespective of the provisions embodied in its four corners, should be submitted to the Committee on Banking and Commerce. That committee should secure the services of some disinterested insurance expert, and should go fully into this matter, entirely irrespective of the mismanagement of the company in question; that they should take into consideration the facts or the figures now before the insurance branch of the Finance Department and that they should work out a solution as I have no doubt insurance experts can, due regard being had to justice being done to both parties. Under these circumstances I am in favour of supporting the reference to the Select Committee on Banking and Commerce.

Hon. Mr. McHUGH—The discussion on this question has taken such a wide range that I shall merely say a few words to explain the vote I am about to give. I do not want to commit myself to the principle of the Bill; yet if by sending it to a committee we are to get the assistance of expert insurance men in perfecting the Bill, it may come back in such a form that hon. members who would now oppose it as it stands could support it. With this distinct understanding, I am willing to vote for the second reading of the Bill. I feel that it applies only to the Mutual Reserve Company and that the investigation applies to the company only. Therefore, I do not see why there should be any objection to sending the two matters to the one committee. If the select committee which has been appointed feel that they have not been given authority to report any form of redress for the policy-holders, let their duties be enlarged. If we think it advisable to enlarge the committee let us do so, but this Bill which applies to the company which is to be investigated should be dealt with by the same committee. We want to ascertain the condition of the business of the New York Mutual Reserve Company, and, at the same time, to see if we can give redress to the policy-holders of that company, and for that reason it would be well to have both dealt with by the one committee. I shall, therefore, vote for the Bill without committing myself to its principle.

Hon. Mr. ROBERTSON—I do not quite understand how any one can vote for the second reading of this Bill without committing himself to the principle of it. Enlarge the present committee if you like, increase their powers so that they can report a Bill to this House after they have made their investigation, but I do not care to commit myself to the principle of the Bill, in its present form.

Hon. Mr. SULLIVAN—I should like to give an intelligent vote on this matter. Charges were brought against this company early in the session, charges of a very grave character, such as would damage any company if proved. The object of the hon. senator

from Rothesay was to obtain a committee of investigation. After this matter had gone on for a time a Bill was introduced to amend the Insurance Act. It was a post hoc—I do not know whether it was propter hoc, I take it it was. I do not believe there would have been any Bill to amend the Insurance Act had there not been a proposition to investigate the Mutual Reserve Association. The two things must be disassociated by any one who wishes to give an honest vote. First the company is charged with crimes which no company could commit without forfeiting public confidence. No Canadian would like to have such nefarious offences condoned in any way. The company must either be acquitted or punished. If they are acquitted the Bill can be passed if they wish for it, but if punishment is to be meted out to them proportionate to the crimes with which they are charged, no Bill will be necessary. Having given the committee a commission to find out the truth and nothing but the truth, when they report to the House it will be time enough to say what you will do with the Mutual Reserve Association. A man need not be an insurance expert to make an investigation of this kind. Crimes under the head of Insurance, are not of a peculiar character; they are frauds and criminal acts which are known and committed over the wide world, I am sorry to say. I have no feeling whatever against the company, and would be glad to see them continue doing business, but I feel there is a very important responsibility resting on every member of this House. Here is an opportunity for the Senate to show that it is impartial, that any one can come here and obtain at the hands of the House just and honourable treatment.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman from Prince Edward Island expressed the opinion that a member who votes for the second reading necessarily commits himself to the principle of the Bill. That was the practice of parliament some twenty or thirty years ago. Whenever a Bill was read the second time it was understood that those who voted for it committed themselves to its principle. That idea was abandoned long ago, and any one can vote for a Bill, of this character on the second reading, with the distinct understanding that if it is not amended in committee to meet his views, it is his privilege and duty to vote against it. The hon. gentleman who introduced the Bill, stated himself that he was not wedded to all of its provisions, but he was prepared to accept any suggestion or amendment that might be made by the committee to which the Bill might be referred, and which would tend to accomplish the object he had in view, namely, the better protection of the policy-holders, and not, as he said himself, in the interest of the company. I am fully in accord with those who have spoken in that way—I am not in favour of every provision in the Bill, and I hope that it may be so amended as to accomplish the object we all have in view, to afford better protection to those who are in the unfortunate position of holding policies in that company. The motion before the House is that the Bill be read the second time. Then there is an amendment by the hon. member from Rothesay to postpone the consideration of the second reading until the 4th July.

Hon. Mr. DOMVILLE—I withdrew that and said I was willing to accept the subsequent amendment.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman cannot withdraw his amendment without the consent of the House. His amendment was to postpone the second reading until the 4th July. Then there is an amendment to the amendment by the hon. senator from Victoria (Hon. Mr. Cloran) to postpone the second reading for one week. Then the hon. gentleman from Rothesay said that if the feeling of the House was in favour of the last motion he would withdraw his amendment and let that of the hon. gentleman from Victoria be substituted, leaving any one else to move an amendment to the amendment if he pleased. That I take it to be the position of the matter at present. The proposition made by the hon. gentleman from Marshfield was simply this, that should the Bill be read the second time it should be referred to an enlarged committee, consisting of the five gentlemen who were appointed a special committee, and to add four or five members to it, and enlarge its powers to consider not only the charges preferred by the hon. senator from Rothesay but also the provisions of the Bill should it receive its second reading. After

the discussion, and the feeling which it elicited I venture to suggest that the Bill receive its second reading at once and then, as suggested by the hon. gentleman from Marshfield, be referred to an enlarged committee or to the Committee on Banking and Commerce. I frankly confess I rather approved of the suggestion made by my hon. friend at first, but after hearing the discussion I think it would be better to accept the suggestion made by my hon. friend from Kingston (Hon. Mr. Sullivan), to let the investigation as to the character of the company go on and let us treat the Bill exclusively upon its merits, irrespective of any information that may be elicited by that committee or how far they may be able to implicate the company in wrong-doing. Let that stand upon its own merits, and even if they are wrong then let us deal with the Bill with a view to the relief of the policy-holders, so far as we can, and also the relief of those who have allowed their policies to lapse after having paid in a large amount of money, if such a thing can be done. I have already expressed my views and very strongly too as to whether this is a public or a private Bill. However, those views were not accepted by the House, and the Speaker took the view that it was a public Bill, and I must confess, if I may say so—perhaps it is a little irrelevant—that on the face of the Bill as it stands before the House, the Speaker was quite right, in giving the decision he did, although I took the other view. I take it that all he could do would be to come to a decision upon the character of the Bill as it is presented, although we all know it has but one object, and that is to deal with one particular company, as no other companies of that character have been interfered with. I hope the House will get rid of it in the way that I have suggested. Let the committee go on with this investigation. If they have not power enough, give them full power, give them what they ask, solicitors to assist them, and if it be considered to the advantage of the investigation that the committee should be enlarged do it and do it upon its merits, and let us have the second reading of the Bill to-night. For these reasons I should vote against any amendment for the postponement of the second reading; we should have the second reading now or defeat it altogether.

Hon. Mr. CLORAN—In view of the statement made by the leader of the opposition and having moved the amendment, I am quite prepared to accept the view of this honourable body in regard to that matter. I moved that amendment at the request of several senators who had ideas in regard to the time that this investigation should take place and the Bill brought forth. I am quite prepared as a member of the committee of investigation to have this Bill referred to any committee of this honourable House, whether to the Banking and Commerce or to our committee or to an enlarged committee; so that if the hon. member who seconded the amendment will consent I will withdraw my amendment and allow the main motion to go.

Hon. Mr. McMULLEN—I certainly cannot consent, for the reason that I would be acquiescing in an act that I condemned.

Hon. Mr. POIRIER—I am surprised to see the mover of that amendment withdrawing it now, after we have discussed it for three or four hours. Nothing has transpired in my estimation to justify him in retiring from the position he took. He certainly was serious when he moved it, and why should he withdraw it now? It is rather trifling with the Senate.

Hon. Mr. CLORAN—The reason was on account of the statement made by the hon. leader of the opposition that in voting for the second reading of the Bill now, nobody was committed to the principle of it and it did not amount to anything.

Hon. Mr. POIRIER—Even if that were the case, everybody is supposed to know the law and my hon. friend was supposed to know that. Ignorance excuses nobody as the latin saying goes. The question is pretty well mixed up now. I desire to give an intelligent vote on this question, but matters are so mixed up that I do not know where the cart or the horse is. It strikes me the cart is before the horse. The object of the Bill of my hon. friend from Toronto is to deal with the Mutual Reserve Company, and that has been made clear by the protest from the other companies. Therefore, let that Bill be on the face of it a public Bill; it is to all

intents and purposes a private Bill, brought before this House purposely and exclusively to deal with the Mutual Reserve Fund Company, and if I understand it to save that company from disaster if possible. If the company can justify its course I will vote for it being saved, but as matters stand now, are we to deal with that company intelligently before we have the report of the committee which is now investigating the affairs of the very company which we are about to justify by the passing of this Bill. I am of opinion that we should not mix up matters any more, and that we should take a vote on the question which was brought up and which we have discussed sufficiently. I will object to the hon. gentleman's amendment being withdrawn at this stage, and I will vote in favour of it without committing myself, for the reason that I wish, when this Bill comes before the House, to give as intelligent a vote as possible, and I find that even with the best of will to do so I cannot do it now.

Hon. Mr. LANDRY—I may be wrong, but I do not share the opinion expressed by the hon. leader of the opposition when he says that the second reading of a Bill does not affirm the principle of it. We have a standing rule—I think it is No. 42—which says that the principle of a Bill is debated at the second seading. What is the principle of this Bill ?

Hon. Mr. DOMVILLE—No principle.

Hon. Mr. LANDRY—The Bill brought before us to-day is a Bill to amend a public Act. It is to impose on all the insurance companies in the country certain amendments. That is the principle, but nobody is standing up for that principle. Where is the member who is in favour of that principle ? Where is the member of this House who could stand up and say that he is for that principle. Every one who spoke on the Bill took great care to say they would not accept that principle but would confine the Bill to one single company, yet we are asked to vote for a Bill the principle of which is to extend to all insurance companies doing business in the Dominion—a public Bill. That is the principle, and hon. gentlemen who are voting for a second reading, accept the principle. Bourinot states the rule as follows :

The second reading of the Bill is that stage when it is proper to enter into the discussion and propose a motion relative to the principle of the measure..

The Senate has a rule on this subject, No. 42, which reads as follows :—

The principle of a Bill is usually debated at its second reading.

Hon. Mr. KERR (Toronto)—Debated but not decided.

Hon. Mr. LANDRY—What is the result of a debate? It is a vote. It is a decision.

Hon. Mr. KERR—It is a vote for second reading. That is what the vote is, but it is not necessarily adopting the principle of the Bill.

Hon. Mr. LANDRY—When is it adopted?

Hon. Mr. KERR—When it becomes law.

Hon. Mr. LANDRY—When does it become law ?

Hon. Mr. KERR—When is receives the assent of the Governor General.

Hon. Mr. LANDRY—We are only committed when the Governor General acts. That is the consequence.

Hon. Mr. KERR—I have answered several questions.

Hon. Mr. LANDRY—Not in a very bright way.

Hon. Mr. KERR—I think that observation applies to the questions.

Hon. Mr. BEIQUE—I rise to a question of order. Sit down.

Hon. MEMBERS—Order, order.

The SPEAKER—The hon. gentleman from Stadacona, I understand, is speaking on a point of order.

Hon. Mr. BEIQUE—I am raising a point of order.

The SPEAKER—The hon. gentleman from Stadacona, as I understood it, was addressing the House upon a question of order.

Hon. Mr. KERR (Toronto)—No, no, a question of law.

Hon. Mr. BEIQUE—My point of order is that the hon. member has no right to use the expression in reference to the hon. member from Toronto, that he had not answered the questions in a bright way.

Hon. Mr. LANDRY—I did not mean polite when I used the word bright. There was

no polish in that, but if the hon. gentleman objects I will say in the most bright way. Bourinot further says :—

The Commons have no rule on the subject, but the practice of the House is always to discuss the principle of a Bill at this stage. Any member may propose as an amendment a resolution declaratory of some principle adverse to or differing from the principles, policy or provisions of law or expressions of opinion as to any circumstances connected with its introduction or prosecution or otherwise opposed to its progress.

This quotation from Bourinot shows in a very distinct manner that the principle of the Bill is discussed, debated and resolved at the second reading. It is not like a private Bill which is sent to a special committee, where discussion takes place and where the principle is adopted only when the Bill is all accepted. We adopt the preamble afterwards. But, in considering a public Bill, as soon as you come to the second reading you are bound to accept or reject the principle, and if you do not accept the principle you have a way to get out of it, to move an amendment, which is directed against the Bill. If hon. gentlemen want to refer that Bill to a committee and to save the principle, why do they not bring in an amendment stating that they want, that the Bill be read the second time with such and such provision, putting aside the false principle which is advocated in this Bill, because everybody knows that the principle which is advocated is a principle which is accepted by nobody in this House. Therefore, when the second reading of the Bill is proposed, I shall vote against it because I do not want to commit myself to the principle of supporting a public Bill brought before this House in order to amend the law so that the law as so amended should afford relief to a single company.

Hon. Mr. KERR (Toronto)—One word only, and that is that I wish it distinctly understood, as I stated at the opening, that in asking for the second reading of the Bill, I do no ask any member to commit himself to the principle of it. In all deliberative assemblies, in the House of Commons and in this House it is a common practice that a Bill receives its second reading without the members of the House being committed to the principle of it.

Hon. Sir MACKENZIE BOWELL—If I may be permitted for a moment; the rule to guide us in this matter lays down no such principle as that which the hon. gentleman has indicated in his reply to the remarks which I made. I have great respect for the industry and research of my hon. friend. The rule which guides us reads as follows :—

The principle of a Bill is usually debated at its second reading.

That is quite true, but that does not say that if you vote for the second reading you thereby pledge yourself to details or to the principle, and all the hon. gentleman has read in Bourinot is exactly in the same line as that rule. But I repeat again that the practice has been in the House of Commons, and I am sure my hon. friend will remember that if he will only tax his memory, that which I laid down, that when you object to the details of a Bill which may involve a certain principle, you state that objection in the House when you give your vote. You have no objections to having the Bill considered, but you let the House understand that you are not pledging yourself by that vote either to the principle or details of the measure.

The SPEAKER—Is it the pleasure of the House to permit the hon. gentleman from Rothesay to withdraw his motion ?

The motion of the hon. gentleman from Rothesay was withdrawn.

The House divided on the amendment proposed by the hon. gentleman from Victoria (Hon. Mr. Cloran), which was lost on the following division :—

Contents :

The Hon. Messieurs

Bernier,	McLaren,
Bolduc,	McMillan,
Boucherville, de	McMullen,
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Cloran,	Merner,
Coffey,	Montplaisir,
Domville,	Owens,
Ellis,	Poirier,
Landry,	Robertson,
Macdonald (Victoria),	Sullivan,
McDonald (Cape Breton),	Wilson.—22.

Non-Contents :

The Hon. Messieurs

Baker,	Lougheed,
Béique,	Lovitt,
Bowell (Sir Mackenzie),	Macdonald (P.E.I.),
Carling (Sir John),	McGregor,
Casgrain (de Lanaudière),	McHugh,
Dandurand,	McKay (Truro),
David,	Pelletier (Sir Alphonse),
	Perley,

Ferguson,	Power (Speaker),
Fiset,	Scott,
Gibson,	Shehyn,
Godbout,	Templeman,
Jones,	Thompson,
Kerr (Cobourg),	Vidal,
Kerr (Toronto),	Watson,
King,	Wood,
Legris,	Young.—33.

The Bill was then read the second time.

MUTUAL RESERVE LIFE ASSURANCE COMPANY.

SECOND REPORT ADOPTED.

Hon. Mr. CLORAN moved the adoption of the second report of the select committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York. He said :

This report has been before the House for the past three or four days, and, after the discussion which has taken place to-day, I do not think for a moment that there will be any further hesitation on the part of the House to grant the request of the committee for counsel.

Hon. Mr. SCOTT—I have just one observation to make, and it is that I think no counsel who has been previously engaged for or against this insurance company should be engaged on the present occasion. It will command greater respect if some eminent counsel who has never been connected with the company be engaged to conduct the investigation.

Hon. Mr. BAKER—I beg to ask the Senate to relieve me from service upon the committee in the face of what has transpired. It is more evident to me now than it was at the time the committee was appointed that no good result could possibly come from the investigations of that committee. No matter what the finding may be, it is utterly powerless to offer any remedy, and, in view of that, I think it is due to myself and it is due to the Senate that I ought to ask to be relieved from further service upon the committee ; I therefore ask the Senate to relieve me from the committee.

Hon. Mr. WATSON—I rather think that some members of the Senate are somewhat disappointed in the proceedings which have just taken place. We were informed by the hon. member from Marshfield that he was prepared to move that the committee of investigation be enlarged, and that this Bill be referred to it. I fancy a good many members of the House voted for the second reading with the undertsanding that he would move such a motion. He has not done so and the House is entitled to some explanation from him.

Hon. Mr. PERLEY—That is why I voted as I did.

Hon. Mr. FERGUSON—Had my hon. friend raised the point at the right time I would have given an explanation. An effort was made, in which I took part, to endeavour to enlarge the committee. I made several efforts, and others did the same, but it was found that no agreement could be come to as to the names to be added to the committee. The hon. member from Rothesay had views on that subject which he would not yield. My idea was that there would be an agreement to enlarge the committee and when I found no agreement was possible, it was suggested that the Bill, should be sent to the Committee on Banking and Commerce.

Hon. Mr. WATSON—After making the statement he did make to the House the hon. gentleman should have explained that before the vote was taken.

Hon. Mr. FERGUSON—Several hon. gentlemen intimated that the Bill should be sent to the Committee on Banking and Commerce. My view was not to prevail more than that of other senators.

Hon. Mr. GIBSON—In my opinion the Bill has been referred to the proper committee. From the remarks made by hon. gentlemen on the other committee it is clear that if this Bill had been referred to them with additional members, it would involve the retirement of some members who acted on that committee.

Hon. Sir MACKENZIE BOWELL—The motion is the adoption of the report. The Bill has already been committed, and the discussion is altogether out of order.

Hon. Mr. GIBSON—I am simply making an explanation. My understanding was that inasmuch as these gentlemen offered to withdraw from the committee if there was any increase of their numbers, the only proper committee to deal with the Bill was the Committee on Banking and Commerce.

Hon. Mr. YOUNG—Before the motion is put, we had better have some understanding. A prominent member of the special committee has announced to the House that the efforts of the committee are practically useless. If that is the case I am disappointed, because I feel that there should be a searching investigation into the affairs of the company, and if possible some relief given to the policy-holders. We have put our hands to the plough, and I do not think we should stop now and leave undone what we should do in the light of the statements which have been made. I, like my hon. friend from Portage la Prairie (Hon. Mr. Watson), understood that an arrangement had been arrived at by which a strong active committee would be arranged for, and submitted to the House to be voted on with the possibility of the House accepting that committee and including in it the original committee of investigation, with, if necessary, enlarged powers, and have placed at their disposal means to make the most searching investigation. Now we are asked to supply counsel for what? As far as I can see that committee is of such a character that it would practically be of no advantage to this investigation. If that is the case, would it not be better to concentrate our efforts on the Banking and Commerce Committee and have a searching investigation made by that committee or a sub-committee, if you will, but made at any rate. Something should be done to produce practical results for the money we are going to expend in employing counsel and bringing witnesses—some results to the policy-holders of the company who are asking for relief at the hands of the Senate.

The SPEAKER—The hon. gentleman could move to postpone the consideration of the motion.

Hon. Mr. DOMVILLE—The motion has been carried.

The SPEAKER—The hon. gentleman has no right to reflect on the chair; the motion has not been carried.

Hon. Mr. DOMVILLE—I cast no reflection on the chair, and I allow the chair to cast no reflection on me.

Hon. Mr. YOUNG—The chair has a right to inform the House what position the question is in at any time, surely. Would it not be well to take time to consider this matter and put it into shape so that we may attain some practical results. I believe the suggestion of the Speaker is good, inasmuch as the arrangement which I understood to have been made, to appoint an active committee has fallen through, to let this matter stand until another day to see what is best to be done.

Hon. Mr. DOMVILLE—It is only keeping us back.

Hon. Mr. YOUNG—The hon. gentleman complains of our keeping it back. The hon. gentleman has been keeping the House back for a whole day to prevent the passing of a Bill.

Hon. Mr. DOMVILLE—The hon. gentleman has no right to impute motives to me. I say his statement is not correct.

Hon. Mr. YOUNG—I am making a statement of facts which can be borne out by every member of the House, that the hon. gentleman has kept us this whole afternoon and evening for only one purpose, namely, deferring the consideration of the Bill, the only means apparent by which the policy-holders of this company can get the slightest relief. Therefore, it ill-becomes the hon. member to complain that he is being delayed, when his own action has had the most marked effect in that direction. I have already suggested to the House that we had better reconsider some of our actions in connection with this matter, with a view of having an investigation, and getting such relief as it is possible to obtain for the policy-holders of the company. I therefore move that this matter be deferred until to-morrow.

Hon. Mr. DOMVILLE—The hon. member must give notice of that motion.

Hon. Mr. YOUNG—Oh, no.

Hon. Mr. BEIQUE—I second this motion, for the reason that has been given by the hon. member from Killarney (Hon. Mr. Young). I attach a great deal of importance to a proper investigation being made. It is a matter of indifference to me whether the investigation is made by one committee or another, but it should not be made by two committees, and steps should at least be taken to have the investigation made

by a sub-committee of the Committee on Banking and Commerce jointly with the committee that has been appointed. The committee which is intrusted with bringing about the remedy surely is a very important committee, and it cannot very likely come to a conclusion as to what is a proper remedy without making a thorough investigation. I therefore second the motion, in the expectation that by to-morrow we may devise the best means to insure this proper investigation by the committee, and the obtaining of the proper remedy.

Hon. Mr. KERR (Toronto)—I did not wish anything I may have done here to be at all misunderstood. I certainly did understand that a motion was to be made by the hon. gentleman from Marshfield for the enlargement of the special committee, and that this matter should be referred to that committee, but after learning that he had, out of deference to the views of some members, determined on not moving that way, I saw him and he was good enough to say that was the conclusion he had arrived at, because many members had expressed the opinion that the question should go to the Committee on Banking and Commerce. I feel it my duty to redeem the promise I made on moving the second reading of the Bill. At that time I asked the House to vote for the Bill without being committed to it, and if that were done I would move that it be referred to the Committee on Banking and Commerce. I have redeemed the promise I made, not with any idea of interfering with any proposition which might be acceptable to the House to deal with the matter, either by an enlargement of that committee or in any other way, but while I am on my feet I may as well say——

The SPEAKER—Is the hon. gentleman speaking to the motion before the chair ?

Hon. Mr. KERR (Toronto)—Yes, the motion before the chair is to adjourn the debate. It seems to me, therefore, it is pertinent to call attention to the situation of the matter. We have given the Bill a second reading and referred it to the Committee on Banking and Commerce for consideration. We have before us the report of another committee. That committee stands in the position that a principal member of it, one of the oldest members of the House, has expressed himself in a way that we all heard a few moments ago. In addition to that we had an expression of opinion from the chairman of the committee, who explained to us with a great deal of deliberation two or three times, that that committte had only one duty to discharge, and that duty was confined to ascertaining whether there had been fraud or dishonesty in the management of this company. I wish to call his attention to the instructions which that committee has, and I think you will find that he has not read them, or, at all events, if he has, he does not state them correctly here. The resolution on which that committee was appointed was for the appointment of a select committee of five to investigate the position of the Mutual Reserve Fund Life Association of New York and Canada. All the charges we have heard in support of that motion are frauds committed outside of Canada. They have nothing whatever to do with the present conditions of the company in Canada, and that is what the committee has been appointed to investigate, and they are now asking for authority to employ counsel. The Senate will see that the duties of that committee are confined to that. One important member of the committee says he can see no good result from the prosecution of that committee's labours. Under the circumstances, having regard to the view of the hon. member who has expressed himself so with reference to the committee, there should be some time taken for consideration of what we are doing.

Hon. Mr. CLORAN—I am very much astonished to find the hon. senator from Toronto making such a fine distinction in regard to the powers of this committee. They are appointed to examine into the position of the company in Canada. He knows we cannot go to the United States and examine its condition there, but we can force the company to bring their books here. Why should he want the committee to limit the investigation to the condition of the company's affairs in Canada. Their business is transacted in New York and he knows very well that this House never wanted a com-

mittee appointed simply to investigate the management of the company in Canada. I am fullly aware of the instructions given by this House ; they are to inquire into the position of the company, the relations between its directors and its policy-holders, and if that position is an honest position, the result of the investigation will redound to the company's credit and advantage. If this investigation shows that the position of the company is not an honest one, then it will be time for parliament to take action, so it is really a question of honesty on one side or the other. The position is very clear, and the committee appointed by this honourable body with those instructions, have come to the Senate, and asked permission to employ counsel. The senators composing that committee cannot spend eight or ten hours a day looking into the records of this company. We are not here for that purpose, and it is for that we require counsel. We do not want to go into an investigation of facts that do not pertain to the question; we want to be guided by a lawyer, and it has been unanimously decided by the committee to ask the House to sanction the employment of counsel. The House has not refused it, but certain members seem to hesitate to entrust this committee with counsel. If there is anything wrong, revoke the committee, but it is not right to treat the committee as it is being treated by some hon. members of this House. It is not fair, and it has never been done before. If there is anything against the committee let it be said above board. Otherwise I do not see why hon. gentlemen seek by delays to refuse counsel. I do not think the majority of this honourable body will back up the demands of some hon. gentlemen in that respect. We have delayed now two or three weeks on account of this hesitation on the part of the Senate to take action. I humbly ask that the House take action now. With regard to the attitude of the hon. gentleman from Missisquoi (Hon. Mr. Baker) he said he did not believe in the constitutionality of the committee. He did not take twenty-four hours to consider that.

Hon. Mr. BAKER—I did not take twenty-four minutes.

Hon. Mr. CLORAN—I was surprised when he said so in committee. Why did he not say so in the House and not allow the Senate to make a nomination which was to become void soon afterwards ?

Hon. Sir MACKENZIE BOWELL—The only question before the House is whether the committee shall have power to employ counsel to assist them in the investigation. I cannot understand how a delay until to-morrow, or any other time, can change the opinion of any one as to the propriety of giving them that power. I know that in former committees when they asked for assistance of that kind it has never been refused, but if the Senate is of the opinion that they should not go to the expense of employing counsel, they had better say so. If they do it will be tantamount to frustrating, to that extent, the investigation which has been ordered. I have been on committees of this kind and I fully concur in the remarks of the hon. gentleman from Victoria (Hon. Mr. Cloran) that no individual member of a committee of that kind can devote his whole time and attention to an investigation of all the intricacies which will arise in such inquiries. If we desire to have that investigation thorough and proper, we had better consent and pass this motion at once.

Hon. Mr. DANDURAND—We should pause for a few hours before we decide to leap into this matter, and for the reason we have a committee that is somewhat disorganized. We have the hon. gentleman from Bedford asking leave to withdraw from it.

Hon. Sir MACKENZIE BOWELL—That does not disorganize it.

Hon. Mr. CLORAN—We have been going on with four members all the time.

Hon. Mr. DANDURAND—It seems to me that from now until to-morrow we might be discussing the advisability of enlarging the committee by increasing its number.

Hon. Mr. CLORAN—What has that to do with counsel.

Hon. Mr. DANDURAND—Then we will have a new committee, practically an enlarged committee, who will decide upon the course they will follow, and perhaps when we propose three or four or five names, amongst them some senators of the legal profession, a majority of that committee may decide it does not need counsel, that

it has enough legal light. They may decide that they need an actuary rather than counsel, and it seems to me that if we adjourn till to-morrow we would devise a plan by which we could add to that committee some members of this chamber who did not belong to the Committee on Banking and Commerce and the Committee on Banking and Commerce might, upon the enlarging of this special committee, delegate a sub-committee of the Banking and Commerce Committee to that committee to do joint work and make a joint report.

Hon. Mr. CLORAN—No, we cannot do that.

Hon. Mr. DANDURAND.—It seems to me we have everything to gain by adjourning the question until to-morrow, so that we may have a conference and decide upon the best course to solve the question we have before us, that relief may be had for the present policy-holders who are all they have before the committee; there are no shareholders, nothing but policy-holders, and we are all bent upon doing something to come to the rescue of the policy-holders who are paying heavy rates and who seem to need relief and who are incapable of getting it.

Hon. Mr. DOMVILLE.—The hon. gentleman has made a statement here. If he will allow me to state to this House what he told me this morning as to employment of counsel, I will repeat it. I will not repeat it unless he does.

Some hon. MEMBERS—No, no.

The amendment was declared lost.

The report was then adopted.

SECOND READING.

Bill (34) An Act respecting the Grand Trunk Pacific Railway Company.—(Hon. Mr. Dandurand.)

CANADIAN GENERAL ELECTRIC COMPANY'S BILL.

SECOND READING POSTPONED.

Hon. Mr. GIBSON moved the second reading of Bill (116) An Act respecting certain Patents of the Canadian General Electric Company, Limited, and others.

Hon. Sir MACKENZIE BOWELL—Will the hon. gentleman explain the purport of this Bill?

Hon. Mr. KERR (Toronto)—This is simply for the extension of the time for the importation of the patented article; the patents are in force. The parties are manufacturing them as fast as they can, but these patents being new and it is important that great care should be taken in the manufacturing and exploitation of the article, the time for importation will expire and unless it is extended they will forfeit their patents by the importation in the meantime.

Hon. Sir MACKENZIE BOWELL—Are the articles with which this deals now manufactured in Toronto?

Hon. Mr. KERR—No. Similar power was given to the other patentees, the Parsons Company, a few days ago, by the Senate.

Hon. Mr. FERGUSON—This Bill is not printed, and of course it should not be proceeded with.

The Order of the Day was allowed to stand.

Hon. Mr. SCOTT—I move that the House do now adjourn.

A QUESTION OF PRIVILEGE.

Hon. Mr. LANDRY—I want to raise a question of privilege. During the debate that took place on this question of the Mutual Reserve Fund Company, it was intimated by the hon. gentleman from Toronto that a certain party in New York had made certain declarations concerning the government and parliament and the committee of the House of Commons. The statement will be found on page 231 of the 'Debates' and reads as follows:

I then took up the memorandum and said to him again: 'Now, this is what you want paid, the amounts contained in this memorandum, together with an equivalent to a year's salary, and the association is to thereafter have your good-will,' to which he replied 'Yes, but that he would not make anything out of it, that he had spent lots of money that was not contained in the memorandum, that he had paid all the costs of the legislation in Canada that passed the law by which the association procured its license to do business in the Dominion, for which he had never been repaid. That there had been good round sums paid out; that there were members of parliament, of the committee, and of the government that had to have good sums, that it cost him over $10,000, that

he had found all the money excepting for the last Bill for a small amount.

In view of that declaration made, and in view of the fact that the gentleman who is charged with making that statement is in the city, I move, without giving notice, as it is a question of privilege, that an order of this House do issue for the attendance at the bar of, this House of J. G. Wells of New York to answer such questions as may be put to him relative to these declarations that he is alleged to have made that there were members of parliament, of the committee, of the government, that had to have good sums; that it cost him over $10,000, that he had found all the money excepting for the last bill for a small amount.

Hon. Mr. GIBSON—Is it a notice of motion?

Hon. Mr. LANDRY—No, it is a question of privilege, and if the hon. gentleman will look at Bourinot at page 424, he will see that questions of privilege need no notice. The rule is as follows:

Questions of privilege will always be considered in the House without the notice necessary in the case of a motion.

Hon. Sir MACKENZIE BOWELL—That is understood.

Hon. Mr. GIBSON—Who is reflected upon in this matter?

Hon. Mr. LANDRY—I am reflected on. I was a member of the House of Commons.

Hon. Mr. POIRIER—Did the hon. gentleman receive any money.

Hon. Mr. LANDRY—We will find that out.

Hon. Mr. KERR (Toronto)—It is the House of Commons.

Hon. Mr. LANDRY—It is the House of Commons and parliament.

Hon. Mr. SCOTT—Does the hon. gentleman really think it is important?

Hon. Mr. LANDRY—It is a question of privilege, and I give notice and I want to have this gentleman brought to the bar to ascertain if this statement is true or not.

Hon. Mr. SCOTT—If every idle observation made outside of the House twenty years ago is to be revived and investigated by us it will take up a lot of time.

Hon. Mr. GIBSON—Why could he not appear before the committee.

Hon. Mr. SCOTT—I should like to know whether the paper the hon. gentleman read from is authentic, or is it merely an allegation. It does seem to me that the hon. gentleman is trifling with the dignity of the Senate.

Hon. Mr. ELLIS—There is no reference to the Senate in the matter, and no reason for the Senate assuming anything in the matter.

Hon. Sir MACKENZIE BOWELL—I am very much astonished to hear the remarks of the hon. gentleman who usually speaks tersely and straight to the point at issue. Here is an affidavit made by the vice-president of the New York Mutual Reserve Company in which he states distinctly that Mr. Wells told them that he had expended $10,000 in order to secure certain legislation, to use a very plain expression, in the purchase of members of parliament. of the committee, and of the government. Now, I happened to be a member of the committee that dealt with that question and also a member of the government and a member of parliament, I take it for granted that the Senate is a part and parcel of parliament. Parliament does not consist exclusively of the House of Commons. We are just as much an integral part of parliament as the House of Commons itself, because nothing can be done without the concurrence of both Houses, and the sanction of the Governor General, and here is a direct reflection on the honour of parliament. Why should this motion be opposed, when the man who, it is alleged, made this statement, the vice-president of the company with whom we have all the time been dealing, is in town? Why this motion should be objected to is a puzzle to me. I am very anxious individually and on behalf of the committee and on behalf of parliament and the government, to have this gentleman brought before the bar of the House in order that we may ascertain what he has to say in contradiction or in support of the statement alleged to have been made by him.

Hon. Mr. WATSON—Which bar does the hon. gentleman mean?

Hon. Sir MACKENZIE BOWELL—If he comes here and states that he did spend that

money, then, I, as a member deeply interested in this charge that has been made, would like to know from him to whom he gave that money and whom he purchased, and the country should know it. The newspapers have discussed this question; they have discussed it not from the point taken by the members here, but they have said that a serious charge was made against the then Minister of Finance, Sir Leonard Tilley, and that it was unbecoming on the part of the hon. gentleman from Toronto to read such a statement impugning the honesty of a man like Sir Leonard ? I do not think the hon. gentleman believed a word of it. Then let us have Mr. Wells' version of it. It is not going to cost anything except the issue of a summons, and that will not be much. In justice to the parliament of Canada, and in justice to those who were members of the parliament at that time ; in justice to the government and in justice to the members of the committee who dealt with this question, there should be no objection to summoning Mr. Wells to the bar of the House and let him answer for himself, and if he has made that statement and is unable to sustain it, then let us deal with him by committing him to the tower for the remainder of the session.

Hon. Mr. SCOTT—Here is an incident that is said to have occurred in 1884 or in 1885. The vice-president I think is dead. Now, Mr. Wells will deny it. No doubt about that. And what better situation are we in ? Are we going to call the man who heard him say it ?

Hon. Sir MACKENZIE BOWELL—You may if you like.

Hon. Mr. DOMVILLE—Eldridge is in the city.

Hon. Mr. SCOTT—Then let us have both men up, if you must persevere, but I do think it is beneath the dignity of the Senate. A matter that occurred twenty years ago is not worth taking up. Nobody would believe Wells if he came forward and swore to it.

Hon. Mr. DOMVILLE—I would.

Hon. Mr. SCOTT—I was a member of parliament at the time. I think I should have some interest in it.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman did not get any of the money.

Hon. Mr. SCOTT—I am not at all afraid of my reputation at the hands of a gentleman like Mr. Wells, and I think no other hon. member need be.

Hon. Mr. POIRIER—While admitting the position taken by my hon. friend is logical, that the situation is indeed serious and grave, I feel like treating the whole thing with absolute contempt. They have never had enough money diverted from the public funds and from the policy-holders in that company to buy any member of this or the other House or affect their votes. The accusation is too far in the past, and comes from too low a source to affect us to such an extent as to justify us in calling either of these men to the bar to justify their malignity towards this or the other House. I will vote against the motion.

Hon. Mr. McMULLEN—Lest the House should decide to reject the motion that has been made, I take the opportunity of stating that I am most anxious that a full investigation should be held by having Mr. Wells before the bar of the House and questioning him as to the truth of the statement that is contained in the allegation which has just been read. My hon. friend the Secretary of State pooh-poohs the whole thing. He says it was twenty years ago. But the press throughout this Dominion have come out recently and quoted the very words and what more have they done ?

Hon. Mr. SCOTT—And Wells will deny it. What position are you in then ?

Hon. Mr. McMULLEN—Are we not entitled to the denial ? I was a member of that committee, and sat in parliament, and was there when this legislation was passed, and my name is published in the press today as one of those who is charged with having been bribed, bought, approached.

Some hon. MEMBERS—No, no.

Hon. Mr. McMULLEN—Yes, the statement is that the committee were bought. I want the fullest investigation. I think it is but fair to those who were members of that committee that that investigation should be held when Mr. Wells is here.

My hon. friend the leader of the opposition was there as well as myself. There are a few of us left. The hon. gentleman who made the motion was there. Why, in justice to us, should not that man when he is here, be asked to come before the bar of the House, and if he says that the statement made by him is true, then we want to know the particulars. We want to know what he has to say about it. And Mr. Eldridge is here, let him come also and clear up the whole matter. We do not want to bear the stigma.

Hon. Mr. DANDURAND—It will be the first time, I think, in the history of this parliament that we shall be conducting an inquiry from our seats, and questioning witnesses behind the bar.

Hon. Mr. LANDRY—I beg the hon. gentleman's pardon. Let him read back and instruct himself.

Hon. Mr. DANDURAND—Here is a committee, vested with powers to employ counsel, and make an investigation, and it happens that that Mr. Wells is mentioned in the declaration of the hon. gentleman from Rothesay and will be one of the principal witnesses to appear before that committee.

Hon. Mr. DOMVILLE—My hon. friend is anticipating the committee; that is not right. He is accusing me and defending the company to a certain extent, and at the same time anticipating what we are going to do.

Hon. Mr. DANDURAND—I am defending nobody, great or small, and I have already stated so, and I think the hon. gentleman should take my word for it and not, by innuendo or otherwise, repeat such an assertion. I say there has been a committee appointed to investigate the affairs of the Mutual Reserve Company. Mr. Wells is here to testify before that committee, and I take it from the declaration of the gentleman from Rothesay that Mr. Eldridge is here in the city also, so that the two parties who are connected with this declaration will be heard before that committee, and, if they have any witnesses to bring, they will produce them and examine them and cross-examine them if they want to. Why should we duplicate that inquiry by bringing those parties before the bar and give such importance to an affirmation in which no one in or around parliament takes any stock?

Hon. Sir MACKENZIE BOWELL—It was considered of sufficient importance by the hon. member from Toronto to read the declaration to this House and give it publicity it never had before, and the journals of the two larger provinces—I am not in a position to say what the maritime provinces have done, because I have not read their newspapers—but the journals of Ontario and Quebec have commented on the statement of Mr. Wells and have left the impression on the minds of many persons who have read them that there was corruption.

Hon. Mr. DANDURAND—Does the hon. gentleman not think that the investigation will be more complete and easier before the committee than before the bar of the House?

Hon. Sir MACKENZIE BOWELL—No, it will not, because if they come before the bar of the House the reporters of the different newspapers and our own reporter will be here, and it will receive a publicity that it would not receive if it came up before the committee for investigation.

Hon. Mr. KERR (Toronto)—The question before the House is on certain charges preferred by the hon. gentleman from Rothesay. He stated that the charges were made, and he read from a letter of Mr. Wells certain statements and allegations respecting this company which were the subject-matter of an investigation which had been made by the Insurance Department of the state of New York upon precisely the same charges, made by the same person, and couched in the same language, and I called the attention of the House to those charges, that they were the same charges that had been investigated already by that department, and that the department had reported against the truth of the charges. In order to identify the charges, I pointed out that the charges were made by the same Mr. Wells, and he was identified by the affidavit that was made before the commissioner, who reported upon it, and I read the extracts from the report as to what was contained in certain papers that were before the superintendent. Now, if that contains any charge against these gentlemen who were named as having been recipients of $10,000 at the

time, it seems to me that is a much more important matter and requires a very different kind of investigation from that which it would get by summoning some one to the bar of this House and getting an answer yes or no. If it is of sufficient consequence to be taken up in the interest either of the House or any individual member of it, or any one who has been a member of this House or a member of parliament who is entitled to an investigation here in any way, then it should be done in a manner which will enable the investigation to be thorough, searching and not merely a whitewash by an answer being made at the bar of the House.

Hon. Sir MACKENZIE BOWELL—What does the hon. gentleman mean by a whitewash ?

Hon. Mr. KERR (Toronto)—By an answer being given at the bar of the House giving a negative to any such statement.

Hon. Sir MACKENZIE BOWELL—Why should he not be permitted to give a negative to it ?

Hon. Mr. KERR (Toronto)—Supposing he did, what would that amount to ?

Hon. Mr. CLORAN—It would settle the question.

Hon. Mr. KERR (Toronto)—It seems to me it would only open the matter.

Hon. Mr. LANDRY—All right let it be opened.

Hon. Mr. KERR—I think it would be unbecoming to the dignity of this House. It would be unworthy of the men who stand charged to have that simple kind of whitewash at the bar of the House, and to say that would be an end of the matter.

Hon. Sir MACKENZIE BOWELL—To whom does the hon. gentleman refer when he talks about whitewash ?

Hon. Mr. KERR—I mean anybody who stands charged with being the recipient of the money.

Hon. Sir MACKENZIE BOWELL—Then when a man makes a statement that another man made the charge and that man denies it, that is a whitewashing of the members of parliament. That is what you say ?

Hon. Mr. KERR—No.

Hon Sir MACKENZIE BOWELL—Then take the responsibility. Let the world know what this man has to say with reference to that. If he says the statement made by Mr. Wells is perjury, then the world can judge of the truth of the two.

Hon. Mr. GIBSON—I was a member of parliament, unfortunately, at the time this was said to have occurred, and, while I have as much respect for the dignity of the House, even if the affair occurred years ago, I think it would be entirely improper to call Mr. Wells to the bar of the House to make a denial when Mr. Eldridge can be called as a witness on the same question. The one man's word may be as good as the other, and it may be that Mr. Wells, in order to make up his expense account, made that statement and if parliament wishes to be seized of all the facts, why not appoint a commission or grant to this committee full powers to send for Eldridge and Wells, and have them face to face, not simply to accept that denial of Mr. Wells. Perhaps Mr. Wells would not be as brave before Mr. Eldridge as he would be before the bar of the House. I do not know either of them, but I think the proper course would be to hear Eldridge as well as Wells.

Hon. Sir MACKENZIE BOWELL—If the other man denies it, let it go on record. He may not deny it.

Hon. Mr. SCOTT—Does the hon. gentleman propose summoning Eldridge ?

Hon. Sir MACKENZIE BOWELL—No, we have Eldridge's statement.

Hon. Mr. SCOTT—What a farce it would be. Wells would say 'no,' and that would be the end of it.

Hon. Sir MACKENZIE BOWELL—why does the hon. gentleman refuse an opportunity to the one man——

Hon. Mr. DOMVILLE—Mr. Wells is an honourable gentleman, and he must not be reflected upon by anticipating statements as to what he will say.

Hon. Mr. SCOTT—We know all about that.

Hon. Mr. DOMVILLE—Eldridge has been here hobnobbing for the last two months and we can get him.

Hon Mr. WATSON—Supposing Eldridge says that Wells told him he spent $10,000 at that time, and Wells denies it, what better position are we in ?

Hon. Sir MACKENZIE BOWELL—That is for the House to say.

Hon. Mr. WATSON—I was a member of the House of Commons at the time, and I do not wish that any person should come here and say that he did spend $10,000 twenty years ago to secure legislation. I do not think it reflects upon my character at all, and I never heard anybody suggest that I received a portion of it. It is certainly trifling with the privilege and dignity of the House to ask Wells to come here and be examined on the matter when any one can gamble everything he owns that he will say he did not make that statement. He is in the city and can be examined, and if it is necessary that that portion of his evidence should go to the public it can be reported and published.

Hon. Mr. CLORAN—When the statement was quoted, I thought it a most improper one for the hon. gentleman to read to the Senate in advocacy of his cause.

Hon. Mr. KERR—I am sorry the hon. gentleman thinks so.

Hon. Mr. CLORAN—I do not care whether the hon. gentleman is sorry or not, but I thought it was very improper. There are hon. gentlemen here who are interested in this statement, and they ask that the man be put on oath before the Senate and asked whether he made that statement in New York, and the statement that he will make before the bar of the House will have the same publicity as the statement forged by Eldridge and quoted by an hon. senator in this House.

Hon. Mr. SCOTT—Who will believe him ?

Hon. Mr. DOMVILLE—They will believe him as well as the other man.

Hon. Mr. CLORAN—Our committee will not receive the same publicity in regard to these matters. It will be buried in the report, and I think it is only fair to the hon. members of this House and parliament that a straight denial on oath shall go on record in the records of the Senate in regard to that statement. It is not a slight matter, and as the hon. gentleman from Wellington has said, it has been taken up by the Ontario press and it is quoted that parliament has been corrupt not only to-day but in the past.

Hon. Mr. JONES—It appears to me that if the gentleman named Mr. Wells is to be examined before the House, and there has been some evidence to warrant an hon. member in stating in the course of the debate that a certain Mr. Eldridge had made an affidavit that such a thing had happened, then it would seem to me if we want to get at the facts we ought to have Mr. Eldridge before the bar of the House to begin with, and question him. Probably we would learn from Mr. Eldridge of some other gentleman who had heard this remark or seen this statement, or had seen an account rendered to this insurance company, or such further information as would enable this House to judge of the relative merits of these two gentlemen should we find that they disagree. For that reason it would seem to me that if it is desirable to have the statements of these men for the purposes indicated, we ought to have it in such a way as would leave no doubt in the minds of the people of the country, those who, under present circumstances, might think there was something in it, that the whole matter had been sifted by the Senate, and we knew the conditions and that there was simply nothing in it, or that there was something in it. We ought to feel satisfied about that. Now, we have one gentleman, Mr. A——, who says that Mr. B—— says so and so. B—— is brought before the House and says : "I did not say it,' it does seem to me that that will not be very great evidence to go before the people of Canada to clear the members of the other House.

Hon. Sir MACKENZIE BOWELL—What better evidence could you have ?

Hon. Mr. JONES—Fortunately I was not a member of this or the other House at the time, but I do not feel that any gentleman who was a member of either House would think that the conditions are such that publicity of the denial is needed to clear this House or the other House from an insinua-

tion that is quite beneath any hon. gentleman to make, and it is making a great deal too much of it possibly. But if it is worth while to make anything of it, it is worth the while of this House to make so much of it, that we will have a better idea than we would have if we only asked A—— if he had said to B—— so and so, and if so was D—— present ?

Hon. Sir MACKENZIE BOWELL—One has already sworn to it.

Hon. Mr. JONES—Let us have the man who swore to it. We might get the accounts from the company's books. That would show the money had been received by the man whom he swore rendered the statement, and in that way we might get some information that would be of some benefit ; but I do not think a plain bald denial would count.

Hon. Mr. OWENS—The question interesting to the members of this House or the country is not what A—— might have told B—— or what B—— might have told some body else, or not what Wells told Eldridge. The question that came up in the debate, and the question reported in the papers was that Wells had paid $10,000 to corrupt members of parliament of Canada. The fact that Mr. Wells is in the city makes it right and proper that he should be brought before the bar of this House to declare under oath if he paid ten thousand dollars to members of parliament, and, if so, to whom it was paid. It is not a question whether he told A—— or B——. It was stated Wells paid this money and if he is brought before the bar of the House he can be asked if he paid it and to whom.

Hon. Mr. BEIQUE—I am surprised at the hon. leader of the opposition attaching any importance to that statement. I am sure that it does not deserve any consideration.

Hon. Sir MACKENZIE BOWELL—Then it should not be brought before parliament.

Hon. Mr. BEIQUE—At all events, if any importance is to be attached to it, I think that the proper course would be for the committee to look into it. The chairman of the committee has stated that they are going to have the books of the company brought before the committee. Let them go into the accounts and ascertain whether there was $10,000 or anything else charged in the books for the purpose of securing legislation in Canada, and let them examine the matter and be in a position to make a report to this House as to whether there is anything in the statement or not. If we proceed as suggested by the motion, we will require to have every question authorized by the House before it is put, and answered by the witness, and, as has been properly stated, the question is not as to whether such a statement was made, but as to whether any sum has been paid for the purpose, and that can only be ascertained by the books of the company where we can see if anything has been charged.

Hon. Mr. OWENS—I must take exception to the remarks of the hon. gentleman. I fail to see that that would be any value whatever. If the vice-president of that company, to cover up certain acts of his own, entered a charge in the books that would be no evidence. It was stated that Wells paid that money. He is in the city at the present time, and the proper way would be to bring him before the bar of the House to declare if he paid it, and to whom.

Hon. Sir MACKENZIE BOWELL—Companies do not generally enter those things in their books.

Hon. Mr. LANDRY—I think the hon. leader of the government should take another stand in this matter. Here is a question which reflects on the hon. members of another government, and members of this House. A grave accusation has been made by those parties and I think the hon. leader of the House, who is the guardian of the honour of parliament, should take the matter in hand himself. As the proposer of the motion I am willing to withdraw and let him make the motion as a government motion.

Hon. Mr. SCOTT—I think I am quite as sensitive of my own reputation and honour as any hon. gentleman in the chamber. I was a member of parliament at the time, and I certainly think we are making a great deal out of a trifling affair. Mr. Wells will make a denial. No one will believe him unless you cross-examine Eldridge and compel him to bring forward other witnesses, which

leads to an interminable inquiry. It is not a matter the Senate can undertake, and it does not comport with the dignity of the House. I felt humiliated when I heard we were going to inquire into a charge made by a person in New York twenty years ago. Nobody outside will believe the statement of Wells.

Hon. Mr. LANDRY—Why was the accusation made in the House? The hon. gentleman did not protest at the time.

Hon. Mr. SCOTT—I paid no attention to it at the time. I said to the gentlemen around me, 'It is a perfect absurdity. I knew all about the circumstances at the time, and the charge was an absurdity.'

Hon. Sir MACKENZIE BOWELL—The hon. minister is not very complimentry to the hon. gentleman from Toronto.

Hon. Mr. SCOTT—Well, nobody paid any attention to it in the way in which my hon. friend takes it.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman can speak for himself, but not for others.

Hon. Mr. YOUNG—I am just going to say a few words in the way of fatherly advice at twenty minutes to twelve. This House should not hesitate, if a member feels aggrieved, whether the incident occurred one year or twenty years ago, to afford an opportunity to clear that member of an accusation which he resents. So far as an opportunity is concerned, I am heartily in accord with the gentlemen who have spoken in favour of having it cleared up. As to the method proposed, I must say that it is a most inconvenient way of dealing with a matter of this kind. When we had an investigation a few years ago into a matter affecting the honour of this House we adopted the very businesslike course of referring it to a special committee, and, in that way went over the whole ground and examined the matter carefully and arrived at a report which we presented to the House. I wish to point out one little matter in connection with the practice, which hon. gentlemen will see is a very inconvenient and cumbersome way of dealing with a witness. At page 164, referring to a witness after he is brought before the bar of the House, Bourinot states:

> As a matter of correct practice, when a member asks a question it should be put to the House, and it being agreed to, the witness must answer distinctly and audibly, as soon as he has read it. In case a member objects to a question on any ground, he must state his objections, and the Speaker will decide. If the evidence of a witness cannot be completed in one day, his further attendance will be postponed till a future time.

The SPEAKER—That is in the House of Commons.

Hon. Mr. YOUNG—On page 63 the heading is:

> Power to summon and examine witnesses.—Procedure—The Senate and the House of Commons have undoubtedly the right, inherent in them as legislative bodies, to summon and compel the attendance of all persons, within the limits of their jurisdiction.

That paragraph deals with the Senate, the House of Lords and the House of Commons without making any distinction.

Hon. Mr. LANDRY—There is a distinction in the second paragraph.

Hon. Mr. YOUNG—The procedure is laid down that the question has to be agreed to by the House and submitted to the witness, and I submit that is a very cumbersome way of doing business. But would it not be better, inasmuch as there is a committee with power to examine witnesses under oath, that a special day be set apart and have those men summoned before that committee as we did in the other case, a special day being set apart to clear up this one point? I think you will have the matter in better shape, a more thorough investigation and more satisfaction to hon. gentlemen, because I am one of those who believe that there is no foundation whatever in the charge and that when you have examined the witnesses in the way I suggest you will have better results, and it will be more satisfactory to all concerned.

Hon. Sir MACKENZIE BOWELL—Does the hon. gentleman mean the committee that has been appointed or a committee of the House?

Hon. Mr. YOUNG—I said the committee already appointed, inasmuch as they are clothed with power to examine witnesses under oath, and I would set apart a special day and gentlemen who feel aggrieved could appear with counsel and have their witnesses examined as they saw fit and

clear up the whole matter. That would be my suggestion.

Hon. Mr. FERGUSON—This charge against the parliament of Canada is alleged to have been made by one of these gentlemen who have been hurling all kinds of accusations against each other in New York in reference to the affairs of this Mutual Reserve Life Association. I do not think, from the attention I have given to their recriminations and accusations against each other, that they are entitled to a very great amount of respect. I have very little doubt whatever that this statement was made. I have very little doubt about that, but I have no doubt whatever that it was false, that this person lied when he made the statement, and I have very little doubt that he would come to this House and swear he never said it. That is my appreciation of him. I think, possibly, that it would be well that we should adjourn this debate and have time to think it over. I move that the debate be adjourned.

Hon. Mr. LANDRY—I wish to answer the hon. gentleman who has just quoted Bourinot at page 164. I think he forgot to read a part of the quotation he wanted to make, and it would be fair that I should read it to the House. This is what Bourinot says :

> When the witness appears, at the bar of the House, each question will be written out and handed to the Speaker, who, strictly speaking, should read it to the witness ; but on certain occasions a considerable degree of latitude is allowed for the convenience of the House, and questions put directly by members have been supposed to be put through the Speaker.

That portion was omitted.

Hon. Mr. YOUNG—Go on.

Hon. Mr. LANDRY—I do not see why the hon. gentleman omitted that part. All the obstacles foreseen by the hon. gentleman may be removed, and his objection falls to the ground. I have no objection at all to add to my motion to have the other party examined at the bar. The accusation was made in this chamber and sent broadcast through the country, and we want the reparation to have the same publicity as the accusation.

Hon. Mr. GIBSON—I move, in amendment, that Messrs. Wells and Eldridge be both examined before the committee which has the matter in hand.

Hon. Mr. LANDRY—The hon. gentleman has no right to make a motion.

Hon. Mr. YOUNG—Why ?

Hon. Mr. LANDRY—Because the hon. gentleman has spoken.

Hon. Mr. GIBSON—I do not want the hon. gentleman to dictate to me. I know my rights in this House as well as the hon. gentleman. I am responsible to this House for my own conduct and not to the hon. gentleman ; he is not my keeper, nor does he require to suggest to me when I should get up in this House or sit down. I am quite within my rights to move the amendment to bring these men before the committee, where they can be sworn and examined by the counsel that the committee may appoint. He is one of the judges and ought to be able to conduct the examination of these men, and it may be found that Mr. Wells may have said this, and it may be Mr. Wells may have paid out this money, and in order to give some excuse for spending the money he blamed it on the government of Canada. If the honour of parliament is to be maintained, let us do it in decency and bring the matter before this committee.

Hon. Sir MACKENZIE BOWELL—I presume, from the position taken by the hon. gentleman from Lincoln, that he believes Mr. Eldridge.

Hon. Mr. GIBSON—No, I said it is possible Wells may have got the money.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman said that he would not believe Mr. Wells ; are we to understand he believes Mr. Eldridge ?

Hon. Mr. GIBSON—I said nothing of the kind. I would not give a snap of my finger for Mr. Wells' denial ; it amounts to nothing. We ought to have Wells and Eldridge before the committee together.

Hon. Sir MACKENZIE BOWELL—Nobody objects to that. But if the hon. gentleman would not give a snap of his finger for Wells' denial, the inference is that he would believe Eldridge. The hon. gentleman boasted of his knowledge of parliamentary procedure, as well as the hon. gentleman from Stadacona, but I question whether that motion, to authorize the appear-

ance of any witness before a committee which has been appointed by this House to make an investigation would be ruled in order. The power rests with the committee, and unless the House has some other instructions to give the committee a motion of that kind would be unprecedented. I do not think it is necessary to discuss the question as to the mode and manner of conducting the examination. Most of us know pretty well what it is. I had a severe task of that kind a great many years ago. Many questions were suggested by myself and others which had to be put through the Speaker, and when the Speaker would put the question some hon. gentleman would rise and say: 'That is not a proper question to put,' and the House would have to decide whether the question should be put or not. It came up particularly in the Reil matter, and many of the questions that I put were ruled out of order and I had to combat all the lawyers in the House, being only a layman; but I did then as I usually do, I tried to enforce whatever opinions I had, and the object I had in view was successfully accomplished. I cannot understand the position taken by hon. gentlemen of the Senate on a matter of this kind, a statement which reflects upon the honour of parliament. I am surprised that the Secretary of State should take this position, and that he should be followed by almost every hon. gentleman who supports the government, in order to prevent a man who is alleged to have made a statement which is damning in its character, making a denial of that statement because they say they would not believe him under oath. It matters not whether we believe him or not. The statement has been sworn to by one person. Let us have the statement of the other and I have no objection that both men should be called, as the hon. gentleman from Toronto suggests.

Hon. Mr. GIBSON—My hon. friend should not impute motives to me.

Hon. Sir MACKENZIE BOWELL—I did not impute motives.

Hon. Mr. GIBSON—The hon. gentleman said that because I would not believe Wells I would necessarily believe Eldridge. I stated before the hon. gentleman took that stand that I knew neither of them, and I am not in a position to judge as between them, but what I do say and what I think for the object which the hon. gentleman had in view it would be better to have both these men properly summoned before the committee.

Hon. Sir MACKENZIE BOWELL—Nobody objects to that.

Hon. Mr. GIBSON—And I simply say, as far as I am personally concerned—and I believe as far the the country is concerned—that the mere denial of Mr. Wells before the House would be insignificant in comparison with an examination before the committee.

Hon. Mr. SULLIVAN—I do not wish to say a word. I feel like the sexton in the church when the audience was reduced to himself. He told the minister when he left him the key, that when he got through he could lock the door. I was going to suggest to the hon. gentleman from Lincoln that instead of voting against the adjournment proposed by the hon. gentleman from Marshfield, he could simply leave it to the hon. gentlemen who feel aggrieved. Here are two gentlemen speaking with sincerity and they feel deeply the insult and imputation cast on their honour. A man's honour is the greatest possession he has, and these gentlemen, who are not ordinary members of parliament, they are not of the rank and file either in the House of Commons or in the Senate, are entitled to some consideration, more particularly the hon. leader of the opposition. I think he is pre-eminently entitled to the consideration of this House, and if he says he feels aggrieved by the statement that has been made public, and suggests that this method ought to be taken to give him satisfaction, I do not see why on earth we should not accept, even though we may not feel that it is quite in accordance with what we think correct practice; still in view of his great services he should be conceded the request which he seems to think the better way to bring this man before the bar of the House.

Hon. Mr. MACDONALD (P.E.I.)—I move that the House do now adjourn.

The SPEAKER—The motion of the hon. gentleman from Prince Edward Island is out of order.

Hon. Mr. LANDRY—I rise to a point of order. I claim the hon. gentleman from Lincoln had no right to move that amendment; he had made his speech and he had no right after having resumed his seat to make this motion.

The SPEAKER—He made the motion when standing up in his place and then he sat down to reduce the motion to writing, which I think is perfectly correct. The motion is in order.

Hon. Sir MACKENZIE BOWELL—The rule provides that when the Speaker decides a question of order he shall cite the rule upon which he does decide.

The SPEAKER—Rule 20 reads as follows:

A senator may speak to any question before the Senate or upon a question or an amendment to be proposed by himself or upon a question of order arising out of the debate.

The hon. gentleman has done that? I do not see what the question is.

Hon. Sir MACKENZIE BOWELL—Has the hon. Speaker acceded to the request I made. When the Speaker rules he cites the rule upon which he gives the decision. If the Speaker decides that the hon. gentleman from Lincoln did not speak before making the motion then we understand the ruling.

Hon. Mr. GIBSON—I did not speak before the motion.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman did two or three times.

Hon. Mr. GIBSON—I think my word is as good as the hon. gentleman's.

Hon. Mr. POIRIER—It could be decided by reference to the stenographer. If the hon. gentleman spoke for two minutes it would stand in the way of his moving an amendment, and if he had made a speech and sat down, according to the rules of the House, and the House of Commons and the House of Lords in England, he has now no right to make a motion.

Hon. Mr. GIBSON—I spoke on the second reading of the Bill. I said nothing more until I moved this amendment.

Hon. Mr. POIRIER—If the hon. gentleman spoke on the second reading of the Bill then he made his speech and he cannot make this motion.

Hon. Mr. YOUNG—The hon. gentleman must take the hon. member's word.

Hon. Sir MACKENZIE BOWELL—I refer to rule 28.

The SPEAKER—Rule 28 reads as follows:

The Speaker stands uncovered when speaking to the Senate and if called upon to explain a point of order or practice, he is to state the rule applicable to the case.

I was not called upon to explain anything. I simply ruled that the hon. gentleman from Lincoln had not spoken.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman from Stadacona raised a point of order stating that the hon. gentleman had no right to make the motion on the ground that he had spoken. Then I turn to another rule, which declares that a member can speak only once to any question, and the principle is laid down by all the authorities, Bourinot and Todd and all the other commentators, that no one can move an amendment after he has spoken to a question, and the fact that a member rises and then sits down deprives him of the right of speaking again or of making a motion. I think my hon. friend from Killarney who has had a great deal of experience as Speaker of the House in Manitoba will corroborate my construction of the rules.

Hon. Mr. YOUNG—Quite correct.

Hon. Sir MACKENZIE BOWELL—If the Speaker rules the hon. gentleman had not spoken before, and that he was within his right, I am not going to question it.

The SPEAKER—The hon. leader of the opposition is rather fond I think of reflecting on the decisions which I make.

Hon. Sir MACKENZIE BOWELL—I deny that, and the Speaker has no right to impute motives to me. The Speaker has no more right in this House than any member of it, and has no right to stand up and say I am desirous of reflecting—

Hon. Mr. DANDURAND—Order, order.

Hon. Sir MACKENZIE BOWELL—I am in order.

Hon. Mr. DANDURAND—No, the hon. gentleman is not in order when the Speaker is on his feet.

Hon. Sir MACKENZIE BOWELL—Yes, I am quite right and when the hon. gentleman has more experience he will know it.

The SPEAKER—The hon. gentleman is quite mistaken; I did not reflect on him. I simply said he was rather fond of differing from the decisions which I make.

Hon. Sir MACKENZIE BOWELL—I deny that, and it is an improper statement to make, and it is not true.

The SPEAKER—I am in the judgment of the House.

Hon. Sir MACKENZIE BOWELL—And so am I.

The SPEAKER—I have been a member of this House for twenty-seven years, and I have never known a Speaker to be treated in the manner in which I have been treated.

Hon. Sir MACKENZIE BOWELL—I do not think any Speaker has ever acted as our hon. Speaker has.

Some hon. MEMBERS—Order, order.

The SPEAKER—That was by the way. I say that the only question—and I am in the judgment of the House again—that the only question that was raised was whether the hon. gentleman from Lincoln had spoken or not. I did not hear the hon. gentleman speak, and I took the hon. gentleman's statement; and, not having spoken, he had a right to move the amendment, and there was no necessity for pointing out any rule. It was simply a question of fact, and I took the hon. gentleman's statement and the evidence of my own senses.

Hon. Mr. DANDURAND—After which we had a lesson from the hon. leader of the opposition.

The amendment proposed by the hon. gentleman from Lincoln was carried.

The Senate adjourned.

Hon. Sir MACKENZIE BOWELL.

THE SENATE.

Ottawa, Thursday, June 9, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

TRANS-CANADA RAILWAY COMPANY.

INQUIRY.

Hon. Mr. LANDRY inquired:

1. Whether the Trans-Canada Railway Company has made overtures to the government to obtain a subsidy to aid in the construction of a railway from Quebec to Port Simpson?
2. What is the nature of the subsidy asked?
3. What is the amount per mile, and for how many miles?
4. Has this request for subsidies been recommended by any one, and by whom?
5. Does the government intend to grant the aid asked for?
6. Have any negotiations taken place between the government and the Trans-Canada Railway Company, or any party whatever, with the view of inducing the Trans-Canada Railway Company to give up its charter for any part of its line intended to become a part of the National Transcontinental Railway?
7. As a matter of fact or policy, will the National Transcontinental Railway travel over the ground and serve the country the Trans-Canada intended to cover?

Hon. Mr. SCOTT—The answers are as follows:—

1. Yes.
2. The subsidy asked for the government to guarantee interest on bonds to the extent of $20,000 per mile first mortgage bonds for thirty years for 450 miles from Roberval to James Bay; also $3,200 to $6,400 per mile for 35 miles from Port Simpson eastward.
3. No. 2 answers No. 3.
4. Quebec Board of Trade, St. John Board of Trade, and other bodies.
5. By Act 1st, Edward VII., chap. 57, 1903, 100 miles granted a subsidy from Roberval towards James Bay.
6. This department is not aware of any negotiations having taken place.
7. Cannot say.

CRIMINAL CODE AMENDMENT BILL.

SECOND READING.

Hon. Mr. BEIQUE moved the second reading of Bill (No. 86) An Act to amend the Criminal Code, 1892, respecting the punishment of Fraudulent Debtors.

He said: This Bill is an exact copy of the Bill which was passed last year by this honourable House, but it was passed too late to be considered by the House of Commons. It was taken up at the beginning of the present session and passed in the House of Commons. The provisions are borrowed from the imperial Act. It is for the purpose of requiring merchants who buy on credit to keep proper books of account. The Bill contains only one clause.

Hon. Mr. FERGUSON—Might I ask my hon. friend if this Bill was introduced in the House of Commons as a government measure?

Hon. Mr. BEIQUE—No, it was introduced by a private member in the other House.

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

THIRD READINGS.

Bill (67) An Act respecting the Ontario Accident Insurance Company.—(Hon. Mr. Coffey.)

Bill (I) An Act to amend the Act respecting the jurisdiction of the Exchequer Court as to railway debts.—(Hon. Mr. Beique.)

KING'S SHILLING LEGAL TENDER BILL DROPPED.

The Order of the Day being called:

Second reading Bill (E) An Act to make the King's shilling legal tender in Canada.—(Hon. Mr. Domville.)

Hon. Mr. SCOTT—I gave a full explanation of this Bill and the objections to it when it was up last week. Out of courtesy to the hon. gentleman who promoted it, the Bill was allowed to stand over until he was present. I had intimated to the hon. Senator from Rothesay that the government did not think it wise that the Bill should pass, inasmuch as it was going to disturb the currency of the country and that provision had already been made to meet the cases that he brought to the notice of the House, that persons landing with foreign money would be able to exchange it at offices which had already been provided at Halifax, St. John and Quebec. In view of that fact I suppose the hon. gentleman will allow the Bill to drop.

Hon. Mr. DOMVILLE—I am only too glad to accede to the suggestion of the hon. Secretary of State. My object was to enable people arriving in this country to get their money exchanged at fair rates, and to protect them from sharpers. The hon. gentleman assures me that they will be protected from sharpers when they land, and I am therefore willing to let the Bill drop.

The Order of the Day was discharged.

NORTHERN BANK BILL.

SECOND READING POSTPONED.

The Order of the Day being called:

Second reading Bill (K) An Act respecting the Northern Bank.—(Hon. Mr. Watson.)

Hon. Mr. LANDRY said: I call the attention of the House to the fact that this Bill is not printed in either language. I have not offered any objection to the second reading of some of the Bills on the orders which have not been printed in French, but in this case the Bill has not been printed yet.

Hon. Mr. WATSON—If the hon. gentleman objects I must only let the Bill stand.

The Order of the Day was discharged.

SECOND READINGS.

Bill (106) An Act to incorporate the Chicoutimi and Northeastern Railway Company.—(Hon. Mr. Domville.)

Bill (109) An Act to incorporate the Montreal, Nipissing and Georgian Bay Railway Company.—(Hon. Mr. Kerr, Toronto.)

Bill (116) An Act respecting certain patents of the Canadian General Electric Company, Limited, and others.—(Hon. Mr. Gibson.)

A QUESTION OF PRIVILEGE.

Hon. Mr. LANDRY—Before the House adjourns, I would ask the hon. Secretary of State if he has had any opportunity to confer with the Minister of Agriculture on the question which was raised in the House yesterday concerning the speech of Lord Dundonald?

Hon. Mr. SCOTT—The subject has been considered, and the report in the paper has been investigated. It is under consideration now, and at a very early period the House will be informed of the result.

The Senate adjourned.

THE SENATE.

Ottawa, Friday, June 10, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

GRAND TRUNK PACIFIC RAILWAY COMPANY BILL.

REPORTED FROM COMMITTEE.

Hon. Sir ALPHONSE PELLETIER, from the Committee on Railways, Telegraphs and Harbours, reported Bill (34) An Act respecting the Grand Trunk Pacific Railway Company.

Hon. Sir ALPHONSE PELLETIER—In the absence of the hon. gentleman from de Lorimier, I beg to move that the Bill be read a third time on Thursday next.

Hon. Mr. MACDONALD (B.C.)—I direct the attention of the hon. Secretary of State to this special Bill. It is a Grand Trunk Pacific Railway Bill, to confirm an agreement that the hon. Secretary of State will bring up on Tuesday next. That agreement has not yet been passed upon by the Senate, and this is a sort of snap judgment on that Bill. Not only does it seek to confirm that agreement, but it varies its conditions. It asks for new conditions, although the agreements are not yet before us for ratification. I shall read the Bill, and send it over to the hon. Secretary of State that he may read it for himself. The first clause of the Bill reads as follows :—

1. The agreement bearing date the twenty-ninth day of July, one thousand nine hundred and three, a copy of which forms the schedule to the National Transcontinental Railway Act, and the supplemental agreement between His Majesty, represented by the Honourable H. R. Emmerson, Minister of Railways and Canals, and the Grand Trunk Pacific Railway Company (hereinafter called 'the Company'), bearing date the eighteenth day of February, one thousand nine hundred and four, a copy of which forms the schedule to the Act of the parliament of Canada, passed at the present session.

Well, the Act is not yet passed. The clause continues :

And intituled 'An Act to amend the National Transcontinental Railway Act,' and the execution of the said two agreements respectively, is hereby confirmed and declared to be valid, subject to the provisions of the said Acts.

It declares those agreements, which have not been ratified by parliament, as being valid. It does not stop there but it adds amendments by reducing the capital stock from two millions to one million and it also takes power to issue bonds for certain purposes, to pay for rolling stock and pay contractors and other things of that kind. It also has conditions about making necessary agreements for mortgages and agreements of other kinds, and to make fresh agreements with the government. I think the whole thing is ill-advised and out of place. Why not wait till the main Bill is passed. I believe the intention is to delay the third reading of the Bill now before the House until the main Bill is passed, but what is the occasion for it.

Hon. Sir ALPHONSE PELLETIER—I made a motion for the third reading for next Thursday, but it is well understood that the motion will not be pressed until the Bill in question shall be passed. If there is reason to postpone the third reading still further, there will be no objection.

Hon. Mr. WATSON—It will pass by Thursday.

Hon. Mr. MACDONALD—But it contains a statement not in accordance with the facts. It confirms an Act supposed to have been already passed at this session of parliament.

Hon. Mr. SCOTT—That Act is not yet passed ; and it will only speak from the time it passes. It does not speak from this date, and if the third reading is postponed until after the other Bill has been passed there can be no objection. I have not had an opportunity to look at the amendments. My hon. friend does not propose to bring it up until Thursday and it can be postponed again.

Hon. Sir ALPHONSE PELLETIER—It can be deferred till a later date if necessary.

Hon. Mr. WATSON—The Transcontinental Railway Bill is set down for second reading on Tuesday. If it is gone on with it will be passed before Thursday, surely.

Hon. Mr. PERLEY—Not much. I don't think.

Hon. Mr. McMILLAN—Thursday or three months hence.

The motion was agreed to.

THE PEAT FUEL INDUSTRY.

INQUIRY.

Hon. Mr. McMULLEN inquired:

In view of the dependence of a large part of Canada upon a foreign country for its fuel supply, as demonstrated by the recent fuel famine, is it the intention of the government to take measures to encourage the peat fuel industry?

If so, in what form?

Hon. Mr. SCOTT—The subject has not yet been considered by the government. I think there have been several petitions presented, and several ministers have been interviewed, but no action has been so far taken, and therefore I cannot anticipate what the judgment of council may be. I will call the attention of my hon. colleagues to the question put by the hon. senator from Wellington, however.

AN ADJOURNMENT.

MOTION.

Hon. Mr. CASGRAIN moved:

That when the House adjourns to-day it stand adjourn until Tuesday afternoon at three o'clock.

Hon. Mr. SCOTT—There is really nothing on the order paper for Monday but one order, and I see no object in bringing the hon. gentlemen until Tuesday.

The motion was agreed to.

THE CHIEF FRENCH TRANSLATOR.

MOTION.

Hon. Mr. WATSON moved the third report of the Standing Committee on Internal Economy and Contingent Accounts of the Senate.

Hon. Mr. BERNIER—I am surprised at the salary fixed for the chief translator in paragraph 9 of the report. My recollection is that the salary fixed was $2,100, but I see in this paragraph it is $2,200.

Hon. Mr. WATSON—The salary agreed upon was $2,200.

Hon. Mr. BERNIER—The committee recommend the appointment of a gentleman whom I do not know to the important position of chief French translator. We do not know anything as to his qualifications. He produced a letter from Mr. McGee, the clerk of the Privy Council, but I do not know that Mr. McGee is an expert in the matter of translation. A letter was also produced from Sir Wilfrid Laurier, which certainly deserves consideration, but, if I am correctly informed, the gentleman who is recommended for the appointment is an officer in Sir Wilfrid Laurier's department. We know how these letters are sometimes obtained. A kind hearted man does not refuse such a letter when applied to, but I do not think that in this case it should be accepted as evidence of the young man's qualifications. He has not been a translator. It is due to the French members of this House that the man appointed to the position of chief French translator should be competent, and that can only be decided after he has undergone an examination. A few years ago the House of Commons had complaints about the translation of the Commons 'Hansard' and they decided that all translators should be subjected to an examination. It has proved beneficial. In this case also I should like the Senate to take the same course. I therefore move:

That this report be not now concurred in but that the same be referred back to the committee on Internal Economy and Contingent Accounts with instructions to have the applicants for the position of chief translator of the Senate submitted to an examination as to their qualification for the work.

Hon. Mr. WATSON—This matter was very fully discussed in the committee yesterday morning. The hon. gentleman from St. Boniface suggests that any person might get a letter such as was presented to us by Mr. Lelièvre, from the Prime Minister as an act of kindness. This honourable House will not for a moment believe that the premier would give a letter recommending this gentleman as translator to the Senate unless he was competent to fill the position, because, in a sense, the Prime Minister is responsible really for the translator. I have no personal knowledge as to whether Mr. Lelièvre is competent to fill the important position of French translator, having no knowledge of French myself, but I am assured by gentlemen who ought to know what they are speaking of, that Mr. Lelièvre is a very competent man for the position, and it appears to me that he being in the service and under the notice of the Prime Minister of Canada and the clerk of the Privy Council, who both recommend him, for the last

nine years, it ought to be a sufficient guarantee to the committee and to this House that he is competent to perform that work. If, however, he should prove to be incompetent, which I think is very unlikely, I have no hesitation in saying as a member of the committee that I would be quite prepared to rescind his appointment and appoint somebody else to the position ; but until that is demonstrated to the Senate or to the Debates Committee, who would probably have more immediate supervision of his work, I would strongly urge that his appointment be confirmed. The Debates Committee will be in a position very shortly to know if Mr. Lelièvre is competent, because I understand he undertakes the duties which are assigned to him practically at once. The same suggestion was made in committee that has been made in the House to-day, and it was voted down by a large majority. It was suggested that there should be a sort of competition between the applicants. So far from any demand being made to appoint any one else to the position, the only name which was suggested was the one mentioned in the report. I therefore feel that the House ought to take it for granted for the present that Mr. Lelièvre is competent to fill the position and that the report should be adopted.

Hon. Mr. CLORAN—I cannot let this occasion pass without testifying to the ability of Mr. Lelièvre, although I have had nothing to do with his nomination. I have known Mr. Lelièvre for many years as an expert stenographer and typewriter in both languages.

Hon. Mr. BERNIER—That is not a recommendation.

Hon. Mr. CLORAN—He is an expert stenographer in French and English, and has had control of the premier's correspondence in both languages for the past seven years. His ability and knowledge of translation, especially translation, is quite extensive. He has been translating the documents of the Prime Minister for the past seven years and that ought to be ample guarantee that he is capable of discharging the duties of a French translator. As the chairman of the committee has said, if Mr. Lelièvre is incompetent I have no doubt he will himself at once withdraw, or the committee will ask him to resign. So far as I have known the gentleman as a secretary and translator of the two languages, from French into English and English into French, it would be very hard to find a better man.

Hon. Mr. POIRIER—The question of the appointment of a translator in this or the other House, and especially the appointment of chief translator, is very closely allied with the privilege of using French in parliament. It is a saying that unless a book is written in good French it is not a French book. You can call it mick-mack ; some call it by other words. I do not want hon. gentlemen to infer that the person who has been recommended here as chief translator is not capable, but I mean to say emphatically, that if he is qualified to occupy the position, he is able to do what no other man in this or any other Dominion could do, stand without preparation at the head of a department whose duties require a special training. It is not sufficient to know how to read and write English and French to be a translator. It is not sufficient to have been in the habit of writing letters in French or in English or of translating them from one language into the other, or to be a stenographer or to be a typewriter as my hon. friend suggests. Something more essential is needed, the proper training, and that training applies not only to one branch of literature but it applies to every matter that comes before parliament. First it applies to law. There are a great many lawyers and LL.B.'s and so on in this House. Who of us would undertake to translate such a thing as a Bill involving heavy damages and actions at law ? Who is there among us that could undertake to put into the hands of the King's Printer the translation of our laws ? I have taken precautions to know whereof I speak and I am informed that this gentleman has never translated laws. Yesterday I was speaking with the law officers of the House. Of course they have no observation to make but I know from experience about the difficulties to be met with in translating laws, and putting on record a book that stands as the original in French as well as in English. In the province of Quebec, they have the French translation of the laws and it is as much the law as the English text is. All our laws come before us in English, and they have then to be translated into French.

Is any man capable of doing that sort of work who has not had a special training ? I have been in the other House, and I can assure hon. gentlemen that in the Commons there was only Mr. Coursolle, the chief translator, who would translate the laws and he had as assistant one other translator especially trained to help him when there was too much work before him. He would not confide to the other translators, who are first rate men, writers many of them, the translation of laws ; he kept that duty for himself and he trained one assistant specially for the work. We have before us the letter from Sir Wilfrid Laurier recommending this man, but we all know how kind hearted he is. He wrote a letter stating that Mr. Lelièvre had given him satisfaction, and I believe he has. We have another letter from Mr. McGee, but Mr. McGee is no judge of what the French language is, or what the French law is. I saw Mr. McGee myself, and asked him about Mr. Lelièvre's translation. It appears this man has not done any translation for the last six or seven years. I say even a man of letters, a writer could not undertake the work, but Mr. Lelièvre is not even a writer. I am somewhat acquainted with the literature of this country and I have never seen in the newspapers or in any of the reviews one line from the pen of this gentleman. He may be a good writer but the proofs are wanting. As I said, even if he were a good writer, which I am unable to establish that would not be sufficient to entitle him to come in among our translators and occupy a position not at the foot of the ladder, but at the top, there not only to translate himself but to revise the translation of others. He has not only the laws to translate but any report or reports that may come before us from the minister who may happen to represent the government in this House. There is nothing more difficult to translate than the specifications of contracts for public works and railroad matters, and all those things come within the purview of the translators here. Is any man capable of doing that class of work or giving information and guidance to those under him who has not had a special training ? Then there are the fisheries reports, the agricultural reports, and the militia reports, all which require technical training. In the other House translators are appointed not exclusively for each class, but more particularly for all branches, with a chief that only qualifies for the position after a long service. Mr. Coursolle, though a Liberal in politics, was appointed translator by the Conservative government. Why ? Because of his especial qualifications. That is a position where politics should not enter. I would rather have the French language in the Senate abolished than have it go before the world improperly written. Not longer ago than yesterday I read in a newspaper that in Italy they say we talk patois here. We are not talking patois we are talking good French, possibly as good as they do in France. There is no reason why we should not write it as well. But in order to do that we have to choose men to represent us that have the capacity to do so. That question of capacity has so impressed itself on the members of the other House that two years ago when they had to appoint a translator for the 'Hansard,' the chief there, Mr. Larose, insisted on having the candidates for the position pass a competitive examination. There were nineteen applicants, I am told, and most of them lawyers. Many of them have their names before the public as writers; but only one of them proved to be very capable—some very incapable—more than half only passable, and only one out of nineteen was judged qualified for entering with honours on the translating staff. What is being done in the departments before promoting an employee to the position of chief clerk ? They exact examinations for promotion. We are asked by the committee to appoint a gentleman against whom I have nothing whatever. I believe him to be a gentleman with a good average knowledge of French and English, and in other respects I have heard him spoken of in complimentary terms. I have known him for a long time. He is all right as far as that is concerned, but what we ask is a reasonable proposition. We ask that he give us proof of his capacity as a translator, and if he does I shall not raise any objection to his appointment. If he can justify his claim I will bind myself to vote for him. If instead of a Frenchman representing a French minority in this chamber, things were reversed and my English friends were in the

minority and were asking me to support the standard bearer of their language to represent them, I would stand by them because it would be a reasonable act and a respect that should be paid to a language such as the French or English language or in fact any language in the world. We are not asking to reject this report. It may be all right. If the gentleman will go before Mr. Coursolle and Mr. Boucher and one senator, and submit to an examination, though he may not be absolutely capable, if he has ordinary capacity I will vote for him. But I desire to have my objection recorded, so that if the proposition that I was almost amused to hear should be carried—that is, if he should not prove competent that we should dismiss him after he has lost the position he now occupies, which gives him $2,000 a year, he would only have himself to blame for it. I would dismiss him as incompetent if he failed in his examination. But I would not care to have an official dismissed after he is once appointed. I insist that before he be appointed he should be thoroughly tested. He should not be appointed at the risk of being turned out of doors if found incapable.

Hon. Mr. MILLER—I desire to say a word in justification of my vote on this matter. In the first place, the officer is a French officer, and it has been the habit of the Committee on Contingencies to leave the appointment of French officers to the French members of the committee. We had several names presented to us besides the name of the gentleman contained in the report. That name came with the endorsation of Sir Wilfrid Laurier that he was a fit and proper person for the office of chief translator of the Senate. It came also with the endorsation of Mr. McGee that the gentleman had discharged all his duties satisfactorily in his office, and was well qualified for the position. In addition to that, the motion was made by a leading French gentleman on the opposite side of the House, the hon. gentleman from de Lanaudière, and seconded by a leading French gentleman on this side of the House, the hon. gentleman from Stadacona. I said, under these circumstances, the gentleman has a high position now and the confidence of the Prime Minister, and we all know that the patronage of the House is now controlled by the government, and it must go to the government side of the House, as it went to the Conservative side when we had a majority. When I saw that the gentleman was recommended by the Prime Minister and by Mr. McGee and the motion was made by the hon. gentleman from de Lanaudière, a French gentleman, and seconded by the hon. gentleman from Stadacona, I said: 'I have no choice left but to support this gentleman as the most eligible name presented to the committee.'

Hon. Mr. GIBSON—In addition to what the hon. gentleman from Richmond has said, I may say that there was no other name proposed before the committee. I knew nothing of the four gentlemen who had applied for the position—I was entirely guided by the fact that the motion was moved by the hon. gentleman from de Lanaudière and seconded by the hon. gentleman from Stadacona. In addition to that, we had a certificate from the Clerk of the Privy Council as to this gentleman's qualifications, and also the recommendation of the Prime Minister, and no one disputed either of the statements that were made by these gentlemen in the letters sent to the committee. If there had been any other name proposed, it would have been in the judgment of the committee to have decided between them. But as there was only one name proposed, what was the use of asking to send this gentleman to a committee to find out whether he was competent or not? Under these circumstances, as far as my vote is concerned, I shall stand by the recommendation of the committee.

Hon. Mr. BERNIER—The fact that no other name has been proposed does not amount to anything. There were four or five applications before the committee, and it was moved that every one of them should undergo an examination and prove he was qualified to occupy the postion. That motion was rejected, not by a large majority, but by a sufficient majority to let us see that it was quite useless to propose any other name, so we did not propose any other name, because we have no objection personally to the gentleman that has been recommended for appointment. All we want is the most competent man to do the work, because it is important work. If he is able to undergo an examination, why should he

not do so? That examination will prove his qualification, and then there will be no more objection to him. All we want is qualification. The fact that he has been translating letters from English to French or French to English is no evidence of his qualification for our work, because, when he translates in that way, he is under the supervision of the party who has dictated the letters, whilst in this work he will himself have to control and revise the translation of others. There is no comparison between the two works. Since this appointment seems to have been made on account of the recommendation of the Prime Minister, I may say that the action of the Prime Minister in recommending him before the committee is quite questionable. It amounts to this, that the Prime Minister is making the appointment for the Senate, and I must protest against that interference. For these reasons, I think that the amendment should be carried.

Hon. Mr. SCOTT—I understand this gentleman has been for the last seven years with Sir Wilfrid Laurier, and before that was employed in the Privy Council office. and I think it is a most proper and natural thing for Sir Wilfrid Laurier to give him a certificate. Whom would you ask for a certificate? Would you ask some one who had no experience of his ability? He is a barrister of the province of Quebec.

Hon. Mr. BERNIER—Let him go through the examination, and prove himself to be qualified.

Hon. Mr. SCOTT—My hon. friend knows he is proposing something which has never been done before.

Hon. Mr. BERNIER—It has been a misfortune.

Hon. Mr. POIRIER—Because it was by promotion in the case of Coursolle and the training was beyond a doubt.

Hon. Mr. SCOTT—I do not want to say anything about dead men, or the translators of the past, but if anything has been severely criticised in former years in my hearing it has been the translation in this chamber.

Hon. Mr. BERNIER—And we want to avoid that in future.

Hon. Mr. SCOTT—We should not follow a better recommendation than that of the gentleman who had seven years' experience with him.

Hon. Mr. MACDONALD (P.E.I)—I believe the gentleman who filled that office before had very long experience and training in it, and I understand he has been an officer of the House for forty-three years—and an employee of the province of Canada before confederation. His salary at the time of his death, I believe, had been increased to $2,400 a year, and that does not seem an unreasonable salary for a gentleman of his ability, who had been that length of time in the position, but to put a young man in there and give him almost the same salary which that gentleman was receiving after his long experience and training, is something very unreasonable. I believe if we are to put a young gentleman without any previous experience as translator at the head of a department of that kind, he ought to begin somewhere about the same salary that the late translator had, say fifteen or twenty years ago and not to begin almost with the extreme of salary that was allowed that gentleman, because it was coming near the end of his tenure of office when he would have to resign and his salary on that account was raised somewhat in order that he should have a larger superannuation than he would otherwise have been entitled to. I believe that this system of raising the salary of young persons going into office, and, as soon as they go in, putting them over the heads of those who have been in the department and giving them almost the same salary as the head of the department had before, is a vicious principle, and that not only in this particular office, but in regard to all the employees of the parliament of Canada, there should be some much better regulation than we have with respect to salaries. There should be a fixed scale which should not be departed from, for it does not seem very just and reasonable that employees of the Senate or of any department of the government should be allowed to button-hole a senator who happens to be on a committee which has the regulation of their salaries or the recommendation of the amounts they are to receive, for the purpose of getting their salaries advanced. This

matter should be regulated by the Senate generally and the scale fixed, and that scale should not be departed from.

Hon. Mr. CLORAN—I have another fact to add to this discussion and it is this : The gentleman whom the committee has selected has been in the service of this country for the past twenty-two years, employed under Sir John Macdonald's government in 1882, and has been occupied in the translation of the proclamations and other official documents of the Privy Council, difficult documents to translate, documents that have to be carefully prepared to go before the world. He was taken out of the translating department of the Privy Council and brought into the office of Sir Wilfrid Laurier, and has been there employed as his confidential secretary in both languages, and I think that is quite sufficient to prove that he is able to fill the office to which he is now called.

Hon. Mr. BERNIER—Since the hon. gentleman refers to the documents translated from the Privy Council, I will mention something which I would not have otherwise referred to if the hon. gentleman had not brought forward that fact. I will ask the hon. senator if this gentleman who has been appointed was the translator of the speeches from the Throne recently ?

Hon. Mr. CLORAN—No, not lately ; he has been private secretary.

Hon. Mr. BERNIER—For the past few years the speeches from the Throne have been so badly translated that we could not send them abroad. We would have been ashamed of the translation.

Hon. Mr. CLORAN—It must not be insinuated that Mr. Lelièvre ever translated the speech from the Throne.

Hon. Mr. SCOTT—No, he never had anything to do with it. They are under my control.

Hon. Mr. OWENS—The claims that have been advanced by the hon. gentleman from Victoria division, of long service, would certainly apply with much greater force to the other applicants for the position. There were other applicants who have been much longer in the service than the gentleman whom the committee has appointed, and some of them would be entitled to promotion to the office. Although I was not so much interested in that question as our French senators, I came to the conclusion that this gentleman who was likely to obtain the employment was the least competent of the applicants. It was for that reason I made a similar motion to the hon. gentleman from St. Boniface, that all the applicants should be submitted to an examination, and that whoever passed with the highest merit should be appointed. It was suggested then that the committee would simply decide, from the salary that should be paid, that we wished to secure the very best man for the position ; to give him a fair salary, but not to make the decision until there was an examination. I suggested the names of some leading senators, or, if they wish, to ask Mr. Boucher from this chamber and Mr. Coursolle from the Commons, who are both capable translators and capable of deciding to report which would be the most competent man. There are also other reasons why I think that report should be referred back to the committee. If the Secretary of State had been present at that committee some other matters which passed would scarcely have passed then. There is to be a special meeting of that committee next week to decide upon the salaries of several messengers and employees of the Senate, and I considered that there should be no advances made at this last meeting. All these matters should be considered by a special committee. A majority of the committee thought otherwise, and the matter should be left over until the leader of the House could be present. For that reason, I second the motion of the hon. gentleman from St. Boniface, that this report be referred back to the committee.

The Senate divided on the amendment, which was lost by the following vote :

Contents :

The Hon. Messieurs

Bernier,	McKay (Truro),
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Macdonald (Victoria),	Poirier—8.

Non-Contents :

The Hon. Messieurs

Church,	McDonald (C.B.),
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Coffey,	McSweeney,
Dobson,	Miller,
Domville,	Mitchell,
Edwards,	Pelletier,
Ellis,	(Sir Alphonse),
Frost,	Robertson,
Gibson,	Scott,
Gowan,	Shehyn,
Jones,	Templeman,
Kerr (Cobourg),	Vidal,
Kerr (Toronto),	Watson,
King,	Wilson,
Legris,	Young—30.
Lovitt,	

Hon. Mr. McMULLEN—I paired with the hon. gentleman from Waterloo (Hon. Mr. Mernier). Had I been permitted to vote, I should have cast my vote for the adoption of the report.

Hon. Mr. PERLEY—I did not consider this a government vote. I am paired with the Hon. Mr. Thompson. If it is a government vote I should like to have my name struck out.

Some hon. GENTLEMEN—No, no.

The motion was agreed to.

SECOND READING.

Bill (K) An Act respecting the Northern Bank—(Hon. Mr. Watson.)

BILL INTRODUCED.

Bill (78) An Act respecting the Ottawa River Valley Railway Company.—(Hon. Mr. Domville.)

MUTUAL RESERVE LIFE ASSURANCE COMPANY INVESTIGATING COMMITTEE.

NOTICE OF MOTION.

Hon. Mr. LEGRIS gave the following notice of motion :

That he will move that the select committee appointed to investigate the position of the Mutual Life Association in Canada be enlarged to twelve members by the addition of the following honourable senators : — Honourable Messrs. Cox, Watson, Wood, Lougheed, Béique, Gibson and Sir Alphonse Pelletier.

He said : I think it is important to have the number of the committee increased. The subject which the committee has been appointed to deal with is very important, and it is desirable that it should be conducted by a larger and more representative committee. The committee is too small. It consisted originally of five members, but Mr. Baker having declared his intention not to act, we are reduced now to four. The inquiry will probably last some time, and all the members of the committee may not be able to attend every meeting. Therefore, in order to have the work of the committee properly carried on, I think we should have its number enlarged, and for that reason I give notice that I shall move on Tuesday next that the number be increased by seven.

Hon. Mr. SCOTT—Under the circumstances, it would be very much better if the House would agree to accept the notice of motion as a motion. Otherwise it will simply defer the matter for two or three days longer, and I understand there are witnesses now in the city who have come along distance, and it will mean considerable expense keeping them here, whereas if we adopt the motion now the committee can go on without delay. The resignation of Mr. Baker was not accepted by the House, and, therefore, he continues to be a member of the committee. I felt from the very beginning that the committee named was not a representative one, and would not give satisfaction to the Senate or to the public outside. That opinion has been confirmed by the circumstances which I understand occurred today, so I should recommend strongly that the House accept the notice as a motion and enlarge the committee. The House will feel very much safer in having a larger committee. The gentlemen already appointed are not superseded, and Mr. Baker will no doubt act when the committee is enlarged. His objection was that he did not care to act on a small committee.

Hon. Mr. BERNIER—Does the hon. gentleman represent the unanimous opinion of the committee ? Does the hon. gentleman from Repentigny make his motion after conferring with his colleagues and getting their approval ?

Hon. Mr. LEGRIS—I do not represent the committee.

Hon. Mr. BERNIER—No other member of that committee is present, and it seems to me that it would be better to let matters stand as they are.

Hon. Mr. DeBOUCHERVILLE—There must be a notice of this motion.

Hon. Mr. SCOTT—There must be a notice if any one insists upon it, but the constant practice is in an emergency to waive notice. it is simply taking advantage of a technicality to postpone this inquiry. A number of witnesses are here, and they must be paid for their time. There is no doubt that the motion will be adopted by the House, and I suggest that it be allowed to go now.

Hon. Mr. DeBOUCHERVILLE—All the members of the committee, except the hon. gentleman who gave the notice of motion, are absent; therefore, I insist that notice must be given.

Hon. Mr. YOUNG—The hon. Secretary of State has remarked that it would facilitate the working of the committee if the motion were allowed to pass at present. I was going to suggest that if the motion were adopted as a matter of convenience, Bill (H), which was referred to the Banking and Commerce Committee by this House, should also be referred to this enlarged committee, so that they would deal with the whole matter. It would be the more business way of dealing with it, and the Bill might come back in a shape to afford relief to those having the greatest interest in this matter, the policy-holders in the company.

Hon. Mr. McDONALD (C.B.)—The hon. gentleman from Repentigny (Hon. Mr. Legris) has given notice that he will make his motion on Tuesday next. If that is allowed to go not much time will be lost The House will not sit to-morrow or Monday, and if the motion is adopted on Tuesday the enlarged committee can meet the following Wednesday. It would be unfair to take advantage of the members of the committee who are not present to-day. I understand my hon. friend (Hon. Mr. Legris) has made this motion without the knowledge of the other members on that committee. This matter is surrounded with so much mystery, I think the House, in justice to itself, should accept the notice given by the hon. member for Tuesday next. I object to the motion being made to-day.

The SPEAKER—The hon. gentleman from Montarville (Hon. Mr. DeBoucherville) has objected.

Hon. Mr. BERNIER.

Hon. Mr. YOUNG—I give notice that on Tuesday next I will move that the order referring Bill (H) to the Banking and Commerce Committee be rescinded, and that the Bill be referred to the enlarged special committee to consider the position of the Mutual Reserve Fund Life Association of New York in Canada.

The Senate adjourned until Tuesday next at three o'clock.

THE SENATE.

Ottawa, Tuesday, June 14, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

NEW SENATOR.

The SPEAKER informed the House that there was a senator waiting to be introduced.

Hon. Mr. Thos. Ruben Black of Amherst, N.S., was introduced into the Senate by the Hon. Mr. Scott, Secretary of State, and the Hon. Mr. Templeman. The assistant clerk having read the commission, Mr. J. J. McGee, Clerk of the Privy Council, proceeded to administer the oath.

Hon. Mr. LANDRY—I rise to a point of order. I want to know what is the meaning of the ceremony that is taking place now, and why do we depart from the old custom.

Hon. Mr. SCOTT—I will explain to my hon. friend. The Clerk of the Senate stated he had very important business in Montreal, and asked whether or not we could spare him for to-day. I told him I thought so. The Clerk of the Privy Council holds a dedimus potestatem to administer the oath at any time. The oath could have been administered outside, but I think it should always be administered in the Senate, and the precedent has usually been followed.

Hon. Sir MACKENZIE BOWELL—Did the hon. Secretary of State say there were precedents for this procedure ?

Hon. Mr. SCOTT—I said that I presumed he might have been sworn outside but that the precedents all led to the swearing within the Senate chamber, and I hope that that

will continue to be the practice, but there is no manner of doubt about Mr. McGee's power to administer the oath.

Hon. Mr. LANDRY—I suppose that should be with the consent of the House ?

Hon. Mr. MILLER—I think not. I think it is regular, but it ought to have been explained to the House.

Hon. Mr. SCOTT—My hon. friend from Richmond is quite right. I probably should have announced in advance the proceeding which was to take place. I can quite appreciate hon. gentlemen noting it is being something very unusual.

The Hon. Mr. Black then signed the roll.

Hon. Mr. LANDRY—Before we go further, I think we should ventilate the matter a little more. Bourinot says :

The practice of introducing new senators is invariable in the upper chamber. The Speaker will state to the House whenever the clerk has received a certificate from the clerk of the Crown in Chancery that a new member has been summoned to the Senate. He will then inform the House, 'Hon. gentlemen a new member is without ready to be introduced.' The new member is then introduced between two senators, and presents at the table Her Majesty's writ of summons, which is read by the clerk and put upon the Journals. He will then subscribe the oath before the clerk, who is one of the commissioners appointed for that purpose.

Hon. Mr. SCOTT—That is the usual programme. The clerk is one of the commissioners appointed for that purpose.

Hon. Mr. LANDRY—But the authority says he will subscribe the oath before the clerk by repeating the words after that officer. We have here acting as an official a gentleman who is not on our staff, and I do not know under what authority a stranger can come here and take a place at the table.

Hon. Mr. SCOTT—I presume that the Governor General could be here and administer this oath. My hon. friend does not dispute that.

Hon. Mr. LANDRY—I do not know.

Hon. Mr. SCOTT—Well, I do not hesitate to say he could. I do not think my hon. friend would take exception to it. Mr. McGee is the deputy of the Governor General for this purpose under dedimus potestatem, and holds a commission for that purpose. I think my hon. friend will not persist in pressing any objection.

Hon. Mr. LANDRY—I merely ask that it be entered in the minutes that such a procedure be not considered as a precedent.

Hon. Mr. SCOTT—I will see that that is done. The clerk has now received instructions and will see to that. It is not to form a precedent in the future. Mr. Chapleau, the clerk, as I have said, had business of some importance in Montreal, and could not be present to-day. It would have been much better if he could have been here, but I said I thought we could get on without him under the circumstances. I knew that Mr. McGee held the power for the purpose of swearing a senator.

The SPEAKER submitted a certificate from the Clerk of the Privy Council that the Hon. Mr. Black had made and subscribed the oath administered to senators on their introduction to the Senate.

Hon. Mr. Black then took his seat.

THE FRENCH STEAMER 'LE MALOU'.

MOTION.

Hon. Mr. LANDRY moved :

That an humble address be presented to His Excellency the Governor General ; praying that His Excellency will be pleased to cause to be laid before this House a copy of all reports made, since the opening of navigation, to the Department of the Interior on the subject of the French steamer 'Le Malou,' and more particularly a copy of the report of Doctor Potvin concerning this vessel.

The motion was agreed to.

EXPENSES OF THE SENATE RESTAURANT.

MOTION.

Hon. Mr. MILLER moved :

That the clerk do place on the table of the House a statement of the disbursements and general expenses of the Senate restaurant during the five years next preceding December 31st, 1903.

The motion was agreed to.

HUDSON'S BAY EXPLORATION.

MOTION.

Hon. Mr. LANDRY moved :

That an humble address be presented to His Excellency the Governor General ; praying that

His Excellency will be pleased to cause to be laid before this House :

1. A statement showing, in so many distinct columns, the names and surnames, the age, rank, the domicile, the origin, of all the officers, sub-officers and men of the crew of the ship sent in 1903 to explore Hudson's Bay.

2. The name of the ship chartered for this expedition, its tonnage, the name of its owner, the price assigned for its service, the duration of this service.

3. The term of service of each of the men (officers, sub-officers, sailors. &c.) who composed the crew of this vessel.

4. All the correspondence relating to this expedition, including therein the instructions given.

5. A copy of each report made by the authorities on board from the commencement of this expedition.

The motion was agreed to.

THE LORD DUNDONALD INCIDENT.

Hon. Mr. LANDRY—Before the Orders of the Day are called, I should like to ask the government if there is any truth in the rumour which is being circulated to the effect that His Excellency the Governor General, Lord Minto, has refused to sign the dismissal of the Major General. I suppose that parliament will be entitled to have that information before the newspapers of the country, and therefore I ask the question.

Hon. Mr. SCOTT—I am not aware, in fact I can speak very confidently, the Governor General has not had submitted to him any papers involving the question my hon. friend asks me. By that it is not to be understood that they may not be submitted to him. I merely say that up to the present time nothing of the kind has occurred.

Hon. Mr. LANDRY—Do we understand that the matter is to be submitted to the Governor General here or to the proper authority in England ?

Hon. Mr. SCOTT—To the Governor General.

Hon. Mr. LANDRY—I suppose the hon. gentleman will take advantage of the opportunity afforded by the question I have asked to give to this House the information he promised with reference to that Dundonald incident.

Hon. Mr. SCOTT—Just as soon as anything definite has been done I shall be glad to inform the House of the facts.

Hon. Mr. LANDRY—The House is not in possession of anything except what we have seen in the papers, although the hon. gentleman has promised us some information.

Hon. Mr. SCOTT—Just so soon as any definite action has been taken, it will be communicated to the House.

A QUESTION OF PRIVILEGE.

Hon. Mr. LANDRY—Then there is another question of a personal explanation. On Wednesday, June 8, I brought up, as a question of privilege, the statement of Mr. Wells and Mr. Eldridge, and moved that Mr. Wells be brought before the bar of this House to answer any questions that might be put to him. A debate took place with reference to that matter. I do not want to refer to the arguments brought forward during that debate, but I want to refer to a particular incident that took place. Members of this House took part in the debate and at a certain point my hon. friend from Lincoln (Hon. Mr. Gibson) made a motion in amendment, and that motion was to refer that question to the special committee that had been appointed for the examination of all matters in connection with the Mutual Reserve Life Association. I raised a point of order on that amendment. I said that the hon. gentleman from Lincoln had no right to make a motion because previously in the same debate he had made a speech on the question. The hon. Speaker of this House, speaking ex-cathedra, told us the hon. member had not made a speech, and that my point of order was not well taken. I therefore submitted. Since then the printed report of the 'Debates' has been issued, and if hon. gentlemen will look at page 365 of the unrevised edition they will see my motion. I indicate the page, so that hon. gentlemen may see what follows. On page 366, Mr. Gibson made a few remarks that I do not consider as speeches. The hon. leader of the opposition, the hon. Secretary of State, the Hon. Mr. Poirier, the Hon. Mr. Dandurand, and the Hon. Mr. Kerr, all made speeches on the motion I placed in the hands of the Speaker ; then at page 369 the hon. gentleman from Lincoln (Hon. Mr. Gibson) made a speech which is to be found in the second column of page 369. Afterwards the Hon. Mr. Watson, the Hon. Mr. Cloran, the Hon. Mr. Jones, the Hon. Mr. Owens, the Hon. Mr. Béique, the Hon. Mr. Landry, the Hon. Mr. Scott, the Hon. Mr. Young,

and the Hon. Mr. Ferguson, made speeches. After that the hon. gentleman from Lincoln (Hon. Mr. Gibson) said :

I move, in amendment, that Messrs. Wells and Eldridge be both examined before the committee which has the matter in hand.

That is to be found at the bottom of page 373 and the following debate then took place :

Hon. Mr. LANDRY—The hon. gentleman has no right to make a motion.

Hon. Mr. YOUNG—Why ?

Hon. Mr. LANDRY—Because the hon. gentleman has spoken.

Hon. Mr. GIBSON—I do not want the hon. gentleman to dictate to me. I know my rights in this House as well as the hon. gentleman. I am responsible to this House for my own conduct and not to the hon. gentleman ; he is not my keeper, nor does he require to suggest to me when I should get up in this House or sit down. I am quite within my rights to move the amendment to bring these men before the committee, where they can be sworn and examined by the counsel that the committee may appoint.

The hon. gentleman was asserting his right. Further on at page 375, we find the decision of the Speaker. He says :

The motion of the hon. gentleman from Prince Edward Island is out of order.

We will not discuss that point. Then the report continues :

Hon. Mr. LANDRY—I rise to a point of order. I claim the hon. gentleman from Lincoln had no right to move that amendment ; he had made his speech and he has no right after having resumed his seat to make this motion.

The SPEAKER—He made the motion when standing up in his place and then he sat down to reduce the motion to writing which I think is perfectly correct. The motion is in order.

Hon. Sir MACKENZIE BOWELL—The rule provides that when the Speaker decides a question of order he shall cite the rule upon which he does.

The SPEAKER—Rule 20 reads as follows :

A senator may speak to any question before the Senate or upon a question or an amendment to be proposed by himself or upon a question of order arising out of the debate.

The hon. gentleman has done that ? I do not see what the question is.

Hon. Sir MACKENZIE BOWELL—Has the hon. Speaker acceded to the request I made. When the Speaker rules he cites the rule upon which he gives the decision. If the Speaker decides that the hon. gentleman from Lincoln did not speak before making the motion then we understand the ruling.

Hon. Mr. GIBSON—I did not speak before the motion.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman did two or three times.

Hon. Mr. GIBSON—I think my word is as good as the hon. gentleman's.

Then further on Mr. Gibson said :

I spoke on the second reading of the Bill. I said nothing more until I moved this amendment.

Further on the hon. Speaker said :

Rule 28 reads as follows :

The Speaker stands uncovered when speaking to the Senate and if called upon to explain a point of order or practice, he is to state the rule applicable to the case.

I was not called upon to explain anything. I simply ruled he had not spoken.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman from Stadacona raised a point of order stating that the hon. gentleman had no right to make the motion on the ground that he had spoken. Then I turn to another rule which declares that a member can speak only once to any question, and the principle is laid down by all the authorities, Bourinot and Todd and all the other commentators, that no one can move an amendment after he has spoken to a question, and the fact that a member rises and then sits down deprives him of the right of speaking again or of making a motion. I think my hon. friend from Killarney who has had a great deal of experience as Speaker of the House in Manitoba will corroborate my construction of the rules.

And that great authority (Hon. Mr. Young) answered 'Quite correct.' Then the report continues :

Hon. Sir MACKENZIE BOWELL—If the Speaker rules the hon. gentleman had not spoken before, and that he was within his right, I am not going to question it.

The SPEAKER—The hon. leader of the opposition is rather fond I think of reflecting on the decisions which I make.

Hon. Sir MACKENZIE BOWELL—I deny that, and the Speaker has no right to impute motives to me. The Speaker has no more right in this House than any member of it, and has no right to stand up and say I am desirous of reflecting——

Hon. Mr. DANDURAND—Order, order.

Hon. Sir MACKENZIE BOWELL—I am in order.

Hon. Mr. DANDURAND—No, the hon. gentleman is not in order when the Speaker is on his feet.

Hon. Sir MACKENZIE BOWELL—Yes, I am quite right and when the hon. gentleman has more experience he will know it.

The SPEAKER—The hon. gentleman is quite mistaken ; I did not reflect on him. I simply said he was rather fond of differing from the decisions which I make.

Hon. Sir MACKENZIE BOWELL—I deny that, and it is an improper statement to make, and it is not true.

The SPEAKER—I am in the judgment of the House.

Hon. Sir MACKENZIE BOWELL—And so am I.

The SPEAKER—I have been a member of this House for twenty-seven years, and I have never known a Speaker to be treated in the manner in which I have been treated.

Hon. Sir MACKENZIE BOWELL—I do not think any Speaker has ever acted as our hon. Speaker has.

Some hon. MEMBERS—Order, order.

The SPEAKER—That was by the way. I say that the only question—and I am in the judgment of the House again—that the only question that was raised was whether the hon. gentleman from Lincoln had spoken or not. I did not hear the hon. gentleman speak, and I took the hon. gentleman's statement; and, not having spoken, he had a right to move the amendment, and there was no necessity for pointing out any rule. It was simply a question of fact, and I took the hon. gentleman's statement and the evidence of my own senses.

Hon. Mr. SCOTT—Does the hon. gentleman want all that quotation republished in the 'Debates'? The debate took place last Wednesday, and we ought to have some sense of the dignity of the House and not republish remarks so recently made.

Hon. Mr. LANDRY—The hon. gentleman does not know what I am coming at.

Hon. Mr. GIBSON—And nobody else does.

Hon. Mr. LANDRY—What I want to point out is this: I raised a point of order which was set aside—why? Because the hon. the Speaker and the hon. gentleman from Lincoln (Hon. Mr. Gibson) stated that the hon. gentleman from Lincoln had not made a speech on the subject which I presented. The report which I have just read shows that he did make a speech, whereas the point of order which I raised was not sustained on the ground that he had not spoken. The ruling was on the question of fact, and I want to state to the House what the facts were. I know the Speaker is liable to be mistaken, as we all are; we are not all infallible, but I want to point out that those mistakes of the Speaker occur too frequently where I am concerned.

Hon. Mr. GIBSON—I have not a copy of the 'Debates' from which the hon. gentleman is quoting, but I was under the impression, and am still under the impression that I had not spoken. However, the hon. gentleman and some others are so apt to interrupt those who address the House that one has frequently to sit down to hear the interruption before proceeding with his remarks. I sat down on the occasion referred to, as the Speaker knows, to put the resolution in writing and had not finished my speech, when the hon. gentleman raised the objection. If there is any member of the Senate who violates the rules of debate more frequetly than another, it is the hon. gentleman from Stadacona, because he speaks on every occasion half a dozen times if necessary and he is the last one who should raise such an objection. I am sorry that the rules of order are not better observed, and that frequent interjections require a speaker to sit down often before he has concluded his remarks. If there was an interlude between my remarks and my motion, it was because the hon. gentleman objected to my speaking on the motion for the second reading of the Bill. The fact is, the discussions upon the Bill and on the investigation of the Mutual Reserve Company had been so mixed up that I venture to say only those who have given the closest attention to what is going on could tell when the debate was on the Bill of the hon. gentleman from Toronto, and when it was on the subject of the inquiry into the condition of the Mutual Reserve Association. In consequence of the irregularity a great many unnecessary things have been said on both questions. I have taken the ground from the beginning that I have no desire to stifle inquiry, and that it was only right that the Bill should go to a committee where those interested could be heard. That was my only object in speaking on one side or the other of the matter. I trust that the hon. gentleman from Stadacona will see that I did not act in bad faith.

Hon. Mr. LANDRY—I do not impute motives.

Hon. Mr. GIBSON—I thought I was quite within my rights in moving the motion.

Hon. Sir MACKENZIE BOWELL—I took the trouble to look at the record to ascertain the facts. The hon. gentleman was mixing up the remarks he had just made on a debate on the motion for the second reading of the Bill and the motion made by the hon. senator from Stadacona to summon Mr. Wells to the bar of the House to be examined. The two motions were quite distinct. The only misunderstanding between the hon. gentleman and myself was that when I stated that he had spoken upon the motion to summon Mr. Wells to the bar of the House, he made a pretty pointed contradiction and added that his word was as good as mine. I shall not discuss that question. I am quite satisfied that the hon. senator from Lincoln never intended any reflection upon me when he made that statement. I

am equally certain that he believed what he said when he made that statement. I shall not find fault with the Speaker's ruling, nor shall I refer to the unpleasantness between him and myself. I regret those incidents as much as he possibly can, but I repeat what I said then, there is nothing on the record to show that I was taking an unnecessary course or reflection upon the Speaker or his ruling. I simply asked a question. If hon. gentlemen will turn to page 369, they will find that the hon. member for Lincoln (Hon. Mr. Gibson) made a speech on a motion of the hon. member from Stadacona (Hon. Mr. Landry) to summon Mr. Wells before the House. He does not say one single word in all those remarks about moving an amendment. He discussed the general principle of the Bill and sat down. Then I find no less than three pages of debate took place in which Messrs. Cloran, Watson, Jones, Béique, Landry, Scott. Young, and Ferguson, discussed the question—not the second reading of the Bill but the motion of the hon. gentleman from Stadacona. Then the hon. member from Lincoln rose to make his motion, and the objection was taken that he was out of order, having already spoken on the subject. I am satisfied that it was all a misunderstanding. I follow as closely as possible what takes place in the House, and I was convinced at the time that my statement was correct, that the hon. gentleman had spoken, and that a debate had intervened between his speech and the amendment. I have no dispute with the hon. gentleman from Lincoln. I do not think there are two senators who have a greater respect for each other than the hon. gentleman and myself, and that has been the case ever since we have known each other as members of the other House. With the confusion that prevailed during the debate and the constant interruptions—I am no more guiltless in that respect than others—I am not surprised that the Speaker, unless his attention is rivited on every word uttered, should be under the impression that when the hon. gentleman from Lincoln sat down he did so to write his motion. Even if that were the case, according to the authorities, he had no right to rise again and make a motion after the debate had taken place.

Hon. Mr. GIBSON—I do not want to interrupt the hon. gentleman——

Hon. Sir MACKENZIE BOWELL—That is just what I am complaining of, that the hon. gentleman does interrupt. I have given the facts as they are stated in the official report. I am reflecting on no one, only I should like to call the attention not only of the Speaker but of the Senate to the fact that some of the remarks which I made in last Wednesday's debate are credited to the Speaker. He read the 28th Rule, and added: 'I was not called upon to explain anything. I simply ruled he had not spoken.' There he stopped, then the following remarks were mine. It is not the fault of the reporters that my remarks were put in the mouth of the Speaker, but I hope they will make a note of this and see that it is corrected in the revised edition.

Hon. Mr. GIBSON—I think it is due to my hon. friend——

Hon. Mr. LANDRY—The hon. gentleman said I was not in order because I spoke so often. He is not now in order himself, and should sit down.

Hon. Mr. GIBSON—As I have been accused I have a right to reply.

Hon. Mr. LANDRY—No, there is nothing before the House.

Hon. Mr. GIBSON—I want to explain.

Hon. Mr. LANDRY—Get it explained by another member.

Hon. Mr. GIBSON—I am going to explain my position.

Hon. Mr. LANDRY—I rise to a point of order; there is nothing before the House.

Hon. Mr. GIBSON—The hon. gentleman never does bring anything before the House.

Hon. Mr. LANDRY—I rise to a point of order—there is nothing before the House, and the hon. gentleman has already given his personal explanation. He has no right to speak again. I ask the Speaker to decide.

The SPEAKER—The point of order is well taken.

Hon. Mr. GIBSON—I rise to a question of privilege. I do not want to detain the House

but I have been accused of breaking the rules of the House——

Some hon. GENTLEMEN—Order, order.

Hon. Mr. LANDRY—That is only a way of eluding the Speaker's decision. The hon. gentleman is not in order.

Hon. Mr. GIBSON—I am in order.

The SPEAKER—There is a way by which the hon. gentleman can be put in order.

Hon. Mr. GIBSON—I move the adjournment of the House. What I wanted to say is that my hon. friend who leads the opposition interrupted me before I finished my remarks——

Hon. Sir MACKENZIE BOWELL—I do not want to be captious, but I rise to this point of order: can the hon. gentleman make an explanation of what took place on a question of privilege? The hon. gentleman rose to a question of privilege.

Hon. Mr. GIBSON—Surely——

Hon. Sir MACKENZIE BOWELL—I am asking the chair whether that is a question of privilege. I do not object to an explanation.

Hon. Mr. GIBSON—I think I am entitled to be allowed to explain.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman should wait for the decision of the chair. I can tell him how he can put himself in order.

The SPEAKER—I really do not think the hon. gentleman can make it a question of privilege, but there is a very common way by which he can put himself in order.

Hon. Mr. BAKER—For the purpose of overcoming the difficulty I move the adjournment of the House.

Hon. Mr. GIBSON—I have already moved the adjournment.

Hon. Mr. LANDRY—I think the hon. gentleman should wait until the question is put.

The SPEAKER—Moved by the Hon. Mr. Baker, seconded by the Hon. Mr. Wood that this House do now adjourn.

Hon. Mr. GIBSON—Before the House adjourns I should like to make a few remarks. I do not want to make them in a contradictory spirit at all, but merely to point out to my hon. friend who leads the opposition, for whom I can say honestly I have the same high regard as he expressed very kindly for me a few moments ago, that when I was speaking on the subject of summoning Mr. Wells to the bar of the House the other day, I said:

> I do not know either of them, but I think the proper course would be to hear Eldridge as well as Wells.

To this Hon. Sir Mackenzie Bowell replied:

> If the other man denies it, let it go on record. He may not deny it.
>
> Hon. Mr. SCOTT—Does the hon. gentleman propose summoning Eldridge?
>
> Hon. Sir MACKENZIE BOWELL—No, we have Eldridge's statement.
>
> Hon. Mr. SCOTT—What a farce it would be. Wells would say 'no,' and that would be the end of it.

So that there was a controversy between the hon. gentleman who leads the House and the hon. gentleman who leads the opposition, and before I could get in my amendment half a dozen hon. gentlemen had spoken.

Hon. Mr. YOUNG—I do not wish to prolong this discussion, but it emphasizes an experience that many hon. gentlemen have had in this House and from which the leaders in this chamber are not exempt, and that is, interruptions are made when a member is addressing the House which sometimes interferes with his consecutive line of argument. Not very long ago the hon. Secretary of State was speaking on this matter when an hon. gentleman asked a question across the floor of the House, not of the hon. Secretary of State but of an hon. gentleman on this side of the House, and that hon. gentleman stood up and made a speech, and spoke till six o'clock and closed off the hon. Secretary of State, who, out of kindness, did not wish to call him to order. As a result the argument he was making was somewhat incomplete. But what I wish to say is, that this discussion to-day emphasizes what I have on former occasions called to the attention of the House, the necessity for a revision of our rules so that the hon. Speaker, when we wander so far away, as we frequently do, from the ordinary rules of debate, will be charged with the responsibility of bringing us back to the ordinary parlia-

mentary procedure which should govern any legislative body.

Hon. Sir MACKENZIE BOWELL—I fully concur in the remarks of the hon. gentleman, and I have discussed the question with him before, as to the propriety of taking the step which he has suggested. In fact I might go further and say that I had a motion prepared for that purpose, but circumstances arose which prevented my making it. I should like the hon. gentleman from Lincoln to understand the matter. The only question that arose upon the point of order raised by the hon. gentleman from Stadacona was that the hon. gentleman had spoken.

Hon. Mr. GIBSON—I had not finished.

Hon. Sir MACKENZIE BOWELL—If the hon. gentleman persists in that statement when the facts are against him I have no more to say.

DISTRIBUTION OF THE OFFICIAL REPORTS OF THE DEBATES.

Hon. Mr. FERGUSON—Before the Orders of the Day are called I wish to call the attention of the Debates Committee and also of the House to a difficulty that I see that this House is subject to with regard to the distribution of the Debates. An hon. gentleman spoke a few moments ago of not having a document in his hand which other hon. gentlemen were using, and this caused me to look into the matter and I find that the unrevised debates of the House are not placed on the members' files. I know they are distributed. We get them through the post office, but I could not get a copy of the report that was the subject of controversy this afternoon in this House. I had to borrow one from other hon. gentlemen who were using it. It does seem to me that the unrevised debates should be placed on our files here. The latest that we have is the revised edition for Tuesday last. The House met on Wednesday, Thursday and Friday. The unrevised had been distributed amongst the members, but for three days they had not been placed on file here. My opinion is that the unrevised issue should be put on file, so that in the event of anything coming up we would have them in our hand. I do not see why a sufficient number should not be furnished, and the pages be instructed to place them on file, so that we should have them before us.

Hon. Mr. LANDRY—There is another irregularity which I will bring to the attention of this honourable House. On Friday last the Hon. Mr. Young gave notice that 'On Tuesday next I will move that the order referring Bill (H) to the Committee on Banking and Commerce be rescinded that that Bill be referred to the enlarged special committee to consider the position of the Mutual Reserve.' That notice was given on Friday last. If we look at the Orders of the Day we see that the notice given by the hon. gentlemen is put down for Wednesday. I do not know how the change was made, or who had authority to make the change, but surely if the hon. gnetleman gave notice for Tuesday it ought to appear to-day.

Hon. Mr. CLORAN—Hear, hear.

Hon. Mr. YOUNG—The hon. gentleman is quite right. When I read the motion I had not written it out, but I made the motion and was writing it at the same time for Tuesday; but the Secretary of State called my attention to the fact that Tuesday would be a very busy day, as apparently it is, and asked would not Wednesday do as well. I said yes, and I repeated Wednesday, and that is why the matter was changed, so that it is no fault of the officials. It is my fault.

Hon. Mr. CLORAN—I call attention to the fact that Hon. Mr. Legris, a member of the committee, made a motion for Tuesday. The hon. gentleman sits at one end of the House and the hon. gentleman from Killarney sits at the other end of the chamber. We happened to be in the House a few moments before this happened. We knew nothing about it and thought it very strange that the change had been made.

Hon. Mr. ELLIS—With regard to the unrevised debates to which the hon. gentleman from Marshfield refers—speaking as a member of the Debates Committee, but not by any authority—hon. gentleman will remember that there was a slip or proof sheet furnished to each member. Hon. gentlemen thought it would be more convenient to have the unrevised edition promptly. As I understand, the practice of the House was that hon. gentleman were not absolutely

bound—not like the House of Commons—by the utterances in the unrevised edition, or slip furnished them. There was liberty to correct that slip, and it was not until the revised edition came that hon. gentlemen could be held to be bound by the report of a debate. Now, it will make a change in the practice of the House if the unrevised edition is filed in the way in which it is suggested, and one would like to know whether in doing that we depart from the practice of the House and hold the member bound to the unrevised report of a debate ?

Hon. Mr. YOUNG—The suggestion was that, in addition to what was put in the post office for us, duplicate files be made of the revised and unrevised edition, so that members would have both copies of the issued debates up to date.

Hon. Mr. FERGUSON—In distributing this unrevised edition formerly it was sent to each member's room in an envelope. Now they are distributed through the post office. I think we should go a step further and put them on file. I think members should be fairly bound by what appears in that edition.

Hon. Mr. ELLIS—Then an order had better be issued to the party whose duty it is to do that work, to have it done.

The SPEAKER—Perhaps the House will indulge me a moment. I wish to make one statement. I have not seen either the revised or the unrevised edition of the debates which took place, and if there are any errors it is quite without my knowledge.

THIRD READINGS.

Bill (61) An Act to incorporate the Thorold and Lake Erie Railway Company.—(Hon. Mr. Domville.)

Bill (104) An Act respecting the Tilsonburg, Lake Erie and Pacific Railway Company.—(Hon. Mr. Wilson.)

Bill (57) An Act to incorporate the Interprovincial Railway Bridge Company of New Brunswick.—(Hon. Mr. Domville.)

Bill (90) An Act to incorporate the Bessemer and Barry's Bay Railway Company, as amended.—(Hon. Mr. Gibson.)

Bill (60) An Act respecting the Kettle River Valley Railway Company.—(Hon. Mr. Templeman.)

NATIONAL TRANSCONTINENTAL RAILWAY BILL.

SECOND READING.

The Order of the Day being called :

Second reading Bill (72) an Act to amend the National Transcontinental Railway Act.—(Hon. Mr. Scott.)

Hon. Mr. DeBOUCHERVILLE—Before this matter is proceeded with, I should like to call the attention of the House to rule 46 and ask the hon. Secretary of State if this rule has been complied with ?

The SPEAKER—The rule cited by the hon. gentleman reads as follows :

The Senate will not proceed upon a Bill appropriating public money that shall not within the knowledge of the Senate have been recommended by the Queen's representative.

Hon. Mr. DeBOUCHERVILLE—I want to know if it has been recommended. Can the hon. gentleman give us documents showing that it is proceeding with the consent of the government ?

Hon. Mr. SCOTT—The Bill has been approved of by His Excellency. It is not usual for me to produce in this chamber the authority of His Excellency. It is the first time I have ever heard the question raised. It is always accepted in the other chamber as a matter of course.

Hon. Mr. LANDRY. Does that rule mean anything ?

Hon. Sir MACKENZIE BOWELL—The practice in the other House is simply for the government to bring down a message or state that they have the authority of the Governor General for proceeding with the Bill. The hon. gentleman's memory is not good on that point ; my hon. friend who has just spoken (Hon. Mr. Landry) has called attention once or twice to the same point in the House. It may have escaped the hon. gentleman's attention.

Hon. Mr. SCOTT—I move the second reading of Bill (72) An Act to amend the National Transcontinental Railway Act. Towards the close of last session it was my duty to submit for the consideration of the senate a Bill for the construction of another Transcontinental Railway. I do not suppose that any of us anticipated that within the year that the measure, then ap-

proved of by parliament, would be again submitted for our consideration, owing to the shareholders of the Grand Trunk, which became a part of the Bill, not having approved of it. The arguments used against the measure when it was before the senate last year were two; one was that the government was not in possession of sufficient information to justify the construction of that railway, that before proceeding with so important a matter a survey should be made and information should be given to the public as to the approximate cost of the undertaking. Another objection urged that the Bill was conceived so largely favourable to the Grand Trunk Railway that it was not in the interests of Canada to enter into the agreement. The latter argument was very extensively enlarged upon, and it was pointed out that Canada was practically furnishing the funds, and that the Grand Trunk was doing very little. The agreement, as I said on a former occasion, had been reached when the directors of the Grand Trunk Railway. Sir Charles Rivers-Wilson and the other directors came out to Canada a year ago, and they discussed the various clauses of the schedule in the agreement with the government, and it was thought that a contract had been reached which was fairly reasonable to both sides. It was shown pretty conclusively that the money cost to this country was a comparatively small sum; that is, if any value is to be attached to the guarantees of the Grand Trunk Railway. When the question came up to be submitted to the shareholders in England, they took a different view of it. Whether they were influenced by the arguments of my hon. friends opposite and by the statements of the press that the project was premature and ought not to have been launched at the present time, or whether they had recollections of the millions of money that had been lost in the Grand Trunk Railway when they first constructed their line in this country some 40 or 50 years ago, I cannot say, but it was quite evident that a very determined idea existed amongst the body of the shareholders to reject the proposal. I have under my hand here extracts from papers that were addressed to the body of the shareholders by hon. gentlemen who had very large interests in the Grand Trunk Railway, giving their reasons for objecting to the proposal. One was Mr. Allen, who was at one time a director of the company, who writes as follows.

> Having served the Grand Trunk Railway Company from October, 1891, to my resignation in December last, and having witnessed and been a party to the great skill of Mr. Hays in raising the company from an almost bankrupt condition to its present state of prosperity—(applause)—and having a large interest of my own, and, as a trustee, to safeguard—and I may tell you that the interest is close upon £50,000—I have objected from July 24th last to proceed further with the Grand Trunk Pacific scheme without having a great deal of necessary information afforded to the board, and believing firmly, as I do, that the scheme, if carried out, will gradually ruin the Grand Trunk, I have come to the conclusion that it is my clear duty to the proprietors to let them know some, at all events, of the facts on which I have based that belief.

That view was shared in by other members of the Grand Trunk board in London, and by the shareholders. Mr. Allen was a director and a shareholder, Mr. Merlin also had very strong objections, and he put his views in the form of a letter as follows:

> I speak as a shareholder who is interested in something like £10,000 worth of the junior securities, the third preference, which, after having been in the wilderness for a great number of years, is just now merging, and I do not see that, while we are in view of something like full and due dividend, we should replunge into a wilderness which is very much unexplored—(Hear, hear)—which is very much farther north, and in which there is a very much heavier fall of snow in the year. Now, sir, with regard to the agreements, I have read them very carefully, and I think you, as a board, have taken a risk upon yourselves, and have not put any upon the Canadian government at all, excepting a rental for the first seven years on the eastern part of the line, and interest on the western part for another seven years. Now, why did not the board take the eastern part and allow the government to take the western part, especially the Rocky mountains part? (Hear, hear.)

It will be seen from those utterances that the view taken by the shareholders in London was not the view taken by many of the people's representatives in Canada. They regarded the project as one that was going to seriously injure the financial standing of the Grand Trunk Railway, and so it became evident that the agreement approved of by this parliament last year would not be confirmed by the shareholders unless very considerably modified; therefore proposals were made to the government of Canada, beginning about

the month of January last. I need not go over them, because they were afterwards boiled down to the schedule attached to the Bill now before the House ; but they asked many conditions that the government of Canada could not accede to. Negotiations continued for a period, I presume, of about two months, not in the shape of formal papers and letters, but usually in the shape of representations to the Grand Trunk Railway Company in Canada and personal communications with members of the government in Canada, and the result was the schedule now attached to the Bill before parliament. The question arose when the Grand Trunk Railway declined to accept the Bill of last year, whether it was better to break off negotiations or continue them in the hope that, by some modifications, a satisfactory agreement on both sides might be arrived at. What largely influenced the government was the fact that the Grand Trunk Railway was an existing corporation. It connected with all the cities and towns in Ontario, and with nearly all the villages. It had 4,000 miles of railway already built. It connected with the leading centres of population in Quebec, and the advantage of having a railway with its branches already in existence, ready to furnish the main line with traffic at once on the opening of it, were so great that it was decided it would be far better to accede in some particular, so long as it was considered at all reasonable, than to break off the negotiation. One can remember that for some years after the Canadian Pacific Railway was first opened the line was extremely unprofitable, simply because it had no connections. The Canadian Pacific Railway adopted the only policy open to them that would lead to any success, and that was the construction of branches through the older portions of the Dominion. Their energies were directed towards building branches and connecting with the centres of trade and population, not only in Ontario and Quebec, but also in the maritime provinces, and hon. gentlemen will, therefore, realize the advantage of the new transcontinental line having connections with the centres of population. The manufacturers in Ontario, those located in villages and so on, could make a contract with the Grand Trunk Railway over the main line to the Pacific without having the traffic subject in the way of rates to the control of any other railway, and, finally, the agreement as now presented to parlament was settled upon. Taking it up and explaining it, I think if my hon. friends have given it any attention they would find that, after all, the amendments in the contract amount to very little indeed. We must remember that those gentlemen in London cannot have the hopeful idea that we entertain in Canada of the rapid development of the great west. The past history of the Grand Trunk Railway was so full of misfortunes and losses that one does not wonder at the hesitation they exhibited in entering into the new arrangement. I shall go over, seriatim, the changes that have been made in the original contract, and point out how they differ from the modified ones that are now presented for the approval of parliament.

The 10th section forms the first paragraph of the present Bill. That is extending the time for the completion of the western division from December, 1908, to December, 1911. That is a difference of three years. One year has already passed, although the time has not been lost to the Grand Trunk Railway. They never ceased their explorations and surveys in the interval, in the hope by the management that an arrangement would be arrived at. It would be the interest of the Grand Trunk Railway to complete the line as rapidly as possible, and those who have given any attention or thought to the subject and who know the advances they have already made, not only in explorations, but in actual surveys, in the location of lines, can readily understand that the time limit first fixed will not be exceeded. I would not be at all surprised if the line would be completed in a much less period than the date mentioned. Hon. gentlemen will recollect that the Canadian Pacific Railway finished their road very much within the time fixed by the agreement made with the government of the day, and, therefore, although acquiescing in the extension of three years, we can readily believe that the road will be built within the time first mentioned for its construction.

The second change has reference to the deposit of five million dollars. Hon. gentlemen will recollect that it was to be held by the government until the road was completed, or if the five millions would complete that western division, then the government

of the day was authorized to pay out of the five million dollars from time to time sums of money that would enable the road to be completed within that period. The Grand Trunk people seem to think they will finish their line before the government can finish its line from Moncton to Winnipeg and, therefore, they ask that, although the eastern division may not be completed, that if they have completed the western division, and have supplied fifteen million dollars worth of rolling stock, that then the government shall be authorized to carry out the original intention of paying to them the five millions of money or such proportions of it as they require from time to time to complete their line to the western division. No one can object to that, especially as it is subject to the condition that an allotment of five million in value of the rolling stock shall in the meantime be marked for the eastern division. It is not a very serious change, and I think no one can readily object to it. The third is that pending that construction of the eastern division, which is nineteen hundred miles long, Moncton to Winnipeg, that it may be presumed that portions of that line will be completed before the whole line is finished. The Grand Trunk management wish to make it a condition that they shall be entitled to lease any portion of the completed line and to use it on conditions no more oppressive than the terms that are imposed for the rental of the full line when completed. That has been acceded to, with the stipulation that the commissioners who have charge of the construction of the eastern division, have the absolute control and that the running of the trains on the Grand Trunk Railway must be subject to the approval and on such conditions as the commissioners choose to dictate, the idea being that those portions of the eastern division that may have been finished will necessarily have been used by the contractors who are completing unfinished portions of the line east and west. There will be no conflict in the running of the trains, and it is a matter that is very easily arranged ; therefore no one can reasonably object to that proposition. The fourth paragraph makes it clear that while guaranteeing 75 per cent of the cost of the western division, the thirteen thousand dollars per mile that the government are going to guarantee is not to be changed.

There is no more than $13,000 per mile to be granted on the prairie section. On the mountain section where the board in London think very great difficulties exist, they argued that the spirit of the arrangement was that we should guarantee their bonds to the extent of 75 per cent. We limited that to $30,000 per mile on the assumption that the line would not cost more than $40,000 per mile from the eastern slope of the Rocky mountains to the Pacific ocean. The distance is an indefinite one, being from five to seven hundred odd miles, depending entirely on the construction of the term, 'base of the Rocky mountains.' It will probably be a gradual slope, and it will be for those authorized under the Bill to say where the mountain section really begins. As that was the spirit of the agreement, and as the government is convinced to-day that the road will not cost over $40,000 a mile, there seemed to be no substantial objection to our meeting the shareholders in that particular, and carrying out the spirit of the agreement that was originally entered into of guaranteeing their bonds to the extent of 75 per cent. It may be proper to say that the route through the Rocky mountains has been pretty well known for the last twenty-five years. If hon. gentlemen will consult Sir Sandford Fleming's reports of 1877 and also of 1880, they will find there both the Pine River and the Peace River passes are fully explained. Accurate surveys were made at that time. Under Mr. Mackenzie's plan, hon. gentlemen will remember the line was intended to have passed by the northerly route, and it became necessary, even at that early day—in 1873-4-5-6-7—to make exhaustive surveys to find a line through the mountains to the Pacific coast, and both the Pine River Pass and the Peace River Pass were accurately surveyed, and probably it was the knowledge that Sir Sandford Fleming obtained of the topography of that country which warranted him in making the references he gave in the pamphlet published by him, which was submitted to this House, last year, as to the feasibility and the cost of a line through the Rocky mountains. It is very well known that the altitudes are very much less on the proposed line than they are on the lines further south, but as you go north towards the extreme limit of British Columbia territory, the mountain

section narrows gradually all the way from the 49th parallel up to the Peace River Pass. I could not exactly name the number of miles in difference between the width of the mountains at those two points that will be traversed by the new railroad, but I am quite safe in saying there is a very material difference in the breadth of the mountain ranges near the 49th parallel and at the Peace River Pass. Therefore the cost of reaching the Pacific ocean by the Transcontinental Railway is very much less—I could not at the moment quote figures—than the cost of the Canadian Pacific Railway had to submit to in building by the more southern route. I might say here, although I only know it inferentially from reports of surveyors, that the cost of the line from Edmonton to the Pacific via the Peace River Pass is less than $37,000 per mile. I certainly was somewhat surprised to find that one of the engineers who had been over the route felt himself justified in giving the opinion that the road would cost between thirty-six and sixty-seven thousand dollars per mile; that is, including the prairie land that extends beyond Edmonton, which I suppose would embrace perhaps 300 miles of the distance to the base of the Rocky mountains—taking the mileage from Edmonton to the coast at 1,066 miles, the cost is estimated at between thirty-six and thirty-seven thousand dollars per mile. That would show that we were amply justified in guaranteeing the 75 per cent of the bonds, because the cost will be actually less than the figures on which we were predicating our conclusions.

Hon. Mr. LANDRY—Does the mountain section begin at Edmonton?

Hon. Mr. SCOTT—Oh, no.

Hon. Mr. FERGUSON—Nearly one half of that would be prairie country.

Hon. Mr. SCOTT—No, they do not call it so, according to the reports I have seen. Last year, from the examination I made then, I was under the impression that the Rocky mountain section—I think I gave the figures to the House—was less than 500 miles; but the more recent surveys show that it is longer, because it is not a direct line, but is rather circuitous. If it is to go to Port Simpson, it must go by the Skeena river, a tortuous course to get through the mountains, that is, to get the best grades. The grade they hope to get is surprisingly low. I was quite astonished at the statements of the engineers; it was a grade that none of us could have anticipated. Of course it was known that through the Pine river or the Peace River Pass a feasible route for a railway could be got. Sir Sandford Fleming reported twenty-five years ago that it offered a cheaper and easier route than the one selected by the Canadian Pacific Railway; but as exploratory surveys have gone on it has been found that after they get through the pass a number of routes are available, and a considerable saving in the cost of construction may be effected there by following the course of the rivers. So that, after all, in agreeing to guarantee the bonds for the 75 per cent, Canada is not assuming a greater liability than we anticipated at the time the original agreement was submitted to parliament last year, and it did not seem to be a point worth arguing. I presume that a factor in alarming the shareholders was the financial fall of the funds. It was a very unfavourable time to float any loans on the London market, as hon. gentlemen know. Consols had fallen to a lower figure than they had reached at any time since the Crimean war, and the condition has not been improving, owing to the large loans that Japan and Russia are placing on the market and owing to the fearful waste caused by the contest between those two nations.

Hon. Sir MACKENZIE BOWELL—Is the hon. gentleman quoting from recent surveys?

Hon. Mr. SCOTT—I was informed by a gentleman who saw a report of one of the surveys—that is my authority—a gentleman who had been through to the Pacific. I think there is an hon. member present who will refer to it more fully, and state the name of the engineer and give details. I am only now alluding to it inasmuch as it rather fortifies the argument that I wish to make, that in agreeing to guarantee 75 per cent we are not exceeding the limit set last year; that is, we limited the responsiblity on the bonds to $30,000 per mile, assuming that the line would cost no more than $40,000 per mile, and I say that while the limit of responsibility is undefined, from the best

knowledge we possess practically, we feel morally sure that the limit of last year will not be exceeded—that is, we shall not have to guarantee bonds to a larger amount than the $30,000 per mile as fixed last year.

Hon. Mr. LANDRY—Does the hon. gentleman say that that section now, according to the last surveys, is 1,066 miles ?

Hon. Mr. SCOTT—Those are the figures which have been furnished me, from Edmonton via the Peace River Pass to the coast. The Pine River Pass would be shorter, but the figure through the Peace River Pass, as I understand, by the most recent report, will be the distance I have named, 1,066 miles. The Pine River Pass is further south and would be more direct, but it is a question whether the grades are as favourable—it depends entirely on that. If the mileage is offset by easier grades, it would be far better to take the line with the most favourable grades than a shorter line with heavier grades.

Hon. Sir MACKENZIE BOWELL—Is there any probability of those reports being laid on the table ?

Hon. Mr. SCOTT—I think not.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman knows the parliamentary usage is when public documents are referred to, that they should be laid on the table of the House.

Hon. Mr. SCOTT—I am quite aware of that, and therefore I qualified my remarks. I said they were got through a roundabout way, reports sent to the Grand Trunk Railway office. Probably the Grand Trunk Railway Company would not permit them to go out until they were verified. I do not profess to say that they are absolutely reliable : I give them as the best information I could obtain. I sought, of course, with a view to discussing this Bill, to get all the information available, even though it is not in an authorized shape, explaining to the House that it is not absolutely reliable. It is only an approximate after all, but still, so far as the distance is concerned, I think it may be taken. It seemed rather more than my previous conception of that distance. I suppose the explanation is that through the Rocky Mountains the line is more winding. I do not think, therefore, that we ought seriously to object to that concession. They must spend 25 per cent, and we have the first mortgage. Their 25 per cent will be a good security for us, that is looking at it from the standpoint of those who are so sceptical about the success of the road that it will eventually fall into the hands of the government. There are no probabilities of that ; the prospects of the road are brightening every day. The grades that that road will secure will be away and beyond the grades of any road crossing the continent—far beyond. Hon. gentlemen will be surprised when the final papers are before the public.

Hon. Mr. FERGUSON—The hon. gentleman is now speaking of the mountain section ?

Hon. Mr. SCOTT—Of all the line, but particularly of the mountain section. The grades of the mountain section are much less than anything we could have anticipated.

Hon. Mr. FERGUSON—But this is not applicable to the line east of North Bay ?

Hon. Mr. SCOTT—I will come to that presently. We are now speaking of the mountain section. I am explaining the change in that part of the contract, which obliges the government to assume an unlimited responsibility so far as guaranteeing the bonds is concerned. Before we had a limited responsibility. We were not bound to guarantee the bonds beyond $30,000 per mile ; now we are bound to guarantee the bonds for 75 per cent, whatever it may be ; and I am endeavouring to show that from the information I have been able to obtain the responsibility is not in any way increased ; that, as a matter of fact, I doubt whether the $30,000 per mile will be exceeded. I do not think it will.

The next change is in the sixth paragraph of the schedule which provides that the government is not to exercise the right of foreclosure for nonpayment of interest as provided in sections 41, 42 and 43 until the default is equal to five years' interest. Hon. gentlemen will recollect that, in the schedule of last year, the company was not liable to be disturbed in any way ; legal proceedings could not be taken against it under the mortgage held by the Crown, until there had been a default for a term of three years. They ask that that three years

shall be made five, and that not until an amount equal to five years' interest on the western division was in arrears and unpaid, should any proceeding be taken by the Crown to assert its sovereignty over the road. For seven years after the line has been built they pay no interest on our proportion of the guarantee. That is, our gratuity to the road. Now they ask, in addition to that seven years, that they shall have five years more, not five years further concession, but in the event of the receipts over the running expenses not amounting to a sufficient sum to pay the interest on the bonds, we shall not take any actual proceedings to dispossess the company from the road until a sum equal to the default for five years shall have happened. That seems to be such a remote contingency that there ought to be no reason for our refusing it, because if any one gives attention to the prospects of the road for seven years from that time—that will probably be fourteen years from now, in the year 1918—it is clear that with the extraordinary development through the northern section of this country in that period of time this railway will be a paying enterprise. With all the visions of eastern trade, and with the mining industry developed, the possibilities are great. It must be recollected that this road will pass through the very richest portion of British Columbia, the northern part of the Cariboo district, which was the first portion of British Columbia that gave to the Pacific province prominence as a gold-bearing country. The only reason the miners left that section of the country, that is the majority of them, was simply owing to the fact that it was almost impossible to get in supplies. It was not accessible, they could not reach it from the south, east or west, the cost of supplies was so large. Now, this line runs right through these mining districts. Hon. gentlemen know that the Atlin district lies north of this, and the Atlin district has been shown to possess wonderfully rich gold areas. The rivers practically teem with gold. Those who have gone into that section of the country and have used modern appliances have found no difficulty in getting the gold out of the sands of the rivers.

Hon. Sir MACKENZIE BOWELL—That is, taking the Pine River Pass route ?

Hon. Mr. SCOTT.

Hon. Mr. SCOTT—All through that country. The Pine River and the Peace River both run through a very rich mining district. I think where Cariboo Cameron had his first mine was not far south of the Pine River Pass. The Peace River Pass is considerably farther north, but I have understood it is equally rich, and recent developments there and discoveries have confirmed that opinion. There is this further condition which hon. gentlemen will note, and it is a marked concession, that is, if after the interest for five years is not paid and the government of Canada has to pay it for a term of five years, we are then warranted in taking possession of the road and placing a manager in charge. If we cannot agree upon a person, then an independent authority names the person who is to take charge. Then it is provided that they have to issue second mortgage bonds ranking after those guaranteed by the government, and in order to give any value at all to these bonds it must be made to appear that if the road is a failure, if it becomes necessary for the government of the day to take possession of the road, some consideration should be given to the holders of the second mortgage bonds, and therefore it has been agreed that the manager in chief, whoever is in charge of the road, in allotting the receipts over and above the running expenses and keeping the line up, must give 75 per cent to the government of Canada and 25 per cent towards the payment of the second mortgage bonds to give them some degree of value. When the road, which, it is presumed, sometime or other will be able to pay its own way and yield a return of the interest, the government is to be recouped in the deficiency that may have arisen owing to that distribution of the receipts from the road. That contingency is remote. After the road has been in operation for seven years, if we have any hope whatever or any belief in the success of that country, if we see any prospect whatever of a trade with Asia, we surely cannot be sceptical that the road will be able to pay interest on the bonds after that period. It will be, comparatively, a small sum and I do not think any of us need have any doubt whatever on that subject, therefore I see no reason why we should not readily acquiesce

in the request of the Grand Trunk Railway Company. Otherwise hon. gentlemen will see that the power of the first mortgagees to take possession of the road, practically kills the value of the second security. The Grand Trunk Railway Company has, unfortunately, had a very hard experience of just such contingencies. I can remember very well, and I fancy my hon. friend from Belleville (Hon. Sir Mackenzie Bowell) will remember too, how years ago the great difficulty of the Grand Trunk Railway Company was to get value for their securities. They were put on the market at fifty cents below their face; the company only got value for one-half. I remember how they tided over a difficulty that led them to issue bonds secured on the postal moneys the government paid them for the carriage of the mails. We allowed a special class of securities to receive the interest by payments that the Postal Department was making for the carriage of the mail. I mention that simply as an illustration of the misfortunes, so to speak, that the Grand Trunk Railway encountered in its earlier years. Canada got the benefit of the Grand Trunk Railway. Some few people got fortunes out of it, but those who put their money into it in the first instance lost the whole of it.

Hon. Mr. MACDONALD (B.C.)—Are there not six classes of preference stock of that railway now?

Hon. Mr. SCOTT—I do not know. One gentleman from whom I quoted said he held third preferences. I mention it as an instance showing the experience the company had, and they naturally consider that second mortgage bonds with the power the government of Canada had to assume possession of the road if there be default for five years' interest, destroys the possibility of getting a reasonable value for second mortgage bonds, and therefore we ought not to hesitate in allowing them that privilege, because I do not think the contingency will ever arise. I should be sorry to have so little faith in the future of this country as to believe that fourteen years from to-day a road built on the advantageous line the Grand Trunk Pacific is to follow, would not be able to pay handsome dividends, not only the interest on all it cost, but something in addition on the stock. I would not hesitate for a moment to express that opinion and, if it were necessary, I could quote facts that would confirm one in that conclusion.

I have referred fully to the distribution of the moneys in case it becomes necessary for a manager to be appointed after the expiration of seven years. I now come to that portion of it which refers to the stock. A great deal of criticism has been uttered in reference to the issue of stock, because, it was said, and said with a great deal of truth, from the experience we all have, that railway stocks put on the market usually command but a fractional part of their face value, and that if the road becomes a good paying concern the holders expect to be paid interest at 100 cents on the dollar. This, of course, refers to paragraph 37 of the Bill itself. Under the modified proposition the Grand Trunk Railway Company will now be permitted to make such a disposal of $25,000,000 as the company may deem expedient, provided the company hold such a majority of that stock as will enable them, practically, to control the enterprise. The excess over what they need to give them control of the board of directors, they may dispose of as they please. Since the passage of the Railway Act of last session and the appointment of a railway commission, one may have less hesitation in acceding to a proposal of that kind, because the attention of the people of this country has been called on many occasions to the method pursued of allowing companies to issue an unlimited amount of stock, and then, when the line became a success, allowing the holders of that stock, which, perhaps, may have cost them ten, fifteen or twenty-five cents on the dollar, to claim dividends on the face value; and so last session in passing the amended Railway Act a clause was introduced to provide that:

309. The board may from time to time, by notice served upon the company, or any officer, servant or agent of the company, repuire it, or such officer, servant or agent to furnish the board, at or within any time stated in such notice, a written statement or statements showing in so far, and with such detail and particulars, as the board requires, the assets and liabilities of the company—the amount of its stock issued and outstanding—the date at which any such stock was so issued—the amount and nature of the consideration received by the company for such issue, and, in case the whole of such consideration was not paid to the company in cash, the nature of the service rendered to or properly received

by the company for which any stock was issued.

It goes on to provide that the commissioners, in regulating the traffic, shall take into consideration the actual value received by the company for this stock on its first issue. Now that is a new feature. We all know very well that the leading railways of the country, including the Canadian Pacific Railway, were allowed to sell a considerable amount of their stock at 25 cents on the dollar, and a good deal of criticism has been expressed at them claiming dividends on the full value by those who do not take into consideration that it was a risk, a risk that few people were willing to undertake. Even years after, when some of the stock was put on the market, they still were unwilling to do it, so that the circumstances there were somewhat singular. This question has been a very live one and has been discussed time and again in parliament and out of parliament, and we felt that it was better that the public should know that when stock of this kind was put on the market, in fixing the tariff charges afterwards, consideration should be given to the value received by the company for the stock so issued, and if issued at a very heavy discount that that should be taken into consideration ; that stock which only cost the holder 30 or 40 cents on the dollar should not receive a dividend at 100 cents on the dollar.

The next change is in the tenth paragraph of this Bill and amends paragraph 21 of the contract, which provided if the government did not decide at the expiration of fifty years to operate the eastern division, the company should have the first choice on such terms as might be agreed upon for a renewal of the lease, and it further provided that if it was then decided that the government should take it, paying more for it, that the Grand Trunk Railway should have running powers over the road. There seemed to be no reason for refusing that, more particularly as the schedule attached to the Bill of last year, and which is not disturbed in that sense, made provision that the road from Moncton to Winnipeg was practically to be a trunk line open to roads—all roads to have the privilege of going over it. The Intercolonial is specially mentioned in the Act of last year as having a right to use the road on equal terms with the Grand Trunk Pacific, so that the Intercolonial Railway can, on paying its proportion of the three per cent rental to the government, or deducting it, will have the right to use the road equally with the Grand Trunk Railway. They will have a right to run their trains from Moncton to Winnipeg on terms of equality with the Grand Trunk Railway. So that the House will see that that has been pretty well provided for.

Hon. Mr. DANDURAND—That covers the eastern section, of course.

Hon. Mr. SCOTT—Yes, the government section. There is a further modification which is contained in section 11 of the schedule of the Bill before parliament, and that is, if at the end of fifty years the government assumes control of the eastern division, and in the meantime the Grand Trunk Railway Company, as the lessee, shall have built any branches, the government will be bound to take over the branches at their cost to the company, deducting out of the cost any subsidy that may have been given at any time by the parliament of Canada towards the construction of those branches. Those are the material changes. The next is providing for the ratification of the contract by the Grand Trunk Railway shareholders.

Hon. Sir MACKENZIE BOWELL—Does not that apply altogether to the eastern division ?

Hon. Mr. SCOTT—Yes, only to the eastern division. The western division will belong to the company. The other sections of the Bill only correct a clerical error where thirty-five was inserted instead of twenty-five in the Bill. Of course, this question of guarantee is the material one, and in forming an opinion whether the people of Canada are assuming any serious responsibility in the guarantee they make, I think one has to look forward to the time when this road is completed. Seven years from now we may all fairly estimate that the population in the Northwest Territories and British Columbia will be a couple of millions, considering the rapidity with which the country is filling up. There is no reason why the migration into that country will lessen. We have now information that cannot be contested, that the wheat lands of the Northwest and British Columbia are unexcelled by those of any other section of the world. Migration

has been slow to our Northwest because of the difficulty of convincing the world that the country to the north of the United States had such virgin soil, and could produce the finest wheat in the world. It is possible that portions of Siberia may equal it, but it is admitted that the grain of Manitoba in quantity and quality cannot be excelled anywhere else, and in few countries can it be equalled. As that fact is becoming more generally known, the people of other countries are flocking into Manitoba and the Northwest Territories, and therefore I think I am perfectly safe in saying that seven or eight years from now the population in that part of Canada will be two millions.

Hon. Sir MACKENZIE BOWELL—Well, we hope so.

Hon. Mr. SCOTT—Yes, we hope so. But I think our hopes are founded upon a pretty substantial basis. One cannot foresee that the present rush of settlers into that country is going to cease. At the present time it would appear as if that western country is to have more than a usually good crop. As years go on they seem to understand the nature of the soil and character of the climate and year by year the people of the country, at all events those who live in Manitoba and the Northwest, have greater faith in the future of the country, and I do not think we are discounting it unduly in saying that in seven or eight years from now the population will be two millions. Up to the present time the population that has gone in this year is upwards of 750,000. That immigration is not likely to diminish as years go on, therefore one is pretty safe in saying that there will be a large population there within that limit of time. Necessarily building this road must draw people. The circulation of the large amount of money that will be expended in the construction of the road and the employment given to the people who go in there will encourage immigration. The money comes from a source where it will always be ready at hand. The money will be got on the cheapest basis that any money has ever been supplied to a railway, excepting the government railways and the government guarantee of the Canadian Pacific; but the money will be obtained on the very best basis. The contracts will be for cash. The road ought to be built certainly cheaper than any ordinary road, and taking into account all those facts one's confidence both in the future of the road and in the future of the country cannot be said to be exaggerated if the views such as I have endeavoured to place before the House are entertained. The hon. gentleman referred to the eastern division and asked whether my remarks in discussing the cost of the road had any reference to the eastern section.

Hon. Mr. FERGUSON—And the easy grades.

Hon. Mr. SCOTT—I said it had not. Mr. Sifton has a geographer as he is called in the department. He sent him to see Mr. Stephens, the chief engineer of surveys on the eastern division. Hon. gentlemen are aware that the Grand Trunk Railway has for two years been endeavouring to find the best line from North Bay to Winnipeg and they have made a pretty exhaustive examination of that country. We had some information of it before from the surveys made for the road that the company that was organized at Quebec for building a line from Roberval to Norway House on a more northerly route probably than the transcontinental road had made; at all events, we got a great deal of information from the surveys and explorations that they made. However, Mr. Sifton sent his geographer to see Mr. Stephens to get from him any information as to the grades of the road so far as they had laid down their line. The following is what he communicated to him:

During the summer of 1903 preliminary surveys were made of the line between North Bay and Winnipeg, and location surveys were made of a large portion of the line between Winnipeg and White Earth lake, about 200 miles. The extraordinary wet weather not only interfered with the work and movements of the survey parties but made the carriage of supplies extremely difficult and expensive. Enough work has been done, however, to show that it is possible to get a line from Winnipeg to the point at which the North Bay branch diverges from the main line, with grades not to exceed 0·4 per cent, which is equal to four inches to the hundred feet. That is a comparatively level line. I do not know that there is a road in Canada that has any better grade than that.

Then he proceeds:

And not more than four per cent curves.

Then Mr. Stephens proceeds to say that:

On the final location he can reduce most of the 0·4 per cent to 0·3 per cent and he can shorten the line. All curves are compensated and the line is in every way a more favour-

able one than the Canadian Pacific through the corresponding sections. In general terms it follows the valley of the English river to Lac Seul.

That is the height of land between the source of the St. Maurice and Winnipeg. An hon. gentleman who has given it some consideration tells me that the elevation above the sea at the source of the St. Maurice—I may say the line from Quebec will follow the St. Maurice river up till the plateau is reached—will be 800 feet above sea level. Winnipeg is 800 feet above sea level. So that commencing above Quebec and also at Winnipeg the levels are the same. There are undulations, and the highest point is Lac Seul. Then the report continues :

Thence to the Ogoki branch of the Albany river ; thence, in almost an air line, to Opazatika lake. From this point it will probably follow a little to the south of and parallel to a base line run by Messrs. Niven and Speight, in about latitude 49° 30', for the Ontario government. From the interprovincial boundary line it will probably run south-eastward to the head waters of the St. Maurice ; thence down the valley of the last named river ; thence across country to Quebec.

First 100 miles from Winnipeg can be built for $25,000 per mile ; that, between the 100th and 350th miles, will cost $35,000 per mile, and between 350th and 530th miles, $30,000 per mile. From the 530th mile eastward to Quebec cannot be estimated with any degree of accuracy, till further surveys are made, but Mr. Stephens considers $30,000 per mile ample. He also stated that all these estimates were liberal estimates and that the road should easily be constructed at these figures. The $30,000 estimate for the main line through the 'clay belt' may seem high, but it is largely due to the heavy cost of getting in supplies. For the reverse reason, the cost of the Quebec-Moncton section—other costs being equal—should be correspondingley reduced.

He puts the outside figure at thirty thousand dollars per mile. Hon. gentlemen, I presume, are pretty familiar with the cost to this country. I submitted an opinion last year which I thought was a reasonable one, showing the actual cost that it would be to Canada. Of course it can only be an estimate. I have had occasion, however, to modify that somewhat, and change it, but rather in the direction of increasing it than reducing it. It is only good for what it is worth, and, therefore, I do not profess to give it except as the judgment I have formed after studying all the sources of information that were available and the reports I have been able to arrive at. I take the figures given by Mr. Stephens. That is, $30,000 per mile for the whole line. Some of it would be less and some more.

Hon. Mr. MACDONALD (B.C.)—That is Moncton to Winnipeg ?

Hon. Mr. SCOTT—Yes.

Hon. Mr. FERGUSON—Do I understand the hon. gentleman to say that any surveys have actually been had of this line from the point where the branch to North Bay will deviate from the main line eastward ?

Hon. Mr. SCOTT—No further information on that.

Hon. Mr. FERGUSON—We are just in the same position now as we were in last year.

Hon. Mr. SCOTT—No more information than we had before.

Hon. Mr. FERGUSON—About 1,400 miles?

Hon. Mr. SCOTT—No. The actual distance of the point of intersection from the branch of the main line eastward to North Bay—this intersection of the main line apposite North Bay, from that point to Quebec is less than 360 miles. That is the point of intersection from the main line running eastward to North Bay—from that point to Quebec. That is a train going to North Bay and a train going to Quebec, the train from the point of intersection would have 355 or 360 miles I think—the extra distance to Quebec would be only 357 miles.

Hon. Mr. FERGUSON—But this point we are referring to must be west of the Quebec boundary, where the branch will deviate in going to North Bay. It must be very much west of the Quebec boundary.

Hon. Mr. SCOTT—No, the boundary line runs north from Timiskaming, and my recollection of the map is that North Bay is not very much west of that.

Hon. Mr. FERGUSON—But this line will not run due north, surely ?

Hon. Mr. SCOTT—They will not run a direct line to North Bay. They will run a branch from their main line.

Hon. Mr. FERGUSON—I certainly understand that they will not go all the way to Quebec boundary before they will start with the branch to North Bay. I imagine they will start on that branch perhaps 150 miles before they reach the Quebec boundary.

Hon. Mr. SCOTT—All I have for it is Mr. Stephens' figures and calculations.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman is referring to what is supposed to be the Grand Trunk branch from North Bay. Does the hon. gentleman know the Grand Trunk are not going to build that road ? The Ontario government are building that road with a proposition to lease it to the Grand Trunk ; it is the same line.

Hon. Mr. SCOTT—I do not know whether the line running north from Timiskaming, which the Ontario government are building on the west side of Lake Timiskaming——

Hon. Sir MACKENZIE BOWELL—Two years ago the Ontario government took an appropriation from parliament to build a road up to Timiskaming, and after the transcontinental railway scheme had been confirmed by parliament a Bill was passed last session of the legislature that took another appropriation for extending the line until it intersects the main line of the transcontinental.

Hon. Mr. SCOTT—Their present contemplated line to North Bay, and the line they propose to build under the charter are different lines. They would have to deflect the line south if they were running from Winnipeg to North Bay; but their main line will be considerably to the north, and the figure I am giving is from the point of intersection of the line running from North Bay northward.

Hon. Mr. MACDONALD (B.C.)—Lake Abitibi ?

Hon. Mr. SCOTT—I could not say.

Hon. Mr. MACDONALD (B.C.)—Does that mileage include curves and so on ?

Hon. Mr. SCOTT—Yes, that is the actual mileage of the line when constructed. I will give the House the figures, assuming on the knowledge obtained last year, putting it down at the $30,000 a mile, the cost will be $57,000,000 ; add to that the interest on the payments that will be made from time to time—that is on the interim bonds—because, as hon. gentlemen will recollect, the permanent bond issue will not take place till the roads are finished, there will be an interim bond issue, and adding the interest which, under the charter of last year, the government were authorized to do as part of the construction of the line—adding six million for the interest of the payments from year to year, assuming they run over a period of seven years, the actual cost would be $63,000,000. That would be $1,890,000 a year. and for the seven years, $13,230,000, until the road was rented. On the prairie section we only guarantee the bonds. It is presumed the prairie section will pay the interest, but in order to give the mountain section the advantage of the prairie section in the agreement that is made, that is considered part of the western section ; and, therefore, hon. gentlemen will see, taking the profits that will necessarily arise on the prairie section, the loss, if you can say there will be a loss, on the mountain section during the seven years will be therefore minimized, because you have the rich and the lean end to which hon. gentlemen referred. I will say a word or two in reference to the observations made that the company is practically doing nothing, that the government is doing everything. There seems to be a misconception in the public mind that the Grand Trunk are not practically contributing any large sum. On the prairie section the cost is put down at $25,000 per mile. That would be $27,500,000 on 1,100 miles of prairie. If you deduct the government guarantee of $13,000 per mile, which would be $14,000,000, it leaves a balance of $13,200,000 the company must expend, a sum nearly equal to the amount of the guarantee. Will hon. gentlemen contend that where you have the security from the parties of the completed road for an amount equal to your advance, that you are not amply secured?

Hon. Sir MACKENZIE BOWELL—Did I understand the hon. gentleman's calculation is that the prairie section of the road is to cost $35,000 a mile?

Hon. Mr. SCOTT—No, I said $25,000. That has always been estimated at $25,000, I do not think it will cost as much, but the figures that I have given to the House are extreme figures.

Hon. Mr. LOUGHEED—How many miles does the hon. gentleman estimate that at ?

Hon. Mr. SCOTT—Eleven hundred miles. It may be more or less. We cannot tell, but if there is any dispute about where the prairie section ends and the mountain sec-

tion begins, it is to be left to arbitration. However, that would show that the Grand Trunk would be obliged to contribute $13,200,000 on the prairie section. On the mountain section we give a very much larger proportion—we do not give it but we guarantee the bonds to a much larger proportion.

My figures are much in excess of the figures of some hon. gentlemen. I probably am wrong in that. The same engineers said that the mountain section would extend further than calculated, but I put it at 706 miles, and I put the cost at $40,000 per mile, which is the extreme limit. Hon. gentlemen will remember that I read from the report of one of the engineers who said it should be between $36,000 and $37,000 a mile. He qualified that, however, by saying it would be the line from the coast to Edmonton, so that the calculation would give the benefit of the prairie section for three or four hundred miles, whatever it might be ; but that would still strengthen the view I took that forty thousand dollars per mile is a reasonable sum to name for the building of the mountain section. Their portion that they would have to spend over and above the guarantee of the government would be $7,666.000. They would have to spend also in rolling stock, fifteen million. So that the Grand Trunk Railway Company have to contribute over $35,000,000.

Hon. Mr. FERGUSON—How many miles are estimated as the distance from Winnipeg to Edmonton ?

Hon. Mr. SCOTT—Seven hundred and sixty-six.

Hon. Mr. MACDONALD (B.C.)—I suppose the company would only pay interest on that amount. The money would be borrowed to build the road ; they only pay the interest.

Hon. Mr. SCOTT—But they have to raise the $35,000,000, wholly independent of the government guarantee. That is their share. We do not help to raise it. There is the $13.000.000 on the prairie section. We guarantee their bonds only to a certain limit, and they have to issue bonds and raise the money for a sum equal, practically, to the amount of the bonds that we guarantee ; so that the hon. gentleman will see they have to raise, wholly apart from the government assistance——

Hon. Mr. SCOTT.

Hon. Mr. MACDONALD (B.C.)—It would only cost them the interest on that for the year.

Hon. Mr. SCOTT—But they have to raise that money. Of course they would pay the interest on it afterwards, but they have to raise it. They raise it without our aid and assistance. They have to raise $7,500,000 or more for the mountain section, and they have to contribute the $15,000,000 worth of rolling stock, which is of course all cash. That is $13.860,000 for the prairie section, making nearly $36,000,000 of security that the people of Canada have for the construction of this road, so that hon. gentlemen will see from that point of view we are amply guaranteed and protected. No one would hesitate about that. If a man is spending a thousand dollars on a property one would not hesitate to advance him another thousand, because you have the value of the property and the value of the improvements he has put upon it, so that there is really no risk in it. If the company fail in the end to pay the interest on this beyond the limit we fix, the road reverts to the people of Canada. Under the circumstances, I think there has been a good deal of misconception both in the press and in the discussions that have taken place elsewhere and abroad in reference to the relative sums that are being contributed by the people of Canada and by the shareholders of the Grand Trunk Railway, and therefore there is all the greater reason why, in our subsequent negotiations with them, we should take a favourable view of the proposals that have been finally agreed upon. None of them are really very serious. The only substantial, serious one—and that I do not refer to as very important, is where we agree to guarantee an amount unlimited under the 75 per cent basis on the mountain section, but. as I said before, we have not exceeded $40.000 per mile. If it exceeds that amount at all it will be a very slight sum, and our guarantee is no larger than we had contemplated. When we limited the guarantee to $30,000 per mile, we did not consider it was going to cost the company any more. The company said 'Oh, it will cost us a great deal more. The mountain section will be difficult to build.' Naturally, all capitalists were timid in entering into a large project

of this kind. As one gentleman said, he was only paying on the third preference now, and he was afraid he was endangering the Grand Trunk proper by going into this project. However, wiser counsel prevailed, and they have approved of the contract that is now submitted to parliament. I have no doubt that hon. gentlemen recognize the proposal as one conceived in the best interests of Canada, that the road is really a necessity, that it will have traffic from its very origin, the change in this country in seven years will be so marked. Just consider the fact that Mr. Fielding has announced in his budget speech that the revenue this year was over $71,000,000. That is, it nearly doubled in seven years. In 1896 I think it stood about $36,000,000, not quite double but very nearly. Do hon. gentlemen suppose it is going to remain at that figure ? Do hon. gentlemen suppose that our revenue, by the time the road is finished, will be any less than $100,000,000 ? Not a bit of it. There is not the slightest doubt of it, that whoever is Finance Minister at the end of ten years will be able to announce that the revenue of Canada is upwards of $100,000,000. What are we to do with it ? Is it to pay off our national debt for the benefit of posterity, or is it to develop the country we own ? We possess a magnificent country to the north. We know it has timber on it, and that it is rich in mineral wealth, and we would be recreant to our duty if we failed to open up that country. The slur in the past has been that Ontario and Quebec were a mere fringe of country along the United States border and that our trade was all going there because we were in such close contact with that country. We certainly should have an ambition to add some depth to our country. Then take it from a military point of view. A good many people look at it from that aspect, the enormous advantage it would be to Great Britain if in future it becomes necessary to send troops through Canada. We can pass them through a section of the country two or three or four or five hundred miles from the frontier of Canada. There was time when our neighbours to the south of us, even in peaceful times, declined to allow us to pass troops through their country. They objected to it. We were powerless to induce them to do so and we had to build the Sault St. Marie canal for ourselves. Canada is in receipt of a large revenue today, and we count on a rising revenue in the future. I say that we would be wanting in loyalty to our country if we hesitated for one moment to pass this Bill to authorize us to proceed with the construction of this railway.

Hon. Sir MACKENZIE BOWELL moved the adjournment of the debate.

The motion was agreed to.

The Senate adjourned.

THE SENATE.

Ottawa, Wednesday, June 15, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

MONARCH LIFE ASSURANCE COMPANY BILL.

REPORTED FROM COMMITTEE.

Hon. Mr. DRUMMOND, from the Committee on Banking and Commerce, reported Bill (69) An Act to incorporate the Monarch Life Assurance Company, with amendments. He said : I move concurrence in these amendments. I desire to explain that the first of these amendments deals with the power of the directors to delegate their powers to a committee, which is struck out, and the second amendment strikes out the exemption in clause 38 of the company's Act, which gives the company power to lend money to shareholders and directors.

The motion was agreed to.

SALE OF ROSS RIFLES TO THE GOVERNMENT.

INQUIRY.

Hon. Mr. LANDRY inquired :

1. Has the Ross Rifle Company sold any rifles to the government ?
2. When, in what quantity, and at what price?
3. How much, on the average, in the past, has been the cost of the purchase of each rifle of the different models which have been placed in the hands of the Canadian militia since confederation ?
4. Does the government know, and can it inform us of, the price of the fire-arm with which the American infantry is armed to-day.

Hon. Mr. SCOTT—The answers are as follows :

1 and 2. The Ross Rifle Company entered into a contract for the delivery of 12,000 rifles at $25 each.

3. $18.25 for Lee-Enfield rifles in 1896 ; the new L. E. rifles now being manufactured for the British army is quoted at about $20.

4. The government does not know.

Hon. Mr. LANDRY—I am not a member of the government, but I have the information.

MUTUAL RESERVE LIFE ASSOCIATION COMMITTEE.

MOTION.

Hon. Mr. LEGRIS moved :

That the Select Committee appointed to investigate the position of the Mutual Reserve Life Association, of New York, in Canada, be enlarged to twelve members by the addition of the names of the following senators :—The hon. Messieurs Cox, Watson, Wood, Lougheed, Béique, Gibson, and Sir Alphonse Pelletier.

Hon. Mr. LANDRY—Before this motion is put, will the hon. gentleman give us a little further explanation as to the necessity of that move, and the propriety of it, or the etiquette, perhaps it may be called ?

Hon. Mr. LEGRIS—I do not see the necessity of more explanation than I gave last week when I gave notice of this motion. I think every one in this House will understand at first sight that this committee is too small in number. It has been appointed with five members and one of these five has declared his intention not to act on the committee, and we have been proceeding without him. We have only four members acting on that committee, and the question under consideration by the committee is so important, that I think it is but fair not only for the interested parties but also for the members of the committee to have its number increased. Any one of us may be absent from time to time, and as we are only four, our committee would be very small. I think the interests involved in that inquiry are so large that it is only fair to pass this motion. We have never seen such an important committee formed with so small a number. For those reasons I thought it was no more than just to have that committee enlarged in order to investigate the whole question in such a way as will give satisfaction not only to this House but to the country at large and to the interested parties.

Hon. Mr. CLORAN—The explanations just given by the hon. senator, a member of this committee, are quite proper, as far as they go. I may say, as chairman of that committee, I believe I speak the feeling of all its members, when I say we have no objection to an enlargement of the committee, but the circumstances surrounding this demand are quite peculiar. The members of this committee ask themselves why this late action when it could be taken in the first place. One of the peculiar circumstances of this demand for an enlargement of the committee lies in the fact that on Friday afternoon, when this House was about to adjourn, when the Speaker was about to leave the chair, this notice of motion was given. From the debate that then occurred on this notice of motion, the impression was left on the House, that the demand for this enlargement was made on behalf of the committee.

Hon. Mr. SCOTT—No.

Hon. Mr. LEGRIS—Not at all.

Hon. Mr. CLORAN—The impression was so strong that the hon. senator from Manitoba (Hon. Mr. Bernier) had to ask the question :

Does the hon. gentleman represent the unanimous opinion of the committee ? Does he make this motion after conferring with his colleagues and giving their approval ?

Hon. Mr. SCOTT—What is his answer ?

Hon. Mr. CLORAN—The answer is 'I do not represent the committee.'

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. CLORAN—But when he gave the notice of motion, his attitude left the impression on this honourable House, that it was with the sanction of the committee, and it required an inquiry from the Hon. Mr. Bernier, the Hon. Mr. DeBoucherville, and I think the Hon. Mr. Macdonald (B.C.), to make it clear. Another peculiar circumstance in connection with the demand is this, that the hon. Secretary of State insisted that this notice of motion should pass as a motion.

Hon. Mr. SCOTT—It was given as a notice.

Hon. Mr. CLORAN—Yes, and at that time, as I understand, the hon. Secretary of State wanted it adopted at once.

Hon. Mr. SCOTT—Yes.

Hon. Mr. CLORAN—Members of that committee were in the House until the last Order of the Day was called, and, under the impression that the business of the House was finished, we left the chamber, and in our absence this notice of motion was given, and this proposal to adopt it was made. Had it not been for the timely questions of the hon. gentlemen whose names I have mentioned, the motion would have probably carried. I have consulted authorities, and I understand that this is a most unusual proceeding, unheard of in parliamentary procedure. It is unheard of in any judicial court such as they want to make of this committee. Our committee is not a judicial body. It is simply a court of inquiry, a commissaire enquêteur. We have no powers to act judicially ; we have simply to ascertain the facts in connection with the administration of that company and report them from time to time to the Senate. During that debate the committee was held up—and I am speaking here not for myself but for my colleagues who form the committee—I will not say to ridicule, but held up in a sense of disrespect, because we were told plainly in that debate that this committee was not satisfactory, that we were unable to give satisfaction to the senators and to the public. What do they want a large number of members of this honourable House on this committee for ? The duties of the committee are simply to collect the facts and report them to the House. Now, on behalf of that committee, I strongly object to the language used during the discussion that day. The committee do not assume an infallibility in the matter ; we have no judgment to exercise. Consequently I do not see why all this zeal is displayed. The committee is quite capable of listening to the witnesses who shall be called before it, and why the committee should be subjected to a procedure which has never obtained in this House or any other legislative body, is more than we can understand, and I express the sentiments of my colleagues on the subject. If the committee is to be enlarged, it should be properly enlarged—that is the word that has been used several times, and I therefore suggest that in addition to the names mentioned in the notice of motion the following be recommended to the committee. Hon. Messrs. DeBoucherville, McSweeney, Robertson, Bernier, Sullivan, McMullen, and Wilson. This is a suggestion ; if it is not accepted it will be my duty to move an amendment to the motion. In the name of the committee I thank the hon. senator who saw fit to intervene and prevent this notice of motion from taking effect as a motion, as it was proposed to do, on Friday last.

Hon. Mr. SCOTT—I was not present at the committee, and have not had an opportunity of hearing the mode in which the examination is being conducted. I, however, saw in two evening papers of this city what I thought was a remarkable exhibition of how to suppress the truth. I met members of this chamber who told me after they came out that it was a perfect travesty of justice, that the counsel for the company was there and wished to cross-examine Mr. Wells, but was refused permission to do so. Mr. Eldridge was produced as a witness on the part of the company ; the usual course is for the counsel calling a witness to examine him first, and the counsel on the other side to cross-examine him. The counsel for the company was refused the opportunity of examining in chief the witness produced by the company.

Hon. Mr. LANDRY—Hear, hear.

Hon. Mr. SCOTT—I may be wrong. I am simply stating what I have read and heard; I shall be very glad to hear it disproved. I did think it was scarcely comporting with the dignity of this House that an examination should be conducted in the manner in which that was described. Mr. Eldridge, I understand, asked the committee to adjourn for an hour to allow him to produce two witnesses from New York, who were to arrive in the city within an hour, for the purpose of confirming his evidence, who it was said had heard Mr. Wells make similar statements to those that Mr. Eldridge had communicated to the committee, and his request was denied. I am only speaking from hearsay, but I see several gentlemen present who were in that committee room, and I ask them, for the information of the House, to state frankly the opinion they formed as to

the manner in which the witnesses were examined. Mr. Aylesworth the counsel for the company was not permitted to take any part. In the examination of Mr. Eldridge, it was the counsel that was engaged by the committee that conducted the examination. I think it is very unfortunate that the desire to elicit the truth was not entertained in this particular case. We know very well that a witness can make a statement and cover up the truth in an examination in chief, but under cross-examination the weakness of his statement will become apparent. That is patent under all the jurisprudence of this country. This committee was appointed to inquire into and inform the House of the facts connected with the administration of the affairs of this insurance company. It did seem to me, speaking frankly, that the desire was to prevent the facts from appearing. I should like hon. gentlemen to state frankly their views on the subject, as I have done, because I do believe the opinion formed outside of the manner of conducting the proceedings in the committee is not at all in keeping with the honour and dignity of this chamber.

Hon. Mr. CLORAN—I forgot to mention the point that the hon. Secretary of State has raised. I had it marked, and I am glad that he has raised it. He talks about the dignity of the Senate. I think the dignity of the Senate would be consulted if criticisms of this kind were not based on mere hearsay.

Hon. Mr. LANDRY—Hear, hear.

Hon. Mr. CLORAN—It is very unfortunate that the leader of this honourable House should rise from his seat and impugn the honour and integrity of that committee.

Hon. Mr. SCOTT—I speak from reports in the papers.

Hon. Mr. CLORAN—The report by which we are to be judged is on the table of this House. If we are to be judged, and our actions are to be weighed in the balance on hearsay evidence, I think it is not consulting the dignity or the honour of the members of this House. What was done before that committee was done in the interests of justice, and according to the instructions given by this honourable House. We could not assume powers that this Senate has not given to us. Mr. Aylesworth appeared, it is true, but the committee could not take upon itself a right that the Senate itself had not. These two men Mr. Wells and Mr. Eldridge, were summoned to the bar of the House. No counsel could come before this Senate and speak on behalf of those witnesses. A witness before this bar has not a right to counsel, that is, to express his views before the Senate. He may consult with him, as I told Mr. Aylesworth at the time. I said 'You have all privileges, all rights, all powers to have your client consult with you, but you have no more right before this committee than you would have before the bar of the Senate.' That is the position we took, and that was the position that was unanimously endorsed by the committee ; so that when criticism is levelled at this committee on hearsay evidence, and on ex parte evidence, of newspaper reports, I say it is not a proper position ; that it is dealing unfairly with your committee. This Senate has by a majority voted the appointment and constitution of this committee, and the committee is quite capable, quite willing and quite prepared to stand by the honour and dignity of the Senate, and to stand by the rights and the interests of the public. That is our position and I am astounded at the attitude taken by the hon. leader of this House. We do not deserve such treatment ; we do not deserve to be told that our action was a travesty of justice.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. CLORAN—That is not a proper expression.

Hon. Mr. SCOTT—That was the opinion outside at all events.

Hon. Mr. CLORAN—The opinion that should be formed by the responsible leader of this House should be based on the documents before the House and not on the evidence given by attorneys of the company or of other interested parties who were in touch with the company. We are not trying the company by any means. We are simply ascertaining the facts, and I hold that neither Mr. Wells nor Mr. Eldridge had any more right to be represented on that committee than before the Senate by counsel. Then my hon. friend the member from

Stadacona (Hon. Mr. Landry) and the hon. gentleman from Rothesay (Hon. Mr. Domville) endorsed that position.

Hon. Mr. DAVID—Hon. members know the position which I have taken in this matter, and they know that I have given credit to the hon. gentleman from Rothesay for having done what he has done on behalf of the policy-holders of the Mutual Reserve Company. He has undertaken an energetic campaign to do justice to those who are interested in that company. I should not like to say anything which would displease him, because I think he deserves the commendation of the public, and especially of the members of this insurance company; but when a respectable member of the committee, the hon. gentleman from Repentigny (Hon. Mr. Legris) rises in this chamber and makes such a motion to add to the committee, and when he gives as one of his reasons for so doing that the committee which was composed of five has been reduced to four, because one of the hon. members of that committee, the hon. senator from Bedford (Hon. Mr. Baker) has resigned, he must have good reasons. He would not do that unless he thought that the committee would have more weight, and would succeed better in the task which it has undertaken if the committee was enlarged as he suggests. I do not see how we can, under such circumstances, reject the motion of the hon. gentleman. As a matter of fact the committee was composed of five: the hon. gentleman from Bedford resigned, leaving only four. Taking into consideration the position pointed out by the hon. gentleman from Repentigny, as a matter of fact the committee will be reduced to three. Now take the position one hon. gentleman occupies on that committee. He ought not to be there and he has not the right to be there, and he says he must be there. We cannot refuse, however, to take into consideration the objections made to the hon. gentleman from Rothesay, so that really the committee would be reduced to three. I think that under such circumstances the committee can lose nothing by having other hon. senators added. What harm will be done? If I were in the position of the hon. gentleman from Victoria and the hon. gentleman from Rothesay I would be the first to come forward, especially after finding two of their numbers have resigned——

Hon. Mr. CLORAN—We have accepted the motion of the hon. senator. We do not oppose that.

Hon. Mr. DAVID—If everybody accepts the proposition, there is no use talking on the subject. In the interests of the policyholders, in the interest of the Senate, and in the interest of the committee I must vote for the motion made by the hon. gentleman from Repentigny, and I do not see how the hon. members of this House can refuse to accept that proposition.

Hon. Mr. DOMVILLE—I do not know whether the Secretary of State will allow me to repeat a few words that passed just now. If he will, I shall use them and deal pretty cleverly with them, but if not I will not use them.

Hon. Mr. SCOTT—The hon. gentleman can use his own discretion.

Hon. Mr. DOMVILLE—We do not appear to have any discretion.

Hon. Mr. SCOTT—The House has already given too wide a discretion to the committee.

Hon. Mr. DOMVILLE—My hon. friend must be patient. This matter has caused a great deal of anxiety all round, and my hon. friend must remember that the eyes of Canada are on this investigation. I do not want to refer to any unfortunate matter that may appear in some paper. Get Saturday evening's paper and read what it says about the Senate. I would rather have taken that question up and defended hon. gentlemen in this House from that attack. I would not have spoken as my hon. friend the Secretary of State has done. He said 'I felt from the beginning'—beginning of what? The asking of an investigation, not to try them, not to condemn them, not to hang them, but in the interests of the policyholders to investigate what the company were doing, whether the management is honest, or whether we are being wronged. I spoke for the country, yet my hon. friend says the committee is not important. Of course I take all these statements cum grano salis, because I know people get excited. I know a man's wishes run away with his mind sometimes; not

in this case though because the hon. Secretary of State can have no wishes in it. He is in this House an impartial juror, just as I am or the hon gentleman from Toronto. We are impartial jurors, and why make this statement ? He said 'I felt from the beginning that the committee named was not a representative one.' Will my hon. friend explain this matter ? What is a representative committee ? Is it a committee that suits one party or is it a committee that suits somebody else's taste, or is it a committee moved in this House by some hon. gentleman which this honourable House thinks fit to accept and to pass judgment upon by adopting the motion and having that committee appointed ? He says the committee was not a representative one. Was it to be all of one character, or was it to be all of another ?

Hon. Mr. SCOTT—No, I wanted to send it to the Banking and Commerce Committee, as a representative committee of this chamber.

Hon. Mr. DOMVILLE—And when that was voted down, some hon. gentlemen voted to give us no committee at all, and they went further, they endeavoured to stop us from getting counsel. What position would we be in if we had no counsel with us, and what condition would this committee have been in if I, who had made these charges in the House, which I think have been fairly proved to-day, and which will be printed and put before the House—what position would I be in if when that committee met they had nobody before them to argue the case, nobody to state what the charges were founded on. The committee would simply have said 'There is nothing before us; there is no counsel to conduct the case, there is no criminal indictment, and there is nobody here to present the plaintiff's side of the case.' My hon. friend said it was most unprecedented. Will the hon. Secretary of State turn to the trial of Warren Hastings.

Hon. Mr. McDONALD (C.B.)—He does not remember it.

Hon. Mr. DOMVILLE—He remembers it well, and I could give him many other instances under British practice. When we had the British North America Act brought in, it was based on the authority of England, an unwritten law, but a precedent. My hon. friend says—and I want to attach a great deal of importance to this—that his opinion has been confirmed by the circumstances which have occurred. What circumstances have occurred ?

Hon. Mr. SCOTT—I gave them.

Hon. Mr. DOMVILLE—The hon. gentleman said it was hearsay evidence ; that he read it in the newspapers. Does my hon. friend believe everything he reads in the newpapers ?

Hon Mr. SCOTT—No.

Hon. Mr. DOMVILLE—I do not. As a lawyer of high standing, the hon. gentleman would know that in a court of law a newspaper report would have no standing whatever.

Hon. Mr. SCOTT—My hon. friend will recollect I said there were hon. gentlemen present now who were in the committee room, who could confirm or deny my statement. I shall be glad to have them deny it, if it is possible for them to do so.

Hon. Mr. DOMVILLE—My hon. friend is putting witnesses on the floor of the Senate against this committee. This committee has reported, and their report is held up. When they ask for counsel the report is held off. The committee have reported—it has not been confirmed yet—I think it is wise it is not—yet hon. gentlemen are asked—and a most unfair proposition it is to ask any hon. gentleman that was present in that room, merely listening to what was said, to come and testify against a committee appointed by this House. Will that course commend itself to the public ? Never. The public are wondering to-day. I would hesitate to say on the floor of this House what the public are saying on the streets. I would never say what they say, but they are talking and you cannot keep them from talking ; they will talk. I never objected to any enlargement of this committee. All I sought was to have the best means adopted to put the policy-holders of this company in Canada in the proper shape as regards the Bill that the company attempted to refer to us. I did not think that Bill was in keeping with the motion I had made. We did not ask for that Bill. We did not seek to cast any reflection upon the government, or

to say that the government or the department had not done their duty. We only said 'There are certain facts in our hands, and, as we cannot get justice anywhere else, we ask the Senate to look into it to see whether those charges made by myself on behalf of the policy-holders of Canada are correct or not. It cannot be wiped out; it will not be wiped out, and it shall not be wiped out. We shall have those facts if Rome has to fall, whoever Rome is. Mr. Aylesworth asked to have the investigation postponed because he had not his witnesses here. Every courtesy was extended to Mr. Aylesworth this morning. He said he knew nothing about the case, and was not able to go on with it. If he could not go on to-day how could he have gone on the other day? The charge was made that we were delaying the investigation. We are not delaying it. We are pressing all we can, to get through with the work, but we are met all round with objections. One says cui bono? I have forgotten my Latin. He says cui bono? and what is it? That no good would come out of the investigation, and that the policy-holders were to be imposed upon by a Bill to amend a public Act of this parliament. The hon. gentleman is like Jacob in search of a father. He had a mother but could not find a father for the Bill. My hon. friend attacks me at every stage. He attacks me because I am trying to help our friends although he is not interested in it, as he says, in any way directly or indirectly. But I should judge from his speech that every move he makes is opposed to this investigation. That is the way I judge it..

Hon. Mr. SCOTT—Not on a fair basis.

Hon. Mr. DOMVILLE—Not on a fair basis my hon. friend says, and yet he voted against any committee.

Hon. Mr. SCOTT—No, I moved to refer it to Banking and Commerce Committee, and let them exercise their discretion.

Hon. Mr. DOMVILLE—And then the hon. gentleman voted for no committee at all. When we asked for counsel it was with very great difficulty we got the order. I hardly think my hon. friend is doing himself justice. He used some words to me just now which I do not want to repeat to the House. My hon. friend from Mille Isle is perfectly correct in what he says. My desire has been in the public interest and the interest of the policy-holders to have a most searching investigation of the affairs of this company. If that is the intention, in enlarging this committee, I see no objection to it, except that, wisely or unwisely, reflection has been cast on the personnel of the committee as it now stands, and this action confirms it. Then by referring the Bill from the Banking and Commerce Committee back to the special committee, would the hon. gentleman not be casting a reflection on the Committee on Banking and Commerce? The public press has already commenced hostile criticism on the difficulty we have experienced so far, and if it should happen that we are unable to get to the bottom of this business and place before the policy-holders the exact state of affairs, whatever that may be, there would be no other conclusion arrived at outside of this House than that it was most unfortunate. That is most guarded language.

Hon. Mr. YOUNG—What is the hon. gentleman reading from?

Hon. Mr. DOMVILLE—I am speaking from copious notes. There will be no other conclusion arrived at outside of this House than it was most unfortunate we have not been permitted to continue our investigation without this motion which is now flung upon us. I do not find any fault with the hon. gentleman from Repentigny, for I believe he is acting in good faith. I do not believe he even drew the resolution. I think it was placed in his hands, and it is not his writing.

Hon. Mr. LEGRIS—The hon. gentleman is mistaken about it being placed in my hands.

Hon. Mr. DOMVILLE—But the hon. gentleman did not draw it?

Hon. Mr. LEGRIS—No, no.

Hon. Mr. DOMVILLE—Then it was placed in the hon. gentleman's hand. But my hon. friend is doing what he considers best in the public interest in presenting this motion. I regret exceedingly that the notice was sprung on the chamber at such a late hour. I had just left my seat, as I thought the Speaker was about to adjourn the House, and I think the hon. gentleman,

being one of the committee, should have notified the committee that he proposed to adopt this course before submitting his notice of motion. I do not think I can say anything more about it, except to explain that I have no objection to putting these gentlemen on the committee. But, while enlarging that committee, why exclude a lot of other hon. gentlemen who would have been on it if the Committee on Banking and Commerce had been directed to look into the matter ? I think I should ask my hon. friend the Secretary of State to withdraw his insinuations against me.

Hon. Mr. SCOTT—I have made no insinuations ?

Hon. Mr. DOMVILLE—My hon. friend says he has made no insinuation.

Hon. Mr. SCOTT—The hon. gentleman for five or six weeks was attacking the company and making representations the truth of which the company denied. It seemed to me it was not in harmony with what was reasonable or equitable that the man who made those charges should sit on the committee that was to try the company.

Hon. Mr. DOMVILLE—The hon. gentleman says I have been five or six weeks attacking the company. I have communications that I have been carrying on with the department for two years on those lines, and I could get no satisfaction. I tried the company for satisfaction. I never came to this honourable body until I was armed with authority by the policy-holders. It is not a personal matter of mine ; there is no intention to ruin the company—in fact, there is no such thing as a company, it is an association of gentlemen who agree to assess one another at so much a year to meet the death claims of the fraternity. What I did say, and what I am trying to lay before this honourable House, is the fact that the association has got into the hands of a directorate that we cannot turn out, who are bleeding us to death, and they are endeavouring to get the Senate to protect them. I can only say I am sorry that I should ever be forced to believe that there is an attempt to take such action as would make the public of Canada and the unfortunate people who are insured in this association, believe that no redress can be obtained here and that an effort is being made to stifle inquiry. I do not assert that, because it is unparliamentary ; but I say it would be most unfortunate if the public at large should get that impression.

Hon. Mr. EDWARDS—My hon. friend from Rothesay seems to take the position that every hon. gentleman who expresses himself in opposition to the views which he entertains himself is antagonistic to him and the objects which he desires to attain.

Hon. Mr. DOMVILLE—No.

Hon. Mr. EDWARDS—So far as I am personally concerned, I dissent from that position. In any vote that I shall give, or statement I shall make on this question, I shall be actuated by one consideration alone, and that is to do the best that can be done for the unfortunate sufferers holding policies in the Mutual Reserve Fund Life Association. There is, perhaps, no member of the Senate, who is a warmer friend of mine than the hon. gentleman from Rothesay. I entertain for him nothing but the very best of friendship, and I hope I shall always do so, and that he will never consider me as being opposed to the inquiry he is making. All that I desire is that the inquiry shall proceed on a sound basis. Holding those views myself I am bound to hold that these are the views of every member of this House, and I have seen and heard nothing that changes my views so far as that is concerned. I think it is highly improper to attribute motives to hon. senators.

Hon. Mr. DOMVILLE—Hear, hear.

Hon. Mr. EDWARDS—Now what do we desire. The Senate of Canada is on its trial before the people in dealing with this very important question. Let us not be carried away by any feeling of sentiment. Let us be influenced solely by a desire to do what is right and deal with this matter in a straightforward and judicial way.

Hon. Mr. DOMVILLE—Hear, hear.

Hon. Mr. EDWARDS—With reference to what took place just before the adjournment last Friday, with due respect to my hon. friend who addressed the Senate a short time ago on that question, he (Hon. Mr. Cloran) did not put the matter fairly before the Senate. I should like to ask

him what other opportunity had the hon. gentleman from Repentigny to give notice of motion except on the motion to adjourn the House ? The session was short. Now, what did he say on that occasion ? He said that the matter before the committee was much larger and more important than he had anticipated. So large that he, for one, felt, one member of the committee having already retired, that a larger number of senators should share the responsibility of the investigation. The hon. Secretary of State simply said that in order to facilitate the inquiry, and proceed more rapidly, it would be better, if it was agreeable to the Senate, to let the notice of motion be passed as a motion immediately. Did the hon. gentleman press the question ? Not at all.

Hon. Mr. DOMVILLE—He could not; two members objected.

Hon. Mr. EDWARDS—An hon. member on the other side simply made the suggestion that as some of the members of the committee were absent perhaps it would be better to let the motion stand until their return. His suggestion was accepted at once. There was no objection raised at all. So far as this discussion to-day is concerned, if the same rules prevail in the Senate that pertain to the House of Commons, it is not in accordance with parliamentary practice to discuss in the Senate that which has taken place in a committee.

Hon. Mr. LANDRY—Hear, hear.

Hon. Mr. EDWARDS—While that is the case, it has always been the right of a senator to take cogizance of what the newspapers say. Now, I was present at the committee, and I must say in all candor that in my opinion the newspaper statements were justified by the conditions that prevailed on the committee. As to the question of enlarging the committee, those who are opposed to the smaller addition, in my opinion reflect upon the members of the Senate in this way——

Hon. Mr. DOMVILLE—We do not object; we have already said that we accept it.

Hon. Mr. EDWARDS—I am quite aware of that. But in one breath the hon. chairman opposed the enlargement of the committee by three members, because he says it is already sufficiently large, and in the next breath he suggests the addition of several other names. I should like to know what consistency there is in that ?

Hon. Mr. CLORAN—I said I did not object on principle, and that is the attitude of the committee. We are prepared to accept not only seven, but to accept fourteen. That is our attitude.

Hon. Mr. EDWARDS—I do not raise an objection. I am simply speaking on the general principle that a reasonable enlargement of the committee is in the very best interest of the Senate.

Hon. Mr. DOMVILLE—That is what we say.

Hon. Mr. LANDRY—The hon. member from Russell (Hon. Mr. Edwards) said that as a matter of principle we should not refer to what has taken place in one of the committees of this House. Yet he rose for what purpose ? Just to state what did take place. Where is the consistency? The only excuse for his assertion is that he does not know what did take place in the committee. The committee was appointed to inquire into the condition of the New York Mutual Reserve Fund Life Association in Canada; subsequently when a question of privilege was brought before this House a new order was given to that committee and that order was——

Hon. Mr. YOUNG—I submit a point of order. The hon. gentleman is going wide of the motion before the House. The motion is to enlarge the committee. We are not discussing the powers of the committee, or what they did or what they have not done. The question is, whether the committee is to be enlarged.

Hon. Mr. LANDRY—I am going to raise another point of order, and in order to explain my point of order I must read what I am about to read now. I am going to oppose the motion because it is not in order.

Hon. Mr. YOUNG—Well, let us have the point of order !

Hon. Mr. LANDRY—The question before the House is to enlarge the committee and I am giving reasons why it should not be enlarged. In giving those reasons I am replying to an attack made against our committee. The House is asked to enlarge the

committee because, as constituted now, it is not a proper one. That was the assertion made by the hon. Secretary of State last Friday.

Hon. Mr. YOUNG—That is not the reason given by the hon. member who introduced the motion.

Hon. Mr. LANDRY—There is no reason given.

Hon. Mr. YOUNG—Yes, there was a good reason given.

Hon. Mr. LANDRY—I rose on the 8th of June and moved:

That an order of this House do issue for the attendance at the bar of this House of J. Douglas Wells, of New York, to answer such questions as may be put to him relative to declaration he is alleged to have made, that there were members of parliament, of the committee, and of the government, that had to have good sums, that it cost him over $10,000, that he had found all the money, excepting for the last Bill, for a small amount.

Then, after debate, the Hon. Mr. Gibson moved in amendment:

That all the words after 'that' to the end of the question be struck out, and the following words be substituted instead:—'Messrs. J. Douglas Wells and — Eldridge, of New York, be summoned to appear before the select committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association, of New York, in order to answer such questions as may be put to them, relative to declarations alleged to have been made by Mr. Wells, that there were members of parliament, of the committee, and of the government, that had to have good sums, that it cost him over $10,000, that he had found all the money, excepting for the last Bill, for a small amount.'

These instructions were given by a vote of this House to the committee, so the committee had, besides the object for which it had been created to investigate the company, a positive commission to investigate that special case. The committee was ordered to get those two witnesses before them to answer such questions as might be put to them, and the special meeting of the committee was simply to examine those two witnesses. It was not for the purpose of investigating the affairs of the New York Mutual Reserve Fund Life Association. The first thing that happened when the committee opened was the appearance of an attorney who came in the name of the company. We told Mr. Aylesworth that it was not the company's business we were going into that day, but an inquiry into an accusation brought against the parliament of Canada, not by the company but by Mr. Wells himself. We told Mr. Aylesworth that he could not appear on that occasion for the simple reason that we were not investigating the company's business but examining two witnesses on the subject I have mentioned. I am very sorry that the hon. member did not understand our real position. If he had understood it, he would not have made the speech we have listened to to-day. The hon. Secretary of State did not understand it either. When the hon. gentleman from Repentigny gave his notice of motion, the hon. Secretary of State said:

Under the circumstances, it would be very much better if the House would agree to accept the notice of motion as a motion. Otherwise it will simply defer the matter for two or three days longer, and I understand there are witnesses now in the city who have come a long distance, and it will mean considerable expense keeping them here, whereas if we adopt the motion now the committee can go on without delay.

And that in the face of an adjournment of the committee until the next Wednesday, and in face of the fact that there were no witnesses here. The two witnesses who had been summoned to appear before the committee had been heard and discharged. There was not a single witness in attendance, but the hon. Secretary of State, in order to obtain the consent of the House to have the notice of motion put as a motion, made that statement.

Hon. Mr. SCOTT—I was not aware at the time that the committee had adjourned until the following Wednesday.

Hon. Mr. LANDRY—So I see by the speech the hon. gentleman made, and that is what I am complaining of. If he had known the facts he would not have made that speech. The accusations brought against the committee in the name of the Mutual Reserve Company have no significance at all, because on that day we were not investigating the condition of their business, but the accusation alleged to have been made against members of parliament by Mr. Wells. For that purpose there was no necessity for an attorney, and especially an attorney for the company, because the company had nothing to do with it. The motion before the House to-day must be con-

sidered by the members of the committee as a motion of want of confidence. It can bear no other construction. If the hon. gentleman from Repentigny had had confidence, we would have discussed that question together in committee, and, having arrived at an understanding, we could have submitted to the House a motion expressing the views of the committee. But the notice of the motion now before the House was presented to the House in our absence, and an attempt was made behind our backs to have it passed. I resent the motion therefore, and if it should be adopted I shall feel obliged to retire from the committee. The point I want to raise is this, and it is why I have read the motion which was carried on a division in this House; there were two motions, one moved by the hon. senator from Rothesay to appoint a select committee, and an amendment to refer the matter to the Standing Committee on Banking and Commerce. The House divided on that amendment, and the names of those who voted are recorded in the minutes. Then a vote was taken on the motion to appoint a select committee to investigate the affairs of the company. I shall read the names of those who voted against the motion.

Hon. Mr. BEIQUE—I rise to a point of order.

Hon. Mr. LANDRY—I am speaking to my point of order.

Hon. Mr. BEIQUE—The hon. gentleman has been speaking for fully fifteen minutes, and is altogether out of order. He is not dealing with the question now before this honourable House. He is referring to past debates, which are not germane to the question, and one who is so particular about enforcing the rules of the House should respect them himself. I ask for the ruling of the chair.

Hon. Mr. LANDRY—I am speaking to the point of order.

Hon. Mr. BEIQUE—I ask for the ruling of the chair.

Hon. Mr. LANDRY—I am speaking to the point of order, and the hon. gentleman has no right to rise and interrupt me. The names given here are those of the members who voted against the motion to appoint the committee.

Hon. Mr. BEIQUE—By announcing that he intends to raise a point of order, the hon. gentleman thinks he can abuse the rules of the House as he has been doing for the last fifteen minutes. I ask for the Speaker's ruling.

Hon. Mr. LANDRY—I am going to speak on the point of order. The hon. gentleman does not state his point of order.

Hon. Mr. BEIQUE—I stated the point of order, that you were——

Hon. Mr. LANDRY—I rise to a point of order. The hon. gentleman has no right to address me personally.

The SPEAKER—What is the point of order?

Hon. Mr. LANDRY—My point of order is this; the motion before the House is that the committee be enlarged by the addition of seven members. I raise the point that among the names of those mentioned by the hon. member in his motion are members who voted against the formation of the committee, and I contend they cannot now be put on that committee the appointment of which they opposed.

The SPEAKER—Will the hon. gentleman be good enough to cite the page of Bourinot where that is laid down.

Hon. Mr. LANDRY—I spoke from memory. I cannot give the page now.

Hon. Mr. GIBSON—Let us have the authority.

Hon. Mr. LANDRY—No, I will not.

Hon. Mr. DANDURAND—My experience of procedure is not as great as that of some of my hon. colleagues, but I wonder if it has not been the practice for a member who raises a point of order to first state what the point is before speaking upon it; because a member can make an hour's speech and say he intends to raise a point of order. The House would not be seized with the point of order, and the hon. gentleman might himself be convinced, by the time he finishes his speech, that he should not raise it. Has it not been the practice in the Senate when a member rises to discuss a point of order to state the point or order before giving his explanations and argument upon it?

Hon. Mr. LANDRY—I rise to answer the imputations against our committee and I

wound up by saying that I wanted to raise a point of order before the hon. gentleman (Hon. Mr. Beique) thought of raising his point of order.

Hon. Mr. DeBOUCHERVILLE—I would like to ask the hon. Speaker, when the hon. gentleman from Montreal raised the question of order could not that question of order be discussed? I do not think anyone would object to that? The hon. gentleman from Stadacona has also raised a point of order, and in doing so he has discussed the point of order raised by another hon. gentleman, and the hon. gentleman from DeLorimier seems to think that because a point of order has been raised, we must all submit without discussing it. The hon. gentleman is discussing his own point of order, and he is discussing the point of order of the hon. gentleman to-day that the point of order the hon. gentleman from Quebec is discussing is not germane to the point he had raised first. I do not agree with the claim of the hon. gentleman from DeLorimier that the matter ought to be stopped there.

The SPEAKER—The hon. gentleman from Stadacona has not cited any authority for his question of order; I should feel better pleased if he had. But I understand the point of order to be this; that any member of the Senate who voted against the resolution to refer this question with respect to this insurance company to the committee of five, is debarred now from voting on the resolution to enlarge the committee.

Hon. Mr. LANDRY—No, I beg the hon. gentleman's pardon, not from voting on the resolution, but from being a member of that same committee. Two of the members in the motion that is put before the chair who are asked to be added to the committee have already voted against the formation of that committee. I say that those two persons cannot form part of the committee and, therefore, the motion is not in order, because it contains names of persons who cannot be members of that committee.

The SPEAKER—A rule is invoked to the effect that a member who is opposed to the object for which a committee is appointed cannot be a member of that committee. The hon. gentlemen who voted against this motion to refer the matter to this committee of five, were not necessarily opposed to the investigation. Some of them voted in favour of a motion to refer this subject for investigation to our Standing Committee on Banking and Commerce.

Hon. Mr. LANDRY—Subsequently.

The SPEAKER—And the probabilities are, that if the motion had been to refer this question to the committee, constituted as it will be if this resolution now before the House passes, the hon. gentlemen would not have voted against that resolution. I do not think that the point of order is well taken.

Hon. Mr. BOLDUC—As it seems clear that the general opinion of the members of this House is that the committee appointed to make the investigation into the Mutual Reserve Fund Association business, with the addition of the names now mentioned in the motion before the House, will not be large enough, I move that the following names be added: Hon. Messrs. DeBoucherville, McSweeney, Robertson, Bernier, Sullivan, McMullen and Wilson.

The amendment was agreed to.

The motion, as amended, was carried.

INSURANCE ACT AMENDMENT BILL.

MOTION DROPPED.

The Order of Day being called:

That the order of the Senate of the 8th instant, referring Bill (H) intituled: 'An Act further to amend the Insurance Act,' to the Standing Committee on Banking and Commerce, be rescinded, and that the said Bill be referred to the select committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association, of New York.

Hon. Mr. YOUNG—I wish to drop this motion. I understand that the Bill which was referred some time ago to the Committee on Banking and Commerce has been taken up by that committee and some progress has been made. Therefore, having no other object in view than to serve the best interests of the policy-holders, I wish to drop it.

Hon. Mr. LANDRY—I object.

Hon. Mr. YOUNG—And if the Committee on Banking and Commerce, in their wisdom, see fit later on to ask this House to have the Bill transferred to the special commit-

tee, it will be in their judgment to recommend to the House what they see fit. I ask the House to allow me to withdraw the motion.

Hon. Mr. LANDRY—I object.

Hon. Mr. SCOTT—I hope the House will acquiesce in the proposal of the hon. gentleman from Killarney, and allow the Bill to go to the Committee on Banking and Commerce. It was a suggestion of my own, and I thought the Banking and Commerce Committee would be able to give it a thorough investigation and decide what was best. If, when that Bill is before the committee, it does not appear that it has the support of the policy-holders, I should like, as I am somewhat responsible for the Bill, to have the Bill withdrawn. If the hon. gentleman on my right here (Hon. Mr. Domville) represents, as he says he does, the policy-holders——

Hon. Mr. DOMVILLE—I am not lying.

Hon. Mr. SCOTT—And they do not consider this Bill is in their interest, then I should certainly ask that the Bill be withdrawn. It is not promoted in the interests of the company, but solely in the interests of the policy-holders ; and, therefore, if they do not desire it, I do not wish to have any connection with it.

Hon. Mr. LANDRY—I think if the hon. gentleman who has that motion on the order paper wants to dispose of it in the way he suggests, the only thing to do is to put it to a vote as any other question. He has no right to withdraw it.

Hon. Mr. YOUNG—Why, certainly.

Hon. Mr. LANDRY—No.

Hon. Mr. WATSON—I took a very strong stand the other day as to this enlarged committee, when the hon. gentleman from Marshfield suggested a few days ago that that enlarged committee should conduct the investigation and deal with the Bill. At that time the Bill was referred to the Banking and Commerce Committee. Notice of motion was given to rescind that order and refer it to the committee conducting this investigation, with the understanding that the committee was to be enlarged in numbers. Taking that stand, and still believing that that committee could handle that matter, the Bill was taken up in the Banking and Commerce Committee. Though not a member of that committee, I was present to-day at the meeting, and I know they are dealing with it, and consequently I do not very well see how we can take it out of their hands.

Hon. Mr. De BOUCHERVILLE—I want to ask the Speaker is there a rule by which we can rescind that motion ?

Hon. Mr. SCOTT—We can negative a motion.

The SPEAKER—There is no motion to rescind. The universal practice in this House, and, I think, in all legislative bodies, is that if an hon. gentleman gives notice of a motion, and when the time comes he does not wish to proceed with it, he says 'dropped.'

Hon. Mr. FERGUSON—It was only a notice.

Hon. Mr. DeBOUCHERVILLE—I am asking under what rule can we rescind the motion ?

The SPEAKER—I am simply saying that the hon. gentleman does not propose to go on with the motion to rescind. There is no rule, except a general rule, that a legislative body can pass practically almost any resolution it pleases which is not forbidden. There is no rule which forbids the rescinding of a previous resolution, and there are numerous precedents both in our parliament and the parliament of Great Britain, where previous resolutions have not only been rescinded but expunged from the journals.

The motion was dropped.

DEBATES INDEXES.

INQUIRY.

Hon. Mr. WOOD inquired :

Is there an index of the Commons and Senate 'Hansard' debates printed during the session?
Are senators entitled to copies ?
Have copies been distributed this session ?
If not, how are they to be obtained ?

Hon. Mr. SCOTT—This is not under the control of the government. It is under the control of the Debates Committee and Printing Committee. It is not a matter the government would know anything about. If there is any hon. gentleman present who is a member of the Debates and Printing Com-

mittees they might throw some light on it but I know nothing of it.

Hon. Mr. WOOD—The reason I am asking this inquiry is that I was endeavouring to find a statement which I understood had been made in the House of Commons debate. I looked for it in the reports and failing to find it, I asked an hon. member of this House to tell me where I could find it. He told me that an index of the debates was published in the House of Commons, and I could get one at the distribution office. I applied there and was informed by Mr. Davidson that the index of the debates in the House of Commons was published weekly, and a copy was distributed weekly to each member of parliament and each member of the Senate. I replied that I had not received any, and on further inquiries I cannot find that any member of the Senate had received any. I made inquiries in the House of Commons and found an index there, and understood that some members of the House of Commons are furnished with an index. If the chairman of the Debates Committee can give me the information I should like very much to find it.

Hon. Mr. BEIQUE—There are no indexes made of the debates in the Senate during the session ; the index is only made at the close of the session when the volume is published.

Hon. Mr. WOOD—I am asking for the Commons index.

Hon. Mr. BEIQUE—I have no jurisdiction as far as the Commons is concerned. Our debates committee is merely for the Senate and not a joint committee for the Commons; so that I have no authority to answer the question with reference to the Commons.

Hon. Mr. FERGUSON—But the chairman of the Printing Committee, by which the distribution office is controlled, has authority, and, I think, it is desirable we should be furnished with these pro tem. indexes. I never saw one until the other day. They would be useful in looking over the debates. Many of the members of the House of Commons have these pro tem. indexes which are published and use them.

Hon. Mr. McKAY (Truro)—I think if hon. gentlemen will examine their boxes in the post office where the revised debates are they will find the indexes in that box.

Hon. Mr. FERGUSON—I never found mine.

Hon. Mr. McKAY—I got mine.

Hon. Mr. GIBSON—The attention of the committee has been directed to the want of a general index which has not been printed since 1900, and the committee in their report to-day have asked the concurrence of this House as well as the House of Commons to get a general index printed. The indexes are printed from time to time, and there is no reason why we should not get copies as well as the Commons. We have no control over them beyond the fact that they are printed at the Bureau. If the hon. gentleman is not receiving his copies he might look and see if they are not with his other papers.

Hon. Mr. LOUGHEED—I do not wish to complain, but I should like to ascertain what officer of the House is responsible for the distribution of Bills and other literature within the chamber ? I would point out that there is not to be found at the desk of any hon. gentleman a file of the various returns which are printed and brought down from time to time of either the House of Commons or of the Senate. Take, for instance, the Bill under consideration to-day, the Grand Trunk Pacific Bill, I doubt if any hon. gentleman has on his desk or on his file the various returns that have been brought down by the government upon this question. When reference is needed, we have to send a messenger to the distribution department, and, after considerable trouble, secure those documents. It seems to me the officers are not so busily engaged that some of them should not be charged with the proper distribution for the convenience of members, of all documents which hon. gentlemen will be called upon to consider from time to time. I do not know who is responsible for it, but certainly every convenience should be had for members to be placed in possession of all the literature that is presented to parliament, and they should be on our files. We should not be submitted to the trouble which arises from time to time in our vain endeavour to obtain the documents.

BILLS INTRODUCED.

Bill (42) An Act respecting the Sprague's Falls Manufacturing Company, Limited.

Bill (79) An Act to incorporate the Thompson River Improvement Company.—(Hon. Mr. McHugh.)

Bill (119) An Act to amend the Canada Temperance Act.—(Hon. Mr. Lovitt.)

DISMISSAL OF LORD DUNDONALD.

Hon. Mr. LANDRY—Before the Orders of the Day are called, I should like to ask the Secretary of State if he would be kind enough to give us some information in reference to the Dundonald-Fisher incident.

Hon. Mr. SCOTT—Since I answered the question of my hon. friend yesterday, an Order in Council has been approved by His Excellency as hon. gentlemen know, and I now place it on the table. There are other papers in connection with it that were called for in the House of Commons and they are now being collected and printed, and at the earliest possible time will be brought down to this chamber contemporaneously with the House of Commons. That is the correspondence and the various movements in connection with the controversy that are not set forth in the minutes of council. It is only proper hon. gentleman should be in possession of the papers themselves.

Hon. Mr. LOUGHEED—Permit me to ask the hon. gentleman if the Colonial Office will have to be apprised of the action of the government before Lord Dundonald is relieved of his office ?

Hon. Mr. SCOTT—No, it is not necessary. The Order in Council has already been communicated to the Earl of Dundonald, and he has been notified by the head of the Militia department that he is no longer an official of that department.

Hon. Mr. LANDRY—Are there no steps to be taken with the Colonial Office ?

Hon. Mr. SCOTT—No.

Hon. Mr. LANDRY—Nothing at all.

Hon. Mr. SCOTT—They will be advised. A minute of council will be forwarded to the Colonial Office.

Hon. Mr. LANDRY—But that has not been done yet.

Hon. Mr. SCOTT—I think it has.

Hon. Sir MACKENZIE BOWELL—Before we pass from this question, which is a somewhat serious one, and which seems to be a grave departure from the course pursued by all governments, could the hon. gentleman inform us how and by what authority this report of the sub-committee of the Privy Council and the adoption of it by the Privy Council, found its way into the newspapers before it was laid before parliament ? If I understand the duties of a minister of the Crown, he takes a very solemn obligation not to divulge anything that takes place in the council, not even to parliament unless with the approval of the Governor General. The hon. gentleman, I think, is as well aware of the fact as I am, and this Order in Council appears to have been passed only yesterday. It was hurried down to the Governor General, and we are not informed in this document whether the Governor General had approved of it or not. But we have the action of the Privy Council. We infer from the publication of this document that they appointed a sub-committee to consider and report to council the action of Lord Dundonald and the speech which he had made in Montreal. That sub-committee, after considering the whole question, made a report to council. That report was adopted by council and the first thing we learn of it is, next morning, when a copy of the document signed by the clerk of the Privy Council, Mr. J. J. McGee, appears in the newspapers. It is somewhat surprising to me how that document became public property until it had been laid before parliament by the authority of a minister of the Crown, with the permission of the Governor General himself. We have this document and we have the report. We have the adoption of it by the Privy Council and we have it signed by the clerk of the Privy Council and published in the newspapers, but there is no information given in the document laid before us as to whether the Governor General had approved of it or not. It may have been given to the newspapers, for aught we know, before the Governor General had seen the report or it may not. My hon. friend shakes his head. I did not say it was, but I say we have no knowledge to the contrary. All we have to do is to deal with the facts as they appear in the newspapers and as they are given to us. I

presume that the hon. gentleman has had on the table of the House, just now the same document that is published in the morning newspapers, a certified copy ?

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—The document laid before parliament is not certified by anybody, and, consequently, is not as official as the report published in the papers; nor have we any statement that the Governor General had approved of the Order in Council. There is no evidence in that document that the Governor General had approved of it. Why is there not a certificate of its correctness by the clerk of the Privy Council? I should like to know how this became public but I do not propose just now to enter into the merits of the question.

Hon. Mr. SCOTT—This minute of council has just gone through the same formula as all other minutes. The subject was referred to a committee of council, and they reported to council, and the report of that committee was adopted by the council with some modifications or changes. At the time I spoke yesterday on the subject it had not been presented to His Excellency ; it was subsequently presented to His Excellency and he approved of it and the minute as we now have it was appproved by His Excellency. It was approved by His Excellency before being given to the press. It would have been very improper to have given it to the press in advance of that. That is perfectly clear. As to the necessity for laying it before parliament before giving it to the press, that rule is not invariably observed. There is no reason why it should be observed unless it is some document parliament has specially asked for, that was in course of preparation, but the moment this document was approved by His Excellency it was open to the public and no longer a secret document in any sense. Like any other minute of council, it could be given to the press. I did not notice that it was not certified. In my anxiety to get it to-day I did not wait for that proceeding. There is, as my hon. friend knows the usual printed document and the certificate of the clerk of the Privy Council. I notice that that is not attached. In the hurry to get the copy before the Senate I did not wait to have the head nor the tail added to the document but nevertheless it is the minute of the Privy Council approved by His Excellency.

Hon. Sir MACKENZIE BOWELL—We accept the statement of the hon. gentleman as to the acceptance and approval of the minute, but that is not the point I desire to bring to the attention of the House so forcibly or clearly. The hon. gentleman knows that some years ago an ordinary report of a department was not permitted to be given to the press or made public until it was laid on the table of parliament and then he will remember I dare say—if he does not I do—of the government having been severely chastised and complained of for giving a report of one of the departments, say the Trade and Commerce, for instance, or any of the reports to the public before it was laid on the tables of the House of Commons and the Senate.

It was only by a special resolution of the House of Commons that permission was given to the departments to circulate their reports before the meeting of parliament. It was suggested by Mr. Charlton, who argued in favour of it in this wise, that a voluminous report such as the Trade and Navigation returns were at that time, should be in the hands of members of parliament before the session in order that they might deal intelligently with questions connected with the trade of the country. Permission was given and in that way the reports have been circulated to members before the meeting of parliament. But here is a document of a much more important and serious character than a departmental report. I must take exception to the statement of the hon. Secretary of State, that it is a usual thing to give out these documents to the press before they are communicated to parliament. I do not say that he is not correct, but I have never known in my long experience in public life any such step having been taken. We know that even in the case of a disagreement which leads to the resignation of a member of the government he is not permitted to divulge what took place, yet here we have a document dealing with one of our highest officials rushed into the press before the representatives of the people know anything about it. It seems to me it has been done because of the over anxious desire of the government to throw a further insult upon

an eminent military officer who has occupied a very important position in Canada. But being a 'foreigner' I suppose we must accept it as the ordinary courtesy and etiquette which characterize the members of the present government towards this 'stranger.' I will give my opinion on this document when the papers are before the House. If this is to be a precedent, we do not know in the future what secrets of the government are to be divulged, or what policy may not be made public if there is anything to be gained by the government in doing so. I think it is a vicious practice, contrary to the fundamental principles of responsible government, and I should hold, and do hold the person who gave that document to the press as not only responsible but as having violated the solemn duty he owes to the Crown and the country.

Hon. Mr. SCOTT—My hon. friend misapprehends the true situation. This minute of council is in no way different from any other of the twenty or thirty minutes of council that we pass at every meeting of the cabinet. This is not a subject that parliament is first entitled to, unless it happened to be a paper ordered by parliament. The order only went into effect last evening after the signature of the Governor General. It was then open to the public; there was no secrecy about it. The document was open to everybody from that moment like every minute of council. Once minutes of council are passed whether to remove officials or to carry out any other order of the government, the moment they receive His Excellency's sanction, they are no longer private—they are given out without any hesitation. In no particular has there been any deviation from the rule that has existed for a century, in regard to this minute of council. The fact that Lord Dundonald is higher than a colonel or major does not alter the principle of it. He was an official of the government of Canada, a very high official at that, but it did not alter the position he held in regard to his removal; he could be removed at any time by this government for cause.

Sir MACKENZIE BOWELL—I am not discussing that.

Hon. Mr. SCOTT—We can no doubt discuss that with greater advantage when all the papers are brought down. I have given instructions to have them collected and printed as soon as possible.

Hon. Mr. DeBOUCHERVILLE—It seems to me there are two questions involved—what should be done when parliament is sitting, and what should be done when it is not sitting. When the parliament is not sitting, there is no great harm in publishing these Orders in Council, but when parliament is sitting it is only right, and it should be so considered by the government, to let parliament know first any important Order in Council that may be passed.

GRAND TRUNK PACIFIC RAILWAY SURVEY.

Hon. Mr. FERGUSON—Before the Orders of the Day are called, I wish to ask the Secretary of State whether he would be kind enough to lay on the table of this House the memorandum by the geographer of the Department of the Interior, based on Mr. Stevens' surveys of the Grand Trunk Railway and from which my hon. friend quoted yesterday, for the information of members.

Hon. Mr. SCOTT—I will ask the Interior Department to send it over. I saw that Mr. Sifton had referred to it in his speech in the House of Commons. It was there I got it.

Hon. Mr. FERGUSON—Mr. Sifton at the same time said: 'I will lay a copy of the report on the table for the information of the House.' I presume he did so. We are entitled to the same courtesy.

Hon. Mr. SCOTT—I will see that it is done.

THIRD READINGS.

Bill (C) An Act for the relief of Andrew William Mann.—(Hon. Mr. Kerr, Cobourg).

Bill (G) An Act for the relief of Jennie Davison Moore.—(Hon. Mr. Kerr, Cobourg).

BOUNTIES ON LEAD ACT AMENDMENT BILL.

THIRD READING.

The House resolved itself into a Committee of the Whole House on (Bill 127) An Act to amend the Act providing for the pay-

ment of Bounties on Lead contained in Lead-bearing ores mined in Canada.

(In the Committee).

Hon. Mr. TEMPLEMAN—This Bill, as I briefly explained at the second reading, is simply to make it clear that the bounty under the Act of last session applies to the fiscal year beginning the first of July last. The Act, as it will be remembered, was passed at a late hour of last session, and there is some doubt as to whether the bounty could be paid, beginning at the end of the last fiscal year. This is simply to make the fact clear that the bounty begins at the end of the last financial year and continue for five years.

Hon. Mr. MACDONALD (P.E.I.)—Is it a fact that the bounty is now paid on lead ore mined or exported from Canada ?

Hon. Mr. TEMPLEMAN—No bounty has been paid on any lead exported out of the country. I am advised that the amount of bounty earned by the miners of British Columbia for ores mined and smelted in that province will amount for the present financial year to about $200,000. That is all of the present bounty that can be absorbed for ore mined and smelted in the province. There is a request that ores mined and concentrated in the country might for one year be permitted to be exported to a limited extent, but no action whatever has been taken on that request of the mine-owners of the province.

Hon. Sir MACKENZIE BOWELL—Do I understand that the request is that a bounty be paid on ores as they come from the mines ?

Hon. Mr. TEMPLEMAN—No. I have seen in the press that application has been made to the government to permit a portion of the bounty to be paid on ores mined and concentrated to probably 65 per cent lead.

Hon. Sir MACKENZIE BOWELL—And exported in the concentrate form.

Hon. Mr. TEMPLEMAN—And exported in the concentrates for one year, as it is now altogether impossible for the smelters of the province to take care of the ores at present mined in the province, the smelting facilities being in process of enlargment at the present time. Nothing has been done in respect to that application, and consequently I am safe in saying that no bounty has been paid on ores exported from the province. This Bill is simply explanatory.

Hon. Mr. MACDONALD (P.E.I.)—My reason for asking the question I put just now is that I received yesterday a letter from a gentleman interested in mines in British Columbia stating that he and the miners there were very much pleased to see that the government had passed a measure authorizing a bounty to be paid on lead mined in British Columbia when exported from the country. I was rather surprised, for I had not seen that any action of the kind had been taken by the government, and I thought the parties must have been misinformed. I shall be in a position. when replying to this letter, to say that they are mistaken.

Hon. Mr. TEMPLEMAN—There is no question, the proposal was made to permit a portion of the $500,000 to be applied to lead ores mined and concentrated in the country for twelve months. I understand from the newspapers that the proposition has been endorsed by the mine-owners of British Columbia and the boards of trade and other influential bodies. No action whatever has been taken in respect to that application. What action may be taken in the future I am unable to say.

Hon. Sir MACKENZIE BOWELL—While the policy of the past government and of this government has been to encourage the refining of ores in this country, I hope that the concession which has been asked by the miners will not be acceded to, and for this reason : The bounty is to be paid for the purpose of encouraging the refining of ores in Canada. If the bounty is to be extended to ores that are simply reduced to matte, and then exported, the refining will take place in the United States, and I do not think the government ought to recognize a principle of that kind. My hon. friend says that has not been considered yet. It is a question of encouraging industries in the country, which is the policy of this government to a much greater extent than it was the policy of the old government that established the national policy, and who were characterized as robbers and thieves for having adopted that policy. Mon hon. friend from Russell (Hon. Mr. Edwards) nods his

head because he approves of that. I have only to say in reply to that nod, that I hope he will apply the same epithets to the gentlemen who have gone much further than the old Tories did, and that when the question comes up he will be no respecter of persons. I should like very much to hear him condemn the present government in the same way he condemned us. He may condemn them, call them legalized robbers and denounce the whole system as vicious in principle, but if the government want his vote they can always have it.

Hon. Mr. EDWARDS—I would consider for whom I would vote, for those who are carrying out the present policy or for those who advocate a much higher protective policy. I do not hesitate to say, I have always said it, that every dollar that is taken from the people by protection is legalized theft, whoever does it.

Hon. Mr. FERGUSON—I should think my hon. friend would support a party which honestly advocates protection rather than a party which denounces protection but carry out a protective policy.

Hon. Mr. TEMPLEMAN—My hon. friend the leader of the opposition has not quite appreciated the position of the lead mining industry. He seems to be of the opinion that the bounty is paid on lead refined in Canada and that if we permit any portion of the matte to go abroad it will be refined there. As a matter of fact, the bounty is paid to leading mining and smelting that produces matte. There is a further process of refining which separates the metal contents in the matte, putting the silver in one bar, the lead in another, and separating the gold and copper also. That industry, I am very pleased to say, is being carried on at the town of Trail, in British Columbia, very successfully indeed, and we are having there to-day a steady increase in the electrolytic process of refining lead, silver and copper ores, the first successful application of that process to lead and silver ores made anywhere in the world. The bounty, however, is only paid on the production of the matte. Our smelter men can, when they smelt the ores and produce the matte, ship that matte out of the country to-day, but the Trail refinery handles its full capacity, 20 to 25 tons a day at the present time and the balance has to be shipped out of the country for refining. There are four processes, mining, concentrating, smelting and refining. We pay the bounty on the third process. The application of some of the mine-owners is that in the event of a portion of the bounty being unearned, it may be paid on matte exported to a small extent for one year until the smelting facilities are increased to such a capacity as to take care of all the ores produced in the country. That, I understand, is the application.

Hon. Mr. LOUGHEED—On what do you pay the bounty? Is it on one hundred pounds of matte, or one hundred pounds of lead in the matte as may be determined by assay?

Hon. Mr. TEMPLEMAN—The bounty is paid on the pure lead in the ore, as ascertained by assay.

Hon. Mr. FERGUSON—Has the bounty led to the refining of this ore almost entirely in Canada or does the larger proportion of it still go to the United States or other countries to be refined?

Hon. Mr. TEMPLEMAN—The capacity of the only refinery we have in Canada up to the present time is twenty or twenty-five tons a day, and as the output of our mines may be twenty-five to thirty thousand tons per annum, necessarily a considerable part of the matte must go out of the country to be refined. The surplus that we do not refine ourselves is refined outside of the country.

Hon. Mr. LOUGHEED—How does the hon. gentleman account for the absence of refining industries or plant, particularly where you grant such an encouragement as is embodied in the Bill? If they have the raw materials on the ground, it seems to me it would be natural to suppose a plant should spring up in that immediate vicinity for the purpose of refining the ore.

Hon. Mr. TEMPLEMAN—Quite true, and hon. gentlemen will remember that the refining industry in Canada is of comparatively recent growth. The mining and smelting processes are carried on extensively, just as they mine and smelt the nickel ore at Sudbury and put it in the shape of matte and send it to the United States for refining

purposes. The refining industry started a few years ago to experiment with what is known as the electrolytic process. It was carried on by the Canadian Pacific Railway people, and Mr. Eldridge, the manager, has successfully demonstrated that the minerals may be economically separated by that process. They produce absolutely pure lead by that process, and are now rapidly increasing the capacity of that refinery. It was experimental at first, and, I understand, they purpose extending it in the near future. I have information to the effect that the refinery in British Columbia is to-day putting in a plant for the manufacturing of lead pipe of all varieties. The capacity of the plant will meet the consumption in Canada of all classes of lead pipe, and in the course of a month or two, all the lead pipe required in Canada will be made at the refinery, because they can ship it to the eastern market just as cheaply as the pig lead. Thus, by the paying of this bounty we have had a rapid increase in the development of mining and smelting in the country. It requires some months to get closed up mines reopened and started again. The bounty Act was passed in October last, and it is only from that time that the effect of the bounty can be dated. But its effect has been beneficial indeed. The refinery is increasing its capacity and the manufacturing of lead pipe which was never attempted in Canada before, will be carried on. In the course of a month or two every inch of lead pipe used in Canada will be made there.

Hon. Mr. LOUGHEED—Why does the government not convert that bounty into a duty ?

Hon. Mr. TEMPLEMAN—That would open up a large question. You can put on all the duty you like, and it would not have the same effect. One-half of the lead would have to be shipped abroad. We can produce, without the opening up of any new mine, double the amount of lead that is used for all purposes in Canada by simply extracting the ores from the mines at present developed.

Hon. Mr. LOUGHEED—The producers asked for a duty.

Hon. Mr. TEMPLEMAN—They asked for a duty at first, but I do not think there is a mine-owner in British Columbia who does not approve of the bounty system.

Hon. Mr. FERGUSON—If half of the lead goes out of the country in the concentrated form, and a very large proportion is shipped as ore, that does not indicate the good effect of the bounty. My hon. friend thinks the good effect is coming, and that the lead mining industry will receive an impetus in the future ; but if it be a fact that we produce vastly more lead in Canada than is required for our own use in the country, I think it is all the greater reason why we should have imposed a duty in place of having recourse to a bounty. Had we done that, there would be no danger of the consumers in Canada being mulcted with too high prices, because there was such a surplus of Canadian lead that there would have been competition amongst our own people in supplying it, and if that had been the remedy supplied, I am certain we would not have to wait long, if we would even have to be waiting up to this time, to have brought about this state of affairs when all the lead produced in Canada would be refined in our own country.

The clause was adopted.

Hon. Mr. BEIQUE, from the committee, reported the Bill without amendment.

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

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

CRIMINAL CODE AMENDMENT BILL.
THIRD READING.

The House resolved itself into Committee of the Whole House on (Bill 86) an Act to amend the Criminal Code, 1892, respecting the punishment of Fradulent Debtors.

(In the Committee).

On clause 1,

Hon. Mr. FERGUSON—I should like to call the attention of the hon. gentleman who has charge of this Bill to this point. It would seem to me that the principle of this Bill is perfectly right. I do not see any reason why a person doing business and cannot show that the failure to produce books or to keep books properly was not due to an intention to defraud his creditors should not

be liable under the provisions of the Criminal Code ; but I do not know why we should draw the limit at $1,000. A smaller amount than that, I should think, ought to bring the merchant whose business was found in an insolvent condition under the penalty of the law. And the absence of these books must embrace a period of five years ; that is allowing the small dealers, who are, perhaps, the most liable to do wrong in this respect, to escape altogether unpunished, and it will only reach the larger class of dealers.

Hon. Mr. BEIQUE—I must call attention to this fact : that this Bill was passed last session by the Senate in its present shape, but it was at the end of the session and too late to be taken up by the House of Commons. Now, the House of Commons have taken up the Bill in exactly the shape it was passed by the Senate last year and it has been sent to this House. As far as the thousand dollar provision is concerned, I think the hon. gentleman last year made a remark to the same effect as he has to-day. We must, of course, settle upon an amount of some kind, and we thought that last year $1,000 would be a fair amount. People were carrying very small business, business which does not involve a credit to an amount of $1,000, and it might be hard on them to expect that they would have to go to the expense of keeping books, and we thought that $1,000 would be a fair amount to mention in the Bill. I am speaking from recollection. I drafted the Bill last year, and it was borrowed from the imperial Act which has been on the statute-book a great many years, and, speaking from recollection, I think the amount under the imperial Act was larger than $1,000. I have in mind that it was $3,000. As far as the five year provision is concerned, if the Bill passes, it will compel the trader to show that he has kept books for five years, and of course it is more difficult than if he had only to show he had kept books for a year. He is bound to show he has kept books for a reasonable period before his failure, so as to be able to justify for the losses which his creditors are called upon to bear.

Hon. Mr. LOUGHEED—I cannot quite appreciate the five year clause or the absence of keeping books. It seems to me the greatest frauds in mercantile business are those perpetrated under an elaborate system of books. I recall the Whitaker Wright frauds in London, in which the most elaborate books were kept. I cannot appreciate the value of books being kept for five years, or any particular time. It seems to me if the debtor cannot satisfactorily explain what has become of his estate, it should be within the discretion of the court to say whether a fraud has been perpetrated upon the creditors or not ; but the most fraudulent debtor can appear before the court and submit his books and no matter how enormous the fraud may be he can say : I do not come within the clause because here is the elaborate set of books which I have kept for five years.

Hon. Mr. BEIQUE—The hon. gentleman will agree with me that this is not intended to relieve a debtor who has occupied the position which has been stated by him. It is providing an additional remedy against such debtor, and last year when I introduced this Bill I called the attention of this honourable House to the fact that this law has been asked for by boards of trade throughout the whole Dominion. I mentioned the names. It has been asked for by the Board of Trade of Montreal, by the Chamber of Commerce of Montreal and by one hundred other boards of trade, in fact, in all other parts of the Dominion. It is deemed by mercantile men that this law is very much needed. They meet with debtors who have kept no books at all, and it is incumbent upon them in order to punish the debtor, as the law now stands upon the statute-book to prove that he has embezzled money or committed fraud, and if he has kept no books it is very difficult to follow him up. With this provision on the statute-book, and with the guarantee that the mercantile man will keep books, it will be much easier than it has been in the past to follow up the transactions of such a man.

Hon. Mr. LOUGHEED—The reason I feel disposed to criticise it is that you artificially create a crime out of a man's negligance. It may not be wilful, because he may not be able to keep books, but you make a man's negligence in the matter of keeping books a period of years a crime. Frauds are just as various as the vagaries of the human mind. It is utterly impossible to

lay down principles on which you could decide what constituted fraud in every case and in that respect the legislation may be somewhat pernicious. There may be no criminal animus on he part of the debtor. He may be unfortunate, and yet, owing to the bare fact of his not having kept books, you say according to law that he has committed a crime. There may be an utter absence of fraud. He may have no intention of defrauding his creditors, and I presume in that way you eliminate the power or discretion of the court to deal with each case of fraud upon the facts attending it.

Hon. Mr. BEIQUE—The hon. gentleman will bear in mind that this law does not introduce a new principle. As I have already stated, this law has been on the statute-books of England for over twenty years, and on the statute-book of France for a great many years, therefore we are following the example of two countries which, as a rule have good legislation. It is not only by reason that he has failed to keep books that he will be liable to be condemned. This is another remedy—unless he be able to acount for his losses to the satisfaction of the court or judge and to show that the absence of such books was not intended to defraud his creditors, and I think it is but reasonable. Men who do business with other people's money should place themselves in a position to be able to account for the money, and it is but reasonable to exact that that should be done and if they do not place themselves in a position to do so, it is not right to punish them as being guilty of fraud.

Hon. Mr. MACDONALD (P.E.I.)—I should be disposed to strike out the words 'five years' from that clause altogether. I would not put in the time at all. If it is to be made a criminal offence that a merchant is not able to pay his creditors, it should be so whether he has kept books or not. In my early life I knew a man who was in business for quite a number of years, and did rather an extensive trade on credit, with a great many people, and never kept a book and could not write his name if he was required to do so. He kept his accounts in his head, and was able to settle with all the people who had dealings with him, and that business went on for quite a number of years and was closed up to the satisfaction of every one. I am aware that he did business to an extent of much over $1,000.

Hon. Mr. POWER—I quite concur in the desirability of passing a Bill of this kind, but I should like to ask the hon. gentleman who has charge of the Bill whether it is worded exactly the same as the English Act to which he refers, is worded.

Hon. Mr. BEIQUE—I am quite sure that I did compare it, but I have not compared it since last year. From recollection I am sure it is the substance of the English Act.

Hon. Mr. POWER—The reason I ask is this, that the words 'for five years next before such inability'. can be construed in two ways. It may be the trader would bring himself under the law if he had not continuously, during the five years, kept these books; or it might be if he had not at some time during the five years kept the books. I think it would be desirable to make that clear. If the hon. gentleman who has charge of the Bill looks carefully at it he will see it is capable of these two constructions. It may be that he has not for five years continuously kept books or that he has not for some time. It is desirable that the meaning should be made clear, and if the contention is that he has continuously kept the books, I think the period of five years is too long.

Hon. Mr. BEIQUE—These points were raised and discussed last year, I think the meaning of the clause is that he shall have kept books continuously during the five years previous to his insolvency, and I know from recollection that it is founded on the English Act.

Hon. Mr. DANDURAND from the committee reported the Bill without amendment.

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

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

SECOND READINGS.

Bill (32) An Act respecting the Essex Terminal Railway Company.—(Hon. Mr. Casgrain, Windsor).

Bill (78) An Act respecting the Ottawa River Railway Company.—(Hon. Mr. Domville).

NEW SENATOR.

The Hon. Mr. HEWITT BOSTOCK, of B.C., was introduced to the Senate and took his seat.

The Senate adjourned.

THE SENATE.

Ottawa, Thursday, June 16, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

THIRD READINGS.

Bill (16) An Act respecting certain patents of the Canadian General Electric Company, Limited, and others.—(Hon. Mr. Gibson.)

Bill (109) An Act to incorporate the Montreal, Nipissing and Georgian Bay Railway Company.—(Hon. Mr. Kerr, Toronto.)

Bill (27) An Act respecting the Real Estate Title Guarantee and Trust Company, as amended.—(Hon. Mr. Casgrain, de Lanaudière.)

Bill (69) An Act to incorporate the Monarch Life Assurance Company, as amended. —(Hon. Mr. Kerr, Cobourg.)

MUTUAL RESERVE FUND LIFE INSURANCE COMPANY INVESTIGATION.

FOURTH REPORT OF THE SELECT COMMITTEE.

Hon. Mr. CLORAN, from the Select Committee, appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York, presented a fourth report, recommending that the quorum be reduced to five members. He said: As a matter of fact, we find it difficult to get a quorum of ten, and the committee think it advisable to ask the House for permission to reduce the quorum to five. It will mean that the investigation can go on whether there are five, fifteen or twenty members of the committee present. It is necessary that the motion should pass at once, as the committee is sitting daily.

The motion was agreed to.

Hon. Mr. CLORAN—In connection with the report, I beg to move that the evidence taken before the committee be printed and distributed to the members of this House.

Hon. Mr. LANDRY—I think it was decided that this evidence should be printed in our votes and proceedings. The House acquiesced in that demand when we made it some three days ago, and it was understood that the evidence would be published as an appendix to our minutes, so that all members of the House would have an opportunity to read it. I do not know if further orders were given.

Hon. Mr. CLORAN—This request is made for the reason that if the evidence goes into the minutes of the House, it will make a bulky document—50 or 60 pages a day. If it is printed independently and distributed among the members of the House it will serve the purpose. The intention was to have the evidence of Mr. Wells and Mr. Eldridge printed in the minutes, but no order has been given with respect to the evidence I am now speaking of.

Hon. Mr. SCOTT—I think the better way would be to print it independently, because it might delay the issue of the Votes and Proceedings. It requires a motion from the chairman of the committee.

Hon. Mr. CLORAN—I have made that motion.

Hon. Mr. SCOTT—I will give instructions to give it priority over the other work, so as to get the report as promptly as possible.

The motion was agreed to.

RIO JANEIRO LIGHT AND POWER COMPANY, LIMITED, BILL.

PETITION RECEIVED.

Hon. Mr. KERR (Toronto) presented a petition praying for leave to present the petition of the Rio Janiero Light and Power Company, Limited, for an Act of incorporation.

The petition was read at length at the table.

Hon. Mr. KERR (Toronto) rose to present the petition of the company for an Act of incorporation.

Hon. Mr. LANDRY—Is there no proceeding to intervene between the reading of the first petition and the presentation of the second ?

Hon. Mr. KERR (Toronto)—I apprehend this petition will now go to the Standing Orders Committee to be reported upon. The first petition I presented showed that the notice was short.

Hon. Mr. LANDRY—By the first petition the petitioners asked leave of this House to present a petition. Is that first petition acceded to ? What is to be done to have that permission ?

Hon. Sir MACKENZIE BOWELL—A motion should be made that the prayer of the first petition be granted.

The SPEAKER—The usual practice is that the petition for leave to present a petition is sent to the Committee on Standing Orders.

Hon. Mr. LANDRY—In that case the hon. gentleman could not present his second petition now.

Hon. Mr. KERR (Toronto)—I move that the petition be received. A similar petition was presented in the House of Commons and leave was granted to the petitioners to present a petition for a Bill. So I apprehend there will be no objection to granting the prayer of this petition.

The motion was agreed to, and the second petition was presented.

THE MARTELLO TOWER AT QUEBEC.

INQUIRY.

Hon. Mr. LANDRY inquired :

1. Does the government know that one of the Martello towers at Quebec, the one which stands on the historic ground where, on the 13th of September, 1759, the battle known under the name of the battle of the Plains of Abraham took place, is now used as a pedestal for a large tub for the accommodation of the Ross Rifle Manufacturing Company ?
2. Has the government ever given its authority for such a use of military properties for industrial purposes ?
3. Were the military authorities consulted upon this subject, and is it also with their knowledge and with their approval that this part of the fortifications of Quebec has been granted or leased to the Ross Rifle Company, and that the very roof of the tower has been pierced in order to permit the construction of the carpentry which serves as a base for the tub in question ?
4. When was this permission given ?
5. Upon what conditions and for what length of time ?
6. As a matter of fact, was the consent of the mayor of Quebec asked for beforehand, and was it obtained ?
7. Is it the intention of the government to cause this addition to the Martello tower to disappear as soon as possible ?
8. Is it equally the intention of the government to withdraw the use of these historic towers from the industrial operations of a private company, and to preserve intact towers which are an ornament for the old city of Quebec ?

Hon. Mr. SCOTT—The answers are as follows :

1. The government is aware that a tank has been erected on the Martello tower.
2. No special authority, but the land is under lease.
3. No.
4. No special permission.
5. The lease to the Ross Rifle Company is for ninety-nine years.
6. Yes.
7. The matter will be considered.
8. The matter will be considered.

THE PEAT FUEL INDUSTRY.

INQUIRY.

Hon. Mr. McMullen inquired :

In view of the dependence of a large part of Canada upon a foreign country for its fuel supply, as demonstrated by the recent fuel famine, is it the intention of the government to take measures to encourage the peat fuel industry ?

2. If so, in what form ?

Hon. Mr. SCOTT—The matter is under consideration of the government. No answer can be given at present.

NATIONAL TRANSCONTINENTAL RAILWAY ACT AMENDMENT BILL.

SECOND READING.

The Order of the Day being called :

Resuming the adjourned debate on motion for second reading (Bill 72) An Act to amend the National Transcontinental Railway Act.—(Hon. Sir Mackenzie Bowell).

Hon. Mr. FERGUSON—Before the hon. gentleman from Belleville proceeds, I should like to ask the hon. Secretary of State if he has the memo. which was to be procured for the use of the House ?

Hon. Mr. SCOTT—I was not able to see Mr. Sifton to-day. I do not know where he is. The memo. is quoted in Mr. Sifton's speech in the House of Commons.

Hon. Mr. FERGUSON—Only partly.

Hon. Mr. SCOTT—I am very sorry I could not get it.

Hon. Mr. FERGUSON—It was laid on the table of the House of Commons, and the Senate should be similarly treated.

Hon. Mr. SCOTT—If we send for it they may be able to let us have it.

Hon. Sir MACKENZIE BOWELL—It is unfortunate that we have not this report before us, if it would cast any light on the character of the country through which the road is to pass. Whether it be short or long it would be impossible for me to make any comment on it during the time I am expected to occupy the attention of the House on this subject. For that reason it is a pity it had not been laid on the table as it might have changed, to a certain extent, the remarks which I shall feel it incumbent on me to make. However, as it is not here we shall have to wait until the hon. gentleman can procure it or a copy of it, in order that those who may follow me in this debate may have the advantage of the information which it contains.

I feel somewhat diffident—I dare say that remark will create a smile in the minds of some—in addressing the House on this subject, and for this reason: there has been so much said about it on both sides, in parliament last year, and in the public press, that it would be scarcely possible for me to advance any new ideas upon the subject. Still, in order that the opinion of senators may be placed upon record, I deem it my duty to give the views which I entertain, and which, I think, are entertained by a large number of the people of Canada on this subject. I must compliment the hon. Secretary of State on the mild and gentle manner in which he approached this subject during his speech of one hour and one-half. One would be lead to believe from the manner in which he treated the subject that his heart was not in it. He did not throw that life, energy and vigour into the discussion of so important a subject as this, that would lead those who listened to him to the conclusion that he really had a conscientious conviction of the propriety of going on so prematurely with an undertaking of such a gigantic character. I have not so much fault to find with the hon. gentleman for what he did say in his speech as for what he left unsaid. He made no reference whatever to that portion of the line to which very strong objections have been taken, and, certainly, which the Grand Trunk Railway Company, as it exists to-day, have no desire to have anything to do with, that is the road from Quebec to Moncton. Perhaps it was just as well that the hon. gentleman did not refer to that, as he might have found some difficulty in defending the construction of a portion of the road which is to all intents and purposes to parallel the line already owned by the government. It is true that we have a very favourable and glowing account of the prosperity of the country, in which we all rejoice. He also advanced a very singular argument in connection with the cost of the road. He impressed upon the minds of hon. senators, to as full an extent as he could, that the mountain section of the road would be constructed for a much less sum than any calculation which has been made, or which experience tells us a road of that character can be built for.

Then, in order to leave the impression upon the minds of those who listened to him that the Grand Trunk Pacific, instead of getting concessions which are to be made under this Bill and the greater responsibility which would fall upon the shoulders of the Grand Trunk Company in its endorsations of the bonds and guarantees, if the road across the prairie section should cost a much larger sum than has been contemplated by any one who has ever made any calculation, those sections of the road in the mountain which are to be guaranteed to three-fourths of the total expense by the government are represented to be comparatively small—only ten thousand dollars per mile more than a sum which the hon. gentleman contends will have to be spent upon the prairie section or to that amount plus that which is guaranteed by the government upon the prairie section. However, the hon. gentleman may have thought possibly, in advancing arguments of that kind that there was no one on this side of the House or even on his own side of the House to draw the conclusions which I have drawn from his utterances on this point. I shall leave other portions of the hon. gentleman's remarks to those who may

follow me, and confine myself as nearly as possible to the position in which the country finds itself at the present moment. We remember distinctly at the last session of parliament, when this question was first mooted by the premier, that he advanced as reasons why the road should be proceeded with immediately, without waiting for surveys of those portions of the road of which no one had any knowledge, that it was absolutely necessary in the interests of the company that the work should be commenced immediately ; they could not possibly wait until the proper surveys had been made. One of the reasons that he gave was that there was a danger that the bonding system which exists between the United States and Canada would be abrogated, and if abrogated there would be no means of reaching the Northwest Territories with the trade which must flow in there from the east and west. A year has rolled by and fortunately there has been no abrogation of the bonding system by the United States. Our trade relations with the States are going on as peacefully as they ever did, and to those who have given any thought to the subject we must come to the conclusion that it is an absurd—if I may use that expression—an absurd argument to advance in favour of the premature construction of this road that the bonding system which is of such great advantage commercially and pecuniarily to the United States will ever, unless war is declared between the two nations, be annuled. The United States are not disposed to abrogate any understanding that exists between their neighbours or foreign countries if it is going to injure the trade of their own people. Another argument that was strongly advanced, not only by the premier but by an hon. gentleman in this House, was that it was necessary to construct this road in order that we might be able to reach the Northwest Territories with troops and munitions of war in case of trouble with countries to the east or south. I am sure we all rejoice at the fact that we are living in the same peaceful condition that we were when these predictions were made, and those who know anything of the geography of the Dominion must feel that this road if constructed for a stragetic purpose would be utterly valueless and useless. Why was the Intercolonial Railway constructed along the south shore of the St. Lawrence river ? Those who know anything of the history of the country are aware that the British government insisted upon the road taking the northern route in order to be as far away from the United States frontier as possible. Had the will and the wishes of the Canadian people at that time been carried out, which was strongly advocated by the late Sir Leonard Tilley and others, particularly in the province of New Brunswick, the road would have been built by the valley of the River St. John and not where it is located now. That northern route was selected for the express purpose of accomplishing that which an hon. senator of this House and the Premier advanced as a reason why this transcontinental railway should be built, though the eastern section from Quebec to Moncton must necessarily run very close to the borders of the United States, and therefore for military purposes would be utterly useless. We are living peacefully with our neighbours, and I hope we will long continue to do so, and that neither of these roads will ever be required for military purposes. Therefore if the road is built at all let it be built where it will be of some use to the country and can be utilized for the purposes for which its construction has been advocated. But apart altogether from the reasons advanced by the hon. gentleman, there were other reasons equally weak as the ones to which I have referred but which I shall pass over for the present moment. The great argument advanced at that time was the absolute necessity for proceeding at once, and members of the Senate will remember how ministers boasted that provision was made in the contract, and the conditions were such, that it was impossible for the Grand Trunk Railway Company to set the agreement aside ; that they would be compelled to go on. Let us see what the premier said upon the question of the security which the government had for the commencement of the construction of this road. We find that the premier declared that :

> The Grand Trunk Company could not default upon the eastern section because if it defaults upon the eastern part it defaults upon the western section also. It cannot default upon one part without defaulting upon the whole, and therefore they cannot deviate from it.

Hon. Mr. MACDONALD (B.C.)—Very tight.

Hon. Sir MACKENZIE BOWELL—We will see how tight it was presently. Then the Minister of Customs, Mr. Paterson, in his stentorian voice declared that :

The government plan is there in black and white, signed by men of repute, signed by the ablest railway men in the world, and, consequently, they could not deviate from the conditions or delay the commencement of construction at the earliest possible moment.

Mr. Fisher, Minister of Agriculture, the hon. gentleman who has under his charge at the present moment the formation of the militia force and who has been so successful in that respect (let me hope he will be more successful in matters which pertain more particularly to his own branch of government), declared that they had :

A clean cut proposition signed by a reputable corporation of great resources, which is going ahead with the proposition as rapidly as possible.

That is pretty strong language, but we fail to learn that they have yet commenced, so far as this line is concerned, any operations whatever. It is true that they have had surveyors and engineers upon the road between North Bay and Winnipeg, the route that they desired to build when they made the first proposition to the government to connect their own system passing through Ontario and Quebec with the great trade of the Northwest ; but they had not then begun construction, nor am I aware that anything else has been done towards the construction of that road than the surveys to which I have called attention. Then the Finance Minister followed in somewhat the same line, and he declared that they had taken means to make the company live up to the bargain. He said :

They had a clear cut contract with the government, that the government had not been content to have the Grand Trunk behind the scene, but it required that the company should be in it and of it and form the whole thing.

These were the boastings of ministers which would leave the country to believe that it was impossible for the Grand Trunk Company to depart from the terms of the bargain which had been made. Well what do we find ? The very first deviation from that bargain, or shall I say violation of the bargain, was the fact that that important condition in the contract which provides for a deposit of a large sum of money was never complied with. The first intimation we had of the fact that the five million dollars had not been deposited with the government was a telegram from Ottawa to the 'Globe', as follows :

Ottawa, 19th December, 1903.

The following official statement was issued to-night by the government :—

The Grand Trunk Railway deposited £1,000,000 of their guaranteed stock as security for the carrying out of the agreement entered into last session between the government and the Grand Trunk Pacific Railway Company, subject to the ratification of their shareholders at a general meeting. Inasmuch as the contract requires cash or government securities for the deposit, legislation will be required to confirm the acceptance of the securities which have been deposited, though such securities are worth to-day more than par and their value is unquestionable.

The Grand Trunk Railway people knew when this deposit was made, or the proposition to make such a deposit was made that it would be in direct contravention of the law which was placed upon the statute-book giving them power to issue these bonds. We all remember the discussion in the Railway Committee upon this question. The power to issue these bonds was given to the Grand Trunk Company for a specific purpose, and until the law was changed by parliament to relieve them of that responsibility, these bonds could not be deposited with the government in the place of money or for any other purpose than that for which the issue was authorized. Then we find that Mr. Hays made this declaration :

The securities deposited with the government are better than the cash equivalent. They were deposited because of convenience, not because of any failure to raise the money. There was a delay of a few days, but the time allowed by the government was rather limited. Neither have we violated any moral obligations to the shareholders of the Grand Trunk, or broken faith with the government. The Grand Trunk possessed these securities for the purpose of the company, and they were utilized.

I am very much afraid that our friend the manager, the second or third vice-president of the Grand Trunk, had been studying Russian diplomacy when he made statements of this character. He said they did not violate their obligation to the government. The provision of the contract is that they shall deposit money or approved security. Were these securities as good as the money ? In the first place the money was not deposited, in the second

place the bonds had not been approved, and even if they had been approved by the government they could not be deposited in the manner that the company suggested, in lieu of money, for the reason that they were permitted to issue these bonds only for a specific purpose, and consequently he makes this covering provision, that it is to be submitted to the company's shareholders, a matter to which I shall refer hereafter. The bonds of the Grand Trunk Railway Company may be, in the opinion of Mr. Hayes, as good and better than money, but I think most people will prefer to take the money, and then they will know precisely what it is worth. I instance this merely to show first, that the boasting of the government was just so much wind and nothing more, that the Grand Trunk did not comply with the provisions of the contract in making the deposit, and, consequently, there had to be delay. What is the excuse given by the parties who defended in the lower House this delay in making the deposit ? One reason was that the money market in England was not in as favourable a condition to raise money at the present time as it was a year or two ago, or as it was hoped it would be in the future. Now, we all know that this is the fact, because we know that the Finance Minister, in making arrangements for retiring the debentures which are coming due, in England, and to issue other securities and bonds at a lower rate of interest than they are bearing at present, had to delay the placing of those bonds on the market to the amount I think of some twenty millions sterling, owing to the fact of the tightness of the money market. Any one who has paid attention to that fact will confirm the statements which I have made, and which were made in the lower House upon this point. So much for the boasting of the government, and the declaration that the Grand Trunk had fulfilled the conditions and complied with the provisions of the first agreement, and also, I might say, so much for the cause of delay. Then we have the question of route. I place very little value indeed upon the partial statement made by the Minister of the Interior in the lower House—that one officer, Mr. White, went to Mr. Stephens, who had been in some portion of that country and asked for his views upon the question of route, as to its feasibility, and so on. He gave them an extract, as I understand it, from the report which he had made or proposed to make. That is the document referred to by Mr. Sifton in his speech upon this subject. We have not got that here at the present moment, and consequently I do not propose to refer to its contents. We will have it probably before the debate closes, when some hon. gentleman can use it, but we have a most amusing description of that portion of the country which has never been surveyed. We have quotations made by the premier from works written by the Jesuit Fathers. Any one who has read Parkman's history of the travels, the persecutions, if I may use the expression, and the hardships endured by the Jesuit Fathers who first explored the northern part of the country and the southern part of the country, knows very well that those gentlemen never went over the route where this road is likely to be built. They confined their travels to those portions of the country which were—shall I say uninhabited or shall I rather say those portions of the country where the Indian tribes were located, and every one knows that every Indian tribe locates itself on some stream or on the shores of a lake and, consequently, these Jesuit Fathers to whom I am referring just now, went up the different rivers, the Saguenay, the Ottawa, and others that are mentioned here. Others who were explorers rather than missionaries, went to the south of the lakes until they reached the Missouri and also the Mississippi. It is only necessary to read the quotations, to come to a conclusion as to their absurdity, and their total irrelevancy to the subject of the route of the Transcontinental Railway ; but they are so interesting in their character and so pleasing to read that I crave the indulgence of the House to repeat them here, in order that they may go on record for future reference, so that the people may see what the premier of this country advanced in favour of taking a northern route of which nobody knows anything at all. He quoted from one of the works written by Samuel de Champlain. who devoted himself to the task he said in hopes of finding an easy passage to the sea. Cavelier de La Salle lost his life in the attempt. I have never learned myself that La Salle went by the northern route.

If my recollection serves me right, he took the southern route and if you go to Chicago to-day you will find a statue in one of the parks there erected in memory of this explorer and in honour of the discoveries which he made in the Mississippi and Ohio valleys ; and yet La Salle is quoted as evidence to show there is a good route three or four hundred miles to the north of us. I think I could tell who furnished that information, and I would suggest in future that those who prepare speeches for some of our public men should refer to documents which have some relevancy to the subject which they propose to discuss. Then another man, La Verendrye, is quoted as follows —

Samuel de Champlain devoted years to the task in the hope of finding a passage to the sea. Robert Cavelier de La Salle lost his life in the attempt. Another man, LaVerendrye, took an overland journey to reach it by exploring the prairies, and his two sons, on the 1st January, 1743, were the first Europeans to cast eyes upon the Rocky mountains. LaVerendrye himself lost his life like Robert Cavelier de La Salle in the attempt to get to the Pacific ocean. After the country had passed under the sovereignty of the British crown the task was resumed by Scotch traders established in Montreal, and in 1793, Alexander Mackenzie was the first white man to reach the Pacific ocean across the mountains by the overland journey. Many private individuals subsequently attempted and performed the same feat. The last of them was Captain Butler, of the British army, who in the winter of 1872 crossed the continent from Fort à-la-Corne at the forks of the Saskatchewan by way of the Peace river to the Pacific ocean.

It is not necessary for me to say that the discoverer of the Mackenzie river did not go by the northern route, but ascended the Ottawa river and followed in that direction until he reached the Pacific ocean. Going a little further we have another quotation from Father Albanel, in which he says :

On the 23rd and 24th of June we found a less mountainous region. Its atmosphere is much milder, and its fields are beautiful ; and the soil would bear abundantly and be capable of supporting a large population if it were cultivated.

At page 205, another quotation is made from the record of that pioneer missionary :

I can assert that on the 15th of June there were wild roses here, as beautiful and fragrant as those at Quebec.

But perhaps I could inform the hon. gentleman he need not have gone 300 years back to find out this fact. I have myself, in my own garden at Belleville a rose bush in bloom which I pulled up on the banks of the Yukon a thousand miles northwest of Dawson. I kept it for six weeks in my trunk and then planted it, a year ago last fall. I do not advance that, however, as an argument in favour of constructing a railway in that far northern country. One can readily understand the effect on vegetation of the four or five months of daylight in the Arctic regions, but that is no evidence that such a country is suitable for the settlement of civilized people. Then follows another paragraph which would be well to put on record :

On the 19th we arrived at Makanomirkic—that is, ' the bears' fishing place ! ' It is a flat region with very shallow water, and also extremely rich in fish—small sturgeon, pike and whitefish having their haunts there. It is a pleasure to see the bears walking on the shores of this piece of water, as they go catching with a paw now one fish and now another, with admirable dexterity.

I say nothing of the abundance of wild fowl in the region. On the island of Onabaskouk, if the savages are to be believed, they are so numerous that on one place, when the birds shed their feathers at molting time, any savages or deer coming to the spot are buried in feathers over their heads, and are often unable to extricate themselves.

You will observe that the reverend gentlemen threw the responsibility of this last statement on the savages. Now let me ask in all seriousness whether stuff of that character would justify the construction of a road through a country of which we know nothing ? If you look into the matter you will find that one of the travellers whose reports have been quoted by the premier went up the Saguenay river and did not traverse the country where it is proposed to build this railway.

Let me refer now to the difference between the present contract and the contract which was entered into and confirmed last year. If we are to accept the assurance of the hon. Secretary of State, there is no material difference between the two agreements. In fact his references to them were as childlike and bland as ever fell from any heathen Chinee. One would suppose that parliament was asked to take no responsibility beyond that assumed last session, or at least an additional responsibility of such a trifling character that no Canadian who desires to see the development of this country should object for a moment, and yet it will occur to every one of us, if the interpretations put upon the two contracts by the

hon. Secretary of State are correct, why did the shareholders of the company in England demand fresh concessions in connection with any securities which the Grand Trunk Railway Company might issue, in order to prevent if possible any expenditure which would interfere with the dividends to be declared on the Grand Trunk Railway stock ? That I think is the very best answer, if we went no further, to the position taken by the hon. Secretary of State. He read an extract from the letter of Mr. Allen, who opposed not the scheme so much as the fact of the Grand Trunk Railway Company, in which he had invested money and had a good deal of interest, having anything to do with it, and he very gravely advocated the building of the mountain section as well as the eastern section from Moncton to Winnipeg by the government. The House laughed when that extract was read, but it was not unreasonable on the part of Mr. Allen. If he found the government so liberal and pliable as to enter into an agreement to build the most difficult part of this transcontinental road, a portion of which nobody believes will pay for years, and which the Grand Trunk Railway takes precious good care not to assume the responsibility of paying interest upon, even at three per cent for many years to come—it is not unreasonable that the same directors should say if the people of Canada are so anxious to have another transcontinental road let them build the western portion as well as the eastern portion of it. He is a man, it strikes me, who is as capable of looking after himself as most men who are involved in these great enterprises are. There seems to be this great difference between these two bargains. The government in one place surrender the power to fix the liability in issuing the bonds for the construction of the road, and they give those powers to private capitalists to sell bonds to any amount at whatever price the market will pay for them. The amount of bonds to be guaranteed by the government is limited on both sections. They also surrender all control over the fixed charge on a road which the people are helping liberally. That power is relinquished and turned over to the control of the board of directors. That is one change in the arrangement. Then on the mountain section bonds can be issued to an unlimited extent. Under the old agreement the government guarantee on the bonds could only be to the extent of $30,000 to the mile. The change in the second agreement is that instead of guaranteeing a certain percentage on $30,000 per mile, the country is bound to guarantee three-fourths of the total cost of the road, no matter what it may be, and there is no provision that the bonds shall be sold at par. If bonds have to be issued for the construction of the road, and they are sold at ten or twenty per cent below their face value, the government would have to endorse whatever amount of bonds would be necessary to complete the road. The agreement is different in that respect.

Hon. Mr. SCOTT—My hon. friend will remember that the government control the bonds. The company cannot take guaranteed bonds and put them on the market without the approval of the government. It must be done through the Finance Minister.

Hon. Sir MACKENZIE BOWELL—I did not say they could. What I stated was, that, in the original agreement, the government of Canada bound itself to endorse bonds to the extent of $30,000 per mile on the mountain section of the railway. In the amended agreement they bind themselves to endorse the bonds to the extent of three-fourths of the cost of the construction of the road through the mountain section, whatever it may be.

Hon. Mr. MACDONALD (B.C.)—The liability is unlimited.

Hon. Sir MACKENZIE BOWELL—And these bonds, as I stated before, may be placed upon the market at a discount of twenty per cent. It will require just so much money to complete the road, but no matter now many bonds may be issued the government endorse them to the extent of three-fourths of the cost of the road, and I will show in a few moments by figures what the result of that would be. Then we find, going a little further, that the promoters will not only have these enormous powers in issuing the bonds, but they also are given a large block of common stock to sell or dispose of as they see fit. Now, that was not a provision of the old contract. They were obliged to keep a large proportion of these bonds in their own possession. They are

allowed to dispose of twelve millions of this stock, and no price is stipulated at which they shall be sold. It need not represent the investment of a dollar by the Grand Trunk Railway in the enterprise ; but notwithstanding that fact if the stock is put upon the market and the road ever earns anything, dividends will have to be paid on that stock which cost them nothing. The truth is that the bargain makes it possible for the promoters of the line to build and own a great railway without putting one dollar of their own money into it. The building of the line, and the supporting of its fixed equipment, is to be defrayed by a bond issue. The rolling stock can be financed by the formation of a rolling stock company. Then there will be left twenty millions of preferred stock to supply working capital. Back of that there is twenty-five millions of common stock for which one dollar need not be paid. The Secretary of State, in referring to this point, stated that in the Canadian Pacific Railway contract twenty-five millions of stock was practically given to the promoters and they sold it at twenty-five or thirty cents on the dollar. That may be true, and I think it is, but the circumstances under which that road was built and the circumstances surrounding the construction of this project are so totally different that the provisions found necessary in those days are not essential now after the great Northwest and Manitoba have been developed to a considerable extent and are supplying enormous quantities of freight. A writer in discussing this question used the following language, and it is put so clearly that I take the liberty of reading it :

> We are to spend, at a modest estimate, $72,000,000 on the undertaking. This will mean an addition to the taxation for interest of $2,520,000 a year. If the Grand Trunk should decline to accept it as a gift—and it is at liberty to do so under the new contract—we shall have eighteen hundred miles of railway, duplicating in one province a road we already own, passing through the least favourable and most distant portions of two other provinces, and having no western connection, on our hands.

Now let me point out what, from calculations which have been made, will be the result of the changes in the contract. None of us can say the exact mileage of the road ; therefore we must take figures which have been given as to distances, and base the calculations upon them. It is supposed that the prairie section will be one thousand miles, and for the construction of that portion of the railway the government, under the first contract, pledged itself to endorse bonds to the extent of thirteen thousand dollars per mile. Then there is supposed to be five hundred miles in the mountain section, to aid the construction of which the government pledged itself, under the first agreement, to endorse bonds to the extent of $30,000 per mile, a total of fifteen million dollars. Both of these guarantees for the prairie section and the mountain section would involve a liability on the part of Canada of $28,000,000.

Now take the second contract, and with the same estimate of distances as a basis, see what the liability will be. It will depend altogether upon the amount which it costs to construct the road. That cost may be $30,000 per mile. The other night my hon. friend gave us an estimate of $40,000 per mile. We know from past experience that in the mountain section and some portions of the prairie section, where they have large gullies and rivers to cross, it will cost much more than $40,000 a mile In Prince Edward Island the government have built a narrow gauge road at a cost as shown by the figures laid upon the table last session, of over $28,000 per mile, and that in a country where there are very few difficulties except one large river ?

Hon. Mr. FERGUSON—That statement of cost does not include the bridge.

Hon. Sir MACKENZIE BOWELL—So much the better for my argument. If in a country which presents few engineering difficulties, it has cost $28,000 a mile to build a narrow gauge road which is not yet finished, what is it likely to cost to construct the mountain section of this Transcontinental Railway ? We know that the Canadian Pacific Railway spent over $100,000 per mile for the construction of some portions of its road. We know that a portion of the road under their contract has not yet been completed and that the government withhold one million acres of land grant that they were to receive until the grades of that portion of the line are brought to the standard provided in the contract, and the Canadian Pacific Railway

has not yet brought it up to that grade. I mention this to show that the calculation of $40,000 per mile for the mountain section is, to those who have paid any attention to the subject, almost an absurdity. The government, under the old contract, agreed to endorse bonds for $30,000 per mile for that section; under the new contract they agree to endorse bonds to the extent of three-fourths of the cost. Let us suppose that the first calculation of the cost of the mountain section, $48,000 per mile, is correct; the guarantee of the government would be $18,000,000 instead of $15,000,000, or a total for the two sections of $31,000,000 instead of $28,000,000. If the cost of the road should be $60,000 per mile for the mountain section, which is not at all improbable, the government guarantee would be $22,500,000, or a total of $35,000,000 instead of $28,000,000. But let us take another calculation, a higher one, a calculation based on the cost of the Canadian Pacific Railway, and we get at the total liability assumed by the government. If the road should cost $80,000 per mile, the government would then be liable for $43,000,000 under the second contract instead of $28,000,000 as under the first. It will be seen by these figures that the country is assuming a much vaster responsibility than has been, to quote a very eminent man—vaster than ever was contemplated, and that the explanation given by the hon. Secretary of State would have been better confined to the roses which, he suggested. may be found in June in the Arctic regions. The directors, under this bargain, can issue just as many bonds for the construction of the mountain section as they please. And if they can sell the bonds at par then we would know that every hundred dollars would have to be guaranteed to the extent of three-fourths by the government. But if they sell the bonds at seventy-five cents, then you can readily understand the additional liability incurred by the government in the endorsation of these bonds.

Now, what is the country assuming in the way of liability for this great transcontinental road? I desire to be fair in discussing this question. I admit if the road, when built, pays the interest on the money and running expenses, then the government liability ceases to be of any great consequence. My hon. friend nods his head. Whether the road will pay or not is best answered by the fact that the agreement provides that the Grand Trunk Railway is to hold the eastern portion for seven years without paying anything, and the new contract extends that time, and then there is the option of a renewal for fifty years longer. If they have any unproductive branches built during the time they can throw those on the government and we are obliged to take them, while the company can keep all the paying branches; yet we are told that there is no material difference between the two contracts. My impression is that the shrewd managers of this company know very well what they are doing, and when they went to England to urge the shareholders to accept the contract they knew it was of much greater benefit to the company than the old one. Now, let us look at the total liabilities which we are likely to assume. The estimate for the construction of the road from Moncton to Winnipeg is $75,000,000. The interest during the construction of the road will be $9,000,000, which brings up the cost to $84,000,000. For seven years no rental will be paid by the company and the interest during that period adds another $17,640,000, or a total for the eastern section of the line of $101,640,000. This for the government end, the portion of the road which is to be leased to the Grand Trunk Pacific. To this direct outlay there is to be added the bond guarantee obligations assumed first on the Quebec bridge, and, secondly, on the western division of the railway. They are as follows: Quebec bridge bonds $6,678,200. The interest during construction for a year and a half, supposing it to be finished in that time, will be $300,510, or a total for this bridge of $6,978,719. How much the promoters and the stockholders of that bridge will put into their own pockets they will be best able to tell us after the work is completed. I think that is a point to which the people of Canada ought to give special attention.

Sir Charles Rivers-Wilson estimated the cost of the whole road at $50,000 per mile. I suppose he might be accepted as an authority upon that question; and if he is, his estimate is just $10,000 per mile more than that of the hon. Secretary of State. From past experience, and what we know of the

construction of other roads, we must come to the conclusion that the estimates of both gentlemen are below the mark. The guarantee will therefore be on the mountain section $18,750,000, and on the prairie section $9,750,000, or a total of $28,500,000. Taking all these items into account, the government has undertaken obligations and liabilities on the eastern extension to the extent of $101,640,000; Quebec bridge, $6,978,719; and western division, $28,500,000. or a total, according to these calculations (and I think they are under the mark), of $137,118,719.

Let me call the attention of hon. gentlemen for a few moments to the position of the Grand Trunk Railway Company in reference to this road, and they will see that there has been displayed an astuteness on the part of the manager of that road which is commendable to one upon whose shoulders the responsibilty rests of managing an enterprise which will yield dividends to the shareholders. The original proposition of the Grand Trunk Railway Company was for aid to build a road from North Bay to Winnipeg, and thence to the Pacific coast. That was a commendable ambition on the part of the Grand Trunk Railway. That would bring a certain portion of the output of the Northwest Territories and Manitoba to the Grand Trunk Railway system in the older provinces. No one could find fault with a proposition of that kind, but Sir Charles Rivers-Wilson tells his shareholders in England that the government would not permit them to do that, but insisted in tacking on to the scheme an eastern section, and refused their application unless they assumed certain responsibility in connection with that portion of the line from Winnipeg to Moncton. I am not going to discuss now the terms upon which the Grand Trunk Railway Company desire to build that road, or the aid which they ask from the government. We do know this, that the government declared that no further land grants should be given in aid of the construction of the road. The country had no knowledge, directly or indirectly, of the request made by the Grand Trunk Railway Company for aid to construct that road until it was found necessary to produce the document in the lower House to show that the contention of the opposition in the House of Commons is bearing fruit in the country—that is, that the Grand Trunk Railway Company was desirous of building a road which would impose upon the country much less liability than the scheme which they have been compelled to accept by the government. Notwithstanding the fact that this document was not produced, I do not know that it makes a very great deal of difference in the argument, but it was not produced, although the premier had declared that all the documents had been laid before parliament, and he made that statement without equivocation or mental reservation, and the only excuse he gave for withholding that document was that the proposal, though it was for a grant of so much money and land in aid of the construction of a road, was marked confidential. It is something new in this country to receive a document, presented by a powerful corporation like the Grand Trunk Railway Company, asking aid for a public work, to be marked 'confidential,' and even if it were a confidential document, we know that in the past confidential documents have been laid before parliament. Take that pamphlet which the Postmaster General issued and circulated, which was full of private and confidential letters. There was one of mine that I wrote to Sir Adolphe Caron in reference to a contract and which was marked 'private.' It was a matter of perfect indifference to me whether it was published or not, because in writing a letter for a friend I asked the government to extend a contract if it could be done in the interest of the country. If all confidential letters were of that character, I do not think much could be made out of them.

Now, what was the intention of the Grand Trunk Railway Company? I repeat it was to secure for their main line through Ontario and Quebec to the sea-board a share of the traffic of the great west. Mr. Hays, when in London, addressing the shareholders of the Grand Trunk Railway Company, pointed out that it was absolutely necessary to have connection with the west to enable the road to earn sufficient money to continue paying the dividends which had been paid since he had taken charge of the company. He says:

> Ladies and gentlemen, if I thought I could assure you that these dividends on the first, second and third preferences to the extent they

have been paid would continue, then I would not be here to-day advocating this new enterprise.

If he was to continue to pay the dividends to the shareholders which he had been paying during the last two or three years he pointed out to them the absolute necessity of securing trade from the west, or it could not be done. Then he goes on to say :

The Grand Trunk to-day—

And I wish every member who takes an interest in this would listen to this argument advanced by the manager of the Grand Trunk Railway. He says :

The Grand Trunk to-day is drawing from the country—the Northwest—that we are now seeking to enter, and seeking to tie up to the system—

What system ? Their own system, the Grand Trunk system—not the Grand Trunk Pacific system. He continues :

—a very large portion of its traffic which we stand to lose if we do not embrace this enterprise. We cannot hold it. We are to-day handling from fifteen to twenty million—last year it reached twenty-four million—bushels of grain which came across the lake from Lake Superior down to our ports, feeding the whole Grand Trunk system throughout Ontario, and this gives us the whole of the way from Montreal, thus contributing a very large portion of our earnings. We cannot hold that to our system if we do not take some means of fastening it to us.

The fastening of this twenty-four millions, which will be duplicated in the future it is to be hoped and more than duplicated, cannot be held to their present system unless they make a connection in the west in some way and not allow the traffic to pass over the Grand Trunk Pacific transcontinental road. If the cars of the transcontinental road are to be loaded with wheat in Winnipeg or at any point westward of it and goes straight from Winnipeg to Quebec and Moncton, it will not add one single red cent to the receipts of the Grand Trunk proper.

Hon. Mr. BEIQUE—Hear, hear.

Hon. Sir MACKENZIE BOWELL—And consequently Mr. Hays was desirous of adopting a system which would secure the continuance of that trade and increase it. He says :

That business to-day gentlemen is given to us by our competitors. It is not collected by the Grand Trunk Railway itself.

Mr. Hays knows he was getting that through the aid of either the Canada Northern or the Canadian Pacific Railway and it would have to be delivered to them at their ports at Midland or at Goderich or some other point where they have ports on Lake Huron or the Georgian Bay. Then he continues :

Now, we have another rival in that same territory, which is competing with us to a certain extent now, that brings the grain down to the lake, and conveys it by water across from Port Arthur and Fort William to those Ontario ports of ours. That line we do not control, and there is no likelihood or possibility of our controlling it in the near future.

That is the Northern road, because the Canadian Northern not having an eastern connection or any means of carrying the grain properly from Port Arthur eastward delivered it over to the Grand Trunk instead of the Canadian Pacific Railway Railways boats. Mr. Hays says :

And that railway is making its connections with the United States lines to the south of St. Paul and Minneapolis up to Winnipeg, and drawing this grain and traffic, which is not only today feeding the Grand Trunk very largely, but is the only direction in which we can look for an increasing traffic. That traffic will be lost to us if we do not tie it up.

That is, unless they have connection with these lines, they will lose the traffic, is really his entire argument in connection with that. Now let me point out how he proposes to secure that traffic for Grand Trunk Pacific Railway ? They asked in the first place, for a contribution from Ontario to build a road from North Bay to connect with the transcontinental line. They also asked for aid to construct a line from Thunder Bay or from the harbour of Nipigon or from Port Arthur—most of you are aware that the Nipigon is just below that—northwestward to connect with the trains of the transcontinental line. What have they secured ? The Ontario government declined to give them any aid to construct the line from North Bay to connect with the transcontinental line, and why ? The Ontario government is building, out of its own resources, a government line from North Bay to Lake Temiscamingue. That was commenced before the transcontinental scheme was propounded, or the contract which was entered into by the Grand Trunk Company and the government took place. As soon as the first contract was made between the

Grand Trunk Railway and the country for the construction of the line from Moncton westward to Winnipeg, the Ontario government took another appropriation, at the last session of parliament, to continue the Temiscamingue road, the road from North Bay to Temiscamingue, northward or northwestward until it would join the transcontinental road, and intimated at the same time that as this would connect Ontario with the great west by that means, they were justified in expending that amount of money in the anticipation of leasing it to the Grand Trunk Railway Company or the Grand Trunk Pacific Company as soon as it was built. They did not stop there. They complied with the application of Mr. Hays, the manager of the Grand Trunk Railway Company, and appropriated at the last session of the Ontario Legislature a bonus of $2,000 per mile and 6,000 acres of land for the construction of the road from Port Arthur or the mouth of the River Nipigon with the transcontinental line, thus giving when these two roads are built, a direct connection between the great producing Northwest and Manitoba and whatever trade may come through the Rocky mountains from the eastern countries Japan, China, or any other country on the Pacific, giving a direct connection with the Grand Trunk Ontario system to the sea-board, wherever they may think proper to take it, and as their line runs to Portland rather than to a Canadian seaport you may take it for granted, in view of the declarations made by Mr. Hays and Sir Charles Rivers-Wilson, that they are going to carry that freight over their line as far as they possibly can until they reach a seaport, so that Mr. Hays' scheme and his proposition are being accomplished as directly as it is possible to secure the carrying trade of the Northwest over the whole Grand Trunk system. There is no hiding the fact. The facts are before us. I am not finding fault with the Ontario government for what they did. They were desirous of connecting Ontario with the great Northwest, and, representing Ontario, they believed it to be the interest of the province, and so did the opposition at the time because they did not oppose it, to connect Ontario with the whole western carrying trade and bring it into and through their own province, and it has been accomplished in this manner by the astuteness of the managers of the Grand Trunk Railway Company. They have skill, they have much knowledge of railway building, and a sufficient knowledge of the benefits of the carrying trade, so much more than the ministers with whom they were negotiating that they succeeded, I will not say in bamboozling the government, because that would not be right but they succeeded in accomplishing that which they originally intended to accomplish, and that too without any great expense to themselves. What has the Ontario government done to assist them in securing that trade? They have given cash bonuses to that road to which I have called attention, of nearly a million dollars and a land subsidy calculating it at two dollars an acre, amounting to two million two hundred and sixty-eight thousand dollars, making a total subsidy of $3,824,000. Had the original proposition of Mr. Hays on behalf of the Grand Trunk been carried out I hesitate not to say that Ontario would have been relieved of this expenditure and the expense to the government of the country would have been infinitely less. As further evidence of this fact, Mr. Hays stated on the 25th December, 1903 :

> That our first object would be to get the east connected with the great lakes for the summer traffic, and then to give Winnipeg connection with the east. The people of the west want more railway facilities, he said, and he intended to give it to them as quickly as possible.

There can be no doubt whatever not only of the intention but the desire of the Grand Trunk to secure this traffic. Now what we have to consider in dealing with this subject is how far the schemes which have been instituted, and how far the schemes that have been developed, will result in securing the carrying trade to Canadian ports, or whether the connections which I have pointed out will be made with the Grand Trunk proper in securing the trade of the great west will inure to the benefit of Canadian shippers. Take the United States papers and you will find that they look upon proposition of carrying everything to to Canadian sea-board by the proposed transcontinental road as an absurdity. The Boston 'Advertiser,' Boston commer-

cial men and others look upon the declaration as worse than absurd. The Boston 'Advertiser' treats the subject in this way—and it is worth while to place it upon record, to see that our neighbours are interested very heavily in securing the carrying trade of Canada as far as possible to their own ports—the 'Advertiser' publishes the following:

> While the Laurier government talks about the use of Canadian ports by this road New England is not alarmed. The new road, when built, must hand its freight over to the Grand Trunk, and the latter will carry the freight wherever there are the most steamships to take it. It is true that the Canadian government has signed contracts with the new company to have the Canadian ports used as much as possible, but the new company does not control the entire haul. And when the cars switch from the road of the Grand Trunk Pacific to the Grand Trunk, the latter has the say as to the destination, in many cases. If the New England ports have the best facilities, the biggest fleets, the road will do its best to work along that line. The export business is not a matter of sentiment. The very fact that no contract has been made binding the Grand Trunk in the future is a pretty good sign that the Canadian government is building the new eastern line rather to catch votes than with much idea that the export business will be taken away from the ports of this section for very long.

That is the view taken by United States writers, and by those who know very well what the result of the construction of this road will be.

There is much more that I might add on this subject were it at all necessary. I have gone over the different points that have struck me as being the most vulnerable at as rapid a rate as possible, and have pointed out that there is a very great difference between this contract and the agreement entered into last year. The liabilities of the country are greatly increased. I have pointed out what the object of the Grand Trunk Railway Company was in asking to connect their system with the great west, and, I repeat, that I look upon that as a commendable policy on the part of the Grand Trunk Railway. I have shown that their connection with the Northwest Territories by means of the construction of a road ending at Port Arthur or North Bay and by the leasing of the Ontario government road would bring their whole system in communication with the Northwest, and enable them to secure, not only the trade which they have had up to the present time from other roads, but also additional traffic from the Northwest. It would also enable them to place steamers on the upper lakes and do what the Canadian Pacific Railway is doing, carry wheat from the head of Lake Superior to their roads in Ontario. It is to their interest to carry that freight to their own port on the Atlantic, and where their interest lies they will devote their energies and direct their attention to securing dividends. Let us suppose for a moment that in winter they could carry the grain, as they say they will, from Winnipeg to Quebec. What is their position when they get it to Quebec? Unless they are compelled by the owners of the grain to send it on to Moncton, they will carry it to Portland, because the distance from Quebec over their own line to Portland is only eighteen miles longer than from Montreal to Portland. Is it at all likely, therefore, that they will carry that freight to Moncton unless means be taken, which are not provided for by this Bill, to have the traffic carried to our own ports? The Grand Trunk Railway has been able to secure by this new road, and by the aid it is receiving from the Ontario government, trade over their own line through the whole province of Ontario and nearly the whole province of Quebec, to the coast and to the detriment of the transcontinental road, which they will control for many years without paying anything for it.

Now, what should be the policy of the government? It should be the construction of a road by which the products of the great west will be carried to a Canadian seaport, and, what is of equal importance, that they shall control the rates. They would thus accomplish the great object which this country has in view, the building up of the great Northwest and securing an outlet for the traffic of that section of Canada in our own country. We have now an outlet to a very limited extent. For twenty-five years this country was agitating to secure a winter port on the Atlantic. It was only when the late government granted a bonus to shipowners to visit the port of St. John during the winter that partial success was attained. I had the honour of being at the head of the government at the time, and when the proposition was made to me I pointed out to a deputation from the city of St. John that that could not be accomplished, nor would I be justified in recommending to my col-

leagues any appropriation or subsidy to ship-owners to call at the port of St. John until they could assure the government that the Canadian Pacific Railway was ready and willing, and would bind itself, to carry the freight that came from the Northwest, and was delivered to them at Montreal, over what is called the short line at the same rate that the Grand Trunk Railway charged to carry the same freight to Portland. I said, if you will give me that assurance I will have grounds upon which I can conscientiously recommend to my colleagues the granting of a subsidy. The Canadian Pacific Railway manager, though the route to St. John was a couple of hundred miles longer than the line to Portland, gave the assurance that they would carry the freight at the same rate to St. John for which the Grand Trunk carried it to Portland, and on the strength of that the recommendation was made to council and the grant was made. That was the beginning of the establishment of a winter port in Canada, and it has been going on ever since. It is true the present government have expended a large amount of money in the construction of elevators and in the extension of the road into the city of St. John, but as the Intercolonial Railway route is a good deal longer by the way of Moncton, the freight has gone the other way, and by the return laid on the table of the House it is shown that the construction of this elevator in the city of St. John has not been as great a success in diverting the grain-carrying trade to that port as it was anticipated it would be. But the initial step taken was successful to a very great extent, as I think hon. gentlemen from New Brunswick will acknowledge, in establishing a winter port in the maritime provinces. If the proposition which is before us to-day was to carry western traffic direct to a Canadian seaport, where we could ship in vessels the products of the great west to European markets, there would be some reason and sense in it, but the proposition is to send the freight to Moncton. You would be just as far off a seaport then as you are now, by the Intercolonial Railway, and after you get the freight to Moncton you must either send it on to Halifax or come back again westward to reach St. John. I am not surprised that the people of Halifax should accept this contract, but why those who desire to have St. John the winter port for Canada should consent to it, I cannot understand. There is but one way to my mind to make this project advantageous to Canada. The country is now committed to the payment of nine-tenths of the whole expense of constructing this great transcontinental railway; why not pay the other tenth and own the whole road? I daresay I shall be told that when I addressed the House on this subject last year I was opposed to government ownership. Per se I am opposed to government ownership, for reasons which I could give, but when we find a government who pretend to have an objection to government ownership spending millions in order to extend the Intercolonial Railway to Montreal, such a charge would come with very bad grace from them. If we desire to secure for Canadian seaports the output of our great Northwest, then we should own the road. The predictions of Sir Charles Tupper as to the effect of building the Canadian Pacific Railway were laughed at, but they have been more than fulfilled, and if the prophesies of the hon. Secretary of State are to be fulfilled within the next eight or ten years, we will require two or three more avenues by which to bring out the produce of the great west. The members of the present government while pretending to be opposed to government ownership, have in the past advocated it very strongly, but very often when a member of parliament enters the cabinet his opinions undergo a change. The strongest advocate of government ownership in the country is the gentleman who is now Minister of Railways. I shall read what he said upon this question for the sake of putting it on record. Now, of course, being in the cabinet, he is obliged to declare himself opposed to government ownership. My own conversion is of this character; if we are to build the road and pay nine-tenths of the whole cost of construction, we had better add the other tenth and own the road. It does not follow that, owning the road, we should therefore run it. It can be operated successfully, if separated from what the Montreal 'Witness' calls that 'cursed partisanship' which prevails at the present time. I have

here figures showing the result of government ownership in Australia. While the roads there were managed by the political parties, they were run at a loss to the government. A clever Canadian has gone to Australia in the person of Mr. Tate, a son of one of the chief justices of the province of Quebec, and the figures which came under my notice the other day, clipped from Australian newspapers, show that since he has had control the road has not only been paying running expenses, but the interest upon the outlay and something to spare besides. If that can be done in one country it can be done in another. Remove the cursed influences that have surrounded the working of the Intercolonial Railway—and I am not attributing it all to one party, I have seen enough to understand the difficulties that present themselves while it is under the control of the government—and I say a railway can be owned by the government and the government can dictate to the commission where the freight shall be taken and the rates for which it shall be carried. Put these roads in the hands of the Grand Trunk Railway Company or the Grand Trunk Pacific Company, and it will not be six months until there is a combination between them and competing roads to put up the rates. Look at the experience of Manitoba. We had almost a rebellion there at one time because the agreement with the Canadian Pacific Railway Company prevented the building of a competing road. The restriction was removed, and an arrangement was made with the Northern Pacific to construct a road from North Dakota into Winnipeg, tapping the trade of the great west and Manitoba. Within six months a combination existed by which these roads bound themselves to charge no less for the carrying of traffic than the Canadian Pacific charged. I saw that agreement which was entered into, in the hands of the Governor, before the road was built at all. What has the present government of Manitoba done? It has taken that road out of the hands of the Northern Pacific, and put it into the hands of the Canadian Northern, with the condition that they control the rates and that the rates shall not exceed a certain amount. The result has been a saving to the farmers of Manitoba and the Northwest of hundreds of thousands of dollars, I might say millions of dollars, and it is only the beginning of the saving which will result from a policy of that kind. Had the road remained in the hands of the Northern Pacific or of any other company, without these restrictions, there would have been a combination of the railways as to the rates which they should charge. Therefore it is only reasonable that a new policy should be adopted, and that the government having to build the road should own it and control the ports from which the products of Canada should be shipped to European markets, and what is of infinitely greater importance, control the rates at which the freight should be carried.

I said I would read the views expressed by the present Minister of Railways before he entered the cabinet. In speaking on this subject on April 25, 1902, the hon. member for Westmoreland (Hon. Mr. Emmerson) said :

> The Intercolonial Railway has been one of the most splendid assets that the government of Canada has ever possessed. . . . . When the fathers of confederation framed the British North America Act they recognized the fact that it was essential for the consolidation of these provinces that there should be an iron band connecting the provinces which then constituted the Dominion of Canada. . . . . The idea must have been dominant in their minds that in the future, as our Dominion came into its vast western territory, it was quite as essential that that road should travel beyond the lines of the St. Lawrence and go west and unite whatever might then be the provinces of Canada. . . . . I venture to say that the Intercolonial Railway will yet prove to be one of the richest dividend bearing concerns in this great Dominion. . . . . That it will one day justify the efforts of the Minister of Railways and Canals (Mr. Blair) to make this railway worthy of this great Dominion. He found it a tramway and he has left it a railway. He has equipped it in a manner which I need not describe. This is but one evidence of the value of the efforts which the Minister of Railways and Canals (Mr. Blair) has been putting forth to make a railway out of what seemed to be the intention or the result of an intention to sidetrack at least a portion of the Intercolonial Railway. . . . . If the terms of confederation are to be carried out in their entirety that the Intercolonial Railway shall be extended, it shall crawl further west year after year until possibly it shall extend to the prairies of the west, and our seaports shall be the ports whence sail the rich products of the great western country.

That is pretty strong language for a member of the cabinet who now professes to be opposed to government ownership. It

brings to one's mind Dante's motto at the entrance of the infernal regions :

'All hope abandon ye who enter here.'

Has the present premier paraphrased this motto and posted on the lintels of the door of the executive chamber as a qualification for all who enter his cabinet :

'All principles abandon ye who enter here.'

The quotation is so applicable that even the hon. Secretary of State smiles. Of course the Minister of Railways has no opinions now, but this does not apply solely to Mr. Emmerson. There is not a member of the cabinet who has not swallowed himself from the crown of his head to the soles of his feet. There is not a principle they advocated in the past that they have not violated in practice. They have gone back on their principles, and I congratulate them on having done so. We had an evidence of it yesterday. Our genial friend from Victoria (Hon. Mr. Templeman) extolled the principle of giving bounties, which had been denounced by the Reform party in the past as the most iniquitous system of protection, but he pointed out to the House yesterday the stimulating effect the bounty on lead has had on the mining industry in British Columbia and I congratulate him on the results which have followed the example set him by the Conservative government. Under the circumstances as I have given them to the House, and the reasons why, at the present moment I will support a policy of government ownership of the road as we have to build it, I propose to test the opinion of this House on the following resolution which I have the honour to move, seconded by my hon. friend Mr. DeBoucherville :

That the Bill be not now read the second time, but that it be resolved, that in the opinion of this House it is inexpedient to commit the country to the proposed enormous obligations upon the terms and in the manner set forth in the agreements proposed to be ratified by this Bill, thereby adopting a policy which will impair the power of Canada to deal effectively with the transportation problem on other lines for many years to come ; that if such obligations are to be assumed, the road should be built, owned and controlled by the government in order that Canadian seaports may be assured for the outlet of all freight and government control of rates be secured.

Hon. Mr. CASGRAIN (de Lanaudière) moved the adjournment of the debate until to-morrow.

The motion was agreed to.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

MOTION.

Hon. Mr. CLORAN moved the adoption of the third report of the Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York.

The motion was agreed to.

The Senate adjourned until to-morrow.

THE SENATE.

Ottawa, Friday, June 17, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

THIRD READINGS.

Bill (93) An Act respecting a certain Patent of E. A. Small.—(Hon. Mr. Mitchell.)

Bill (65) An Act respecting certain Patents of Lewis E. Curtis.—(Hon. Mr. Kerr, Cobourg.)

Bill (103) An Act to incorporate the Canadian Artillery Association.—(Hon. Mr. Templeman.)

Bill (92) An Act respecting certain Patents of William A. Damen, as amended.—(Hon. Mr. Kerr, Cobourg.)

Bill (106) An Act to incorporate the Chicoutimi and North-eastern Railway Company.—(Hon. Mr. Domville.)

Bill (J) An Act for the relief of Eliza Robertson.—(Hon. Mr. Kerr, Cobourg.)

SECOND READINGS.

Bill (42) An Act respecting the Sprague's Falls Manufacturing Company.—(Hon. Mr. Baird.)

Bill (79) An Act to incorporate the Thompson River Improvement Company.—(Hon. Mr. McHugh.)

TRANSCONTINENTAL RAILWAY ACT AMENDMENT BILL.

DEBATE CONTINUED.

The Order of the Day being called :

Resuming the adjourned debate on motion for second reading (Bill 72) an Act to amend the National Transcontinental Railway Act, and the resolution of the Hon. Mackenzie Bowell in amendment thereto.

Hon. Mr. CASGRAIN (de Lanaudière) said: I deeply appreciate the honour done me of being entrusted with the reply to the leader of the opposition, in this, in my opinion, the most important measure which has engaged the attention of parliament since confederation. It is the largest enterprise I know of—the largest railway construction that has ever been contemplated by this government; therefore I deeply appreciate the honour done me. I may say at once that I had some hesitation and a good deal of diffidence before assuming this task, but I believe it is the duty of any hon. gentleman in this House who by inclination, training or some slight technical knowledge of some public question, to devote his efforts towards giving to the House the fruits of his labours. I shall at once deal very briefly with the amendments to the contract, and ask this House why we are again considering this Bill. Why are we amending the contract passed last year? If as has been represented by the leaders and press of the Conservative party, the agreement was not to benefit Canada but to benefit the Grand Trunk Railway Company, why was it rejected when it was sent over to England and submitted to the shareholders of the company, by one of the ablest men in the management of the company? Why did the shareholders not credit the evidence of the Conservative party, that they were getting such immense advantages.? The fact remains, that the meeting of shareholders rejected the agreement. If the Grand Trunk Railway could derive such advantages from the contract is it evidence of that fact that the shareholders, for fear of losing such an opportunity, did not at once sanction the agreement? The president and board of directors were almost unanimously in favour of the contract, but one of the shareholders, an old director of the company, Mr. Allen, absolutely refused to have anything to do with the agreement, saying he refused to plunge once more into the wilderness; that the Grand Trunk Railway Company had lost enough money in Canada, and they were not going to enter into this new enterprise. He sent a memorandum which was read by his own son at that meeting, giving the reason why the Grand Trunk Railway shareholders should not ratify the agreement as it stood then. It reminds me that last session I was discussing this question with some friends and showing that were I a shareholder in the Grand Trunk Railway, I would look at it twice before I would accept the contract, and I gave my reason. I happened to do so within the hearing of a high official of the Grand Trunk Railway, and he asked me to refrain from giving those reasons when I had the honour of addressing the Senate last session on the subject. He said that Mr. Hays would have enough difficulty in getting the shareholders to ratify that agreement without throwing obstacles in his way. But I find that many of the shareholders in England entertained the same opinion, and at the meeting held to consider the question the same arguments that I had used were urged by the shareholders against the ratification of the agreement. Mr. Merlin, a large shareholder in the Grand Trunk Railway Company, said that he found after reading the contract carefully and submitting it to business men in London, that the Canadian government was assuming little or no obligation, and I invite the attention of this honourable House particularly to this fact, that the business men of London view it very much as our Finance Minister views it.

The first amendment to this agreement is an extension of time from five to eight years. The agreement stipulated that a deposit of $5,000,000 had to be made. We know how timid capital is, and capitalists, before putting up their good money, wanted to make sure, as business men, that the company should have time to complete the enterprise. Suppose the construction of the line took a few months longer than the five years, the company would be at the mercy of the government, and therefore they asked for this extension to eight years. In doing so they acted as business men, not with the intention of taking the full number of years, not with the intention, after building the greater part of the road and paying out 75 or 80 per cent of the money necessary to complete it, of allowing that large investment to lie idle any longer than they can help. It will be to their interest to complete the road as expeditiously as possible. Therefore, I do not consider the extension of time of much consequence; and, as the hon. Secretary of State said, this amendment is of very little consequence indeed.

Then they asked the right to operate portions of the railway as they are constructed. That is a reasonable request. What would be done with those portions of the railway if they were not operated? It is not the policy of this government to operate the railway. Our hon. friends in the opposition have changed their ideas lately about railway operation, and would have the Transcontinental operated by the government. But it is not the intention of this government, as voiced by the Finance Minister, to operate the road, and therefore it is right to allow the Grand Trunk Pacific Company to operate the parts as they are built, and all the more so as the Grand Trunk Railway Company would have to pay for the whole of the rolling stock. They would be operated without any expense whatever to the tax-payers of Canada.

The amendment relating to the prairie section is very slight. While this agreement was being presented to the Grand Trunk Railway shareholders, the financial market of the world was depressed, and it was feared that these bonds would not bring one hundred cents on the dollar. Therefore, it was asked that should these bonds have to be sold at a somewhat less rate than their value provision should be made for it. But I must remind the House that the bonds cannot be sold except with the sanction of the Finance Minister, which means the sanction of the government of Canada. If the bonds were to be sold at, say, a loss of 10 per cent, I am not prepared to admit that the bonds will go at less than par. I have more confidence in the credit of Canada than to believe that 3 per cent bonds, guaranteed by the government of my country, will bring less than par in the market of the world—of course, not under extraordinary circumstances, such as we see to-day, when consols are lower than they have been for half a century. Even admitting if it is necessary to issue more bonds to complete the $13,000 per mile, supposing they sold at 10 per cent below par, it would mean that much additional guarantee, not actual money paid out, in order to give a substantial guarantee, as was intended, of thirteen thousand dollars per mile. Now, as to the mountain section, the hon. gentleman opposite has criticised that part of the agreement very much—that is the section from Edmonton to the Pacific. He stated that there was no limit to the government guarantee, but he must see there is this limit—the limit of the actual cost of the road, and the government engineers will have to say whether or not the road has cost so much per mile, as in the case of any company applying for the double subsidy. The government engineer will go over the road, and the government are perfectly justified in saying, we will guarantee the bonds on a road costing $40,000 a mile—that is guaranteeing the bonds for $30,000. The hon. gentleman opposite made a great deal of the fact that it appeared to him the estimate of the cost of constructing the road through the Rocky mountains was too low. I am not at all prepared to contradict him on that point; but I call his attention to the fact that in the distance from Edmonton to Port Simpson, some ten hundred and sixty-six miles, there are some three hundred miles of prairie, and naturally the construction would not cost anything like as much on that prairie section as it will on the mountain section. That would reduce the average over the whole of it. I am told there are parts, at the summit, near the Peace river and near the head waters of the Skeena river, for one hundred miles, where the cost would be $50,000 per mile, other parts $31,000 per mile and other parts in the neighbourhood of $40,000, and then the prairie portion which will not cost anything near that, and will bring down the average cost for the whole of the road from Edmonton to the Pacific coast. Again, taking the Passes, the Pine river or the Peace river, or the Skeena river valley, there is a great difference in the cost of constructing a railway line in that part of the Rocky mountains, as compared with the route traversed by the Canadian Pacific Railway. Everybody knows there is an enormous difference in the elevation of the mountains. Everybody knows there is great difference in the approaches of these passes; everybody knows that from Edmonton up to the foot of the Rocky mountains, is a continuous slow rising grade, so that when you arrive at the Peace river, you are then at quite an elevation, and you have arrived at that elevation without any abrupt break in the surface of the country. Therefore, the government in agreeing to guarantee bonds

to the amount of thirty thousand dollars per mile on the mountain section are not venturing too much, for I do not believe that amount will be exceeded. Granting that it might cost $36,000 or $37,000 or $40,000 per mile, counting the prairie section in with it, at $40,000 a mile all over it would only leave what the government agreed to guarantee in its original arrangement at $30,000 per mile, so that I do not think we need have any fear as to that point, and, as the hon. Secretary of State has said, it is a matter of small consequence. It is urged that the government was compelled to agree to these amendments. The government found themselves face to face with this proposition; either they had to agree to these amendments or give up the idea of having the Grand Trunk build the road. There was no other alternative. So that I think the government made a very good bargain with Sir Charles Rivers-Wilson and Mr. Hays and the other gentleman, in the face of a good deal of opposition.

Hon. Mr. FERGUSON—What is the length of the mountain section, according to the hon. gentleman's calculation?

Hon. Mr. CASGRAIN—I gave the total distance from Edmonton to Port Simpson at 1,066 miles. I said there was a prairie section from Edmonton in a northwesterly direction for three hundred miles, leaving 766 miles for the mountain section. I may also call the attention of the hon. gentleman to the fact that if there is any dispute about the exact point at which the mountain section should begin and the prairie section should end, provision is made in the agreement that a board of arbitrators will be appointed to determine where the $13,000 guarantee shall end and the $30,000 guarantee shall begin. The hon. leader of the opposition should remember that it is not the first time that the government of this country has applied to the Grand Trunk Railway to build a transcontinental road. I might say--and it is a matter of history now—that the colleagues of my hon. friend, Sir John A. Macdonald, Sir Charles Tupper, Sir Leonard Tilley and Sir Adolphe Caron, approached the Grand Trunk Company before they entered into an arrangement with the Canadian Pacific Railway. But they were not as fortunate as the present government; they did not succeed. I stand to be corrected, but I have been informed that the gentlemen I have named went to London and tried in every possible way to induce the Grand Trunk to do for them what they are doing to-day for the Laurier government. That was before they entered into the contract with the Canadian Pacific Railway. We have heard people express surprise that this Grand Trunk Pacific scheme should have come back to parliament, and yesterday, when the hon. leader of the opposition referred to the Canadian Pacific Railway, he said it was a project of a different nature. It was not the same thing at all. I admit there is some difference, but the Canadian Pacific Railway Company came back, and it came back after having received twenty-five millions of the people's money, after having received twenty-five million acres of land, after having received 614 miles of constructed road, after having received surveys from one end of the line to the other; and more than that, they had received also exemption of duties for anything that they required to import from the United States or anywhere else for the building of that road. They had received also exemption from land taxes, and, more and more, they secured a monopoly. They were exempt from any railway competition; and, more and more still, until you would think by that time they had been given the earth and all within and beneath it, they were given the right to charge their own prices for any business they did in the Northwest or anywhere the line went; and it was a case with the merchant or settler of having to pay what the Canadian Pacific Railway chose to charge or not use the railway at all. What are we doing with the Grand Trunk Pacific? The government has retained absolute control of the rates. If the tax-payers are called upon to pay any money to this enterprise, they will have absolute control of the rates. The Canadian Pacific Railway came back after having received all these advantages to which I have referred, and we all remember that famous crisis when Mr. William, now Sir William Van Horne came to Ottawa and asked for a loan of thirty millions of dollars, and Sir John A. Macdonald, knowing that he had done so much for that company, hesitated and said: 'I have gone so far that I am really frightened to go one step further.' The Minister of Railways, the Hon. Henry Pope, refused

to help them, and Sir William Van Horne went in despondency to the Railway Department for assistance. At that time Sir Charles Tupper also refused to help them. He thought the government could not give any more. They had given the company everything they could. But Sir Francis Smith insisted that they must be helped ; that the government could not afford to let the enterprise go down. When Sir Francis Smith received a knighthood about this time, and it came out in a letter published over Mr. Van Horne's signature, in a Montreal paper, that Sir Francis Smith had saved the Canadian Pacific Railway from bankruptcy. The money was loaned to the Canadian Pacific Railway, and every dollar of the money was returned. and the scheme was carried out. This is not the first time that a railway company, better endowed than the Grand Trunk Railway, has come back to parliament. Take the Algoma Central ; a great fuss has been made about a loan of $2,000,000 by the Ontario government, although I think the security is good and every dollar will be repaid. The hon. gentleman has spoken of transportation. He has also made the assertion that the grain would not be carried, especially in the summer months, over this new road. This transportation question is of such importance, and the members of this House, interested as they are in public questions will, I believe, grant me a few moments in which to discuss this important question of transportation. It is not such a complicated matter as people would imagine. It only requires a little consideration and a little attention, and one who has given some study to the subject might explain it. I do not pretend that the all-rail route from the west can compete successfully with water carriage. Every one knows that it is cheaper to carry freight by water than it is by rail. That is an axiom, and I will tell hon. gentlemen that on a long voyage, say across the Atlantic, it will cost one-tenth less to carry freight by water than it will by rail for the same distance, and in inland waters it will cost one-sixth less than by rail. That is once you have a cargo in the hull of a ship, but there are other considerations. This is not a question of an all-water route, far from it. Taking Brandon as your starting point, you have a haul by rail of five hundred and fifty miles, or thereabouts, to Port Arthur. You have then to take the wheat from the cars and put it in an elevator. You have to pay something for the storage. You have to wait until the vessel comes and you have then to load it, and it goes across the lake to Depot Harbour or Port Colborne, and you have to tranship again. If you are going to use the canals drawing fourteen feet of water, or you have to go to Depot Harbour and send the wheat over the Canada Atlantic Railway where it is taken to Coteau and there it is tranferred to barges and taken down to Montreal, or it is given to the Canadian Northern and taken around by Hawkesbury and Grand'Mère down to Quebec. All these transhipments cost money and cause delay. That is only during the summer months, and you must remember that you have to carry the grain crop out of Manitoba in a month or six weeks. You can commence shipping about the 15th October and you cannot continue much after the end of November, a period of six weeks. Then navigation closes. If you keep the wheat back until the following spring, what does it cost you per bushel ? It costs a cent per bushel per month. If you keep it six or seven months it costs six or seven cents a bushel. You require to have elevators in which to store the wheat, and these elevators to store away this quantity of wheat so held back, would cost some $20,000,000. Somebody would have to pay interest on that large investment. I must call the attention of the House to the fact that transportation by rail has undergone an immense change. It all depends upon the grades that are obtained. On a practically level road, we know that a locomotive can haul an immense quantity. In fact, supposing you have a grade of three-tenths of one per cent, or four inches per hundred feet, or sixteen or seventeen feet to the mile, a locomotive will do exactly twice the work that it could do on a one per cent grade, or fifty-two feet to the mile. Tables show that there is no advantage in having a road more level than three-tenths of one per cent, because the necessary energy required to start a train on a level track is sufficient to pull a train up a grade of four inches in a hundred feet. Consequently if the Canadian Pacific Railway can haul grain at twenty cents per bushel a modern road will do it at ten cents. I do not want to disparage the Canadian Pacific Railway, but we must remember it is no longer a modern road. It

was badly located. If the engineers had been sent to find a bad location for a road I stake my reputation that they could not find a worse one. From Ottawa to Mattawa, and from there to Sudbury, and Sudbury to Port Arthur how many miles can you find along the line that are occupied or tilled ? Then take from Sudbury to Sault St. Marie, how many miles of good land will you find ? How many settlers can you find there? The road has been in operation twenty years, and you can find no settlers. The main reason for the location of that line where it is was that for a time they had this policy of water stretches, and the idea was that they could use Lake Huron and the Georgian bay to reach Port Arthur ; therefore they commenced by building from Winnipeg to Port Arthur. From Winnipeg eastward as far as Port Arthur, 110 miles was easy enough, and a good enough country, but extending to Port Arthur they had to cross the range of mountains on the north side of Lake Superior and enter into a very poor country, which is not settled to-day after the road has been running through it for twenty-five years, and then instead of abandoning that line and going eastward from Winnipeg they started again from Port Arthur and hug the shore of Lake Superior, a very difficult place to build a railway, and when the authorities of the Canadian Pacific Railway tell us they cannot haul grain over their road it is no surprise to any one who knows anything about the business. But if they had a modern road with the same gradients we have on the Grand Trunk Railway they could do the business for half the money and could compete with the water route. There is another way to look at it. Take the price of a train assuming you start from Brandon and go to Quebec. Every one knows the average price of a train is 95 cents per train mile. Well, supposing it was even $1.50 per train per mile, which is an excessive figure for 1,600 miles, it would be $2,400 and that train would transport 60,000 bushels of wheat from Brandon to Quebec for $2,400. Any one could make the calculation and see for himself. I am almost ashamed to tell you how cheaply it could be done, but any one can calculate it. Hon. gentlemen opposite say : 'Improve your waterways.' A gentleman who was very prominent in the government at one time says : 'Improve the waterways, improve the rivers and canals, that is the best way.' Hon. gentlemen know very well to whom I allude —Hon. J. Israël Tarte. He has advocated that policy against the building of a railway. The other day the transportation commission was sitting in Montreal, and Mr. Robert Meighen, president of the Lake of the Woods Milling Company, a good friend of the hon. gentlemen opposite, an excellent friend, came before the commission, and what did he say ? He said : 'Gentlemen, not one cent should you spend on the canals, the canals are antiquated, and you must change the climatic conditions of Canada if you are going to work on canals. Canals are a thing of the past. Build up your railways.' And I consider Robert Meighen's opinion, as far as that question is concerned, at least equal to the opinion of Mr. Tarte. I do not say that Mr. Meighen approves of the National Transcontinental Road. He does not approve of that, because he is too good a Conservative to think that anything good could come from this side of the House. But there you stand, with two different opinions from men who have given some thought to the question. But when I speak of this railway with a grade of four inches to the hundred feet, hon. gentlemen will say : 'That is not possible ; no railway is built like that. You cannot point to a single road in Canada with grades like that.' If hon. gentlemen will only inquire for themselves they will find that the Grand Trunk Company of Canada have so lessened their grades that they have to-day a road on which, going east, there is no grade between east Toronto and Montreal of more than four inches in 100 feet or seventeen feet to the mile. There is a grade leaving Toronto going to York or east Toronto, steeper than that, but the heavy trains are made up on the east side of Toronto after the grade has risen from the level of the lake.

Hon. Mr. FERGUSON—Was that the condition of this road since its construction, or is it only recently that it has reached that state ?

Hon. Mr. CASGRAIN—I am saying that they have improved their grades to such an extent, and if any hon. gentleman going to Toronto in daylight would ride from Trenton to Toronto, a distance of a little over

100 miles, he would see a train disappearing below the horizon. You will not lose sight of the train until it gets out of sight, like a ship at sea.

Hon. Mr. PERLEY—The train broke down altogether when I went on it.

Hon. Mr. CASGRAIN—Hon. gentlemen can see what a modern road is. In some places the right of way is 500 feet in width, and they have actually pierced through the hills and filled up the hollows. Take the village of Trenton; the Central Ontario Railway passes underneath the Grand Trunk Railway, and the Central Ontario Road is some 20 or 25 feet below the Grand Trunk Railway, which comes from the west through an elevation, and the company have actually filled in over a mile and one-half, and pierced the hill on the east side of Trenton, and where they used to have steep grades they have a level road and double track, and that is the kind of a road, that, according to the agreement, must be built by the Grand Trunk Railway under this contract.

Hon. Mr. FERGUSON—What did it cost per mile?

Hon. Mr. CASGRAIN—I am glad my hon. friend is asking that question. I was forgetting to explain that. With the facilities we have to-day for building railways with steam shovels, you do not see, except in wet places, men taking the shovel and putting the earth in a wheelbarrow, running it up a plank and dumping it to make an embankment. Perhaps you may see a few two-horse scrapers, but the cuts are all made with steam shovels and with a train, and the earth is moved for ten to fifteen cents a yard, where it used to cost 25 to 30 cents, and sometimes more, and it is not the idea of building a road to see how little earth you must move and how cheaply you can build it, but how cheaply it can be operated, and with large locomotives. It is simply marvellous to observe the cheapness with which the earth can be handled. Then another way of figuring the cost of transportation of wheat taken from Brandon to Quebec, putting the train at $1.25 per train mile plus one-third for hauling the empty cars back, and adding two or three cents for profit, the cost per bushel would be less than eight and one-half cents per bushel from Brandon to Quebec. Last summer the rail and water route from Brandon to Quebec was fifteen and one-half cents. After the reduction it was still ten cents per bushel. I am quite willing to admit that if you were to deepen the Welland and St. Lawrence canals and give them a depth of twenty feet, then you would carry cheaper by water, but you would double the national debt, and you would still have to store your wheat during the winter season. If we have 100,000,000 bushels of wheat stored during six months, at one cent per bushel per month, it will amount to nearly $6,000,000, which would be good interest on the railway itself, and if the hon. gentleman will allow me, I would say that Mr. Charlton, in the other House, made a wonderful speech. I read it carefully last year, and I thought he exaggerated to a great extent. I really thought that it was not possible to build a road on such grades, and haul grain or any other freight at any such rate. After the information that I gathered since last session—and I have taken every opportunity to inform myself—I read that speech over again, within the last ten days, and I must say I find it to be substantially correct. It shows what care this wonderful man has given to that question, when twelve months ago he could have made a speech which is a credit to himself and to the party to which he belongs.

A great deal has been said about the construction of this road and a great deal of fuss has been made about the length of it between Winnipeg and Quebec. The other day the hon. Secretary of State was explaining, when he was interrupted, that it was a fact that from Winnipeg to North Bay the distance by actual measurement is 1,043 miles. The Grand Trunk Railway Company have themselves had that line surveyed. A transit has been over it; it has been chained and levelled.

Hon. Mr. FERGUSON—Will that be all main line?

Hon. Mr. CASGRAIN (de Lanaudière)—The proposition was they were to build from North Bay to Winnipeg and thence westward to the Pacific ocean. But it was thought by the government that it would be better not to go to North Bay at all, but to extend straight from Winnipeg on to Quebec. The objection was raised that it would add

greatly to the length of the line, but it is not so. The total distance of the new route from Winnipeg to Quebec would be 1,400 miles, while the distance from Winnipeg to North Bay is 1,043, leaving a difference of only 357 miles.

Hon. Mr. WOOD—In the other House, the supporters of the Bill made the distance 1,475 miles.

Hon. Mr. CASGRAIN—I am sorry for them ; I measured it carefully on the map.

Hon. Mr. WOOD—The minister said so.

Hon. Mr. CASGRAIN—They should have consulted me. Now, supposing you were to go to North Bay, what would be the consequence if you wanted to continue from North Bay to Quebec ? You would have to go from North Bay to Toronto, 180 miles ; from Toronto to Montreal, 333 miles, and Montreal to Lévis, 180 miles—a total distance of 1,740 miles, whereas the difference between the route from Winnipeg to North Bay, and Winnipeg to Quebec is only 357 miles. If you are to take the route by the Canadian Pacific Railway you would leave the Grand Trunk Railway at North Bay, and the distance would be 1,596 miles, so that the transcontinental will shorten the route by 196 miles. That, allowing 10% for curvatures, because the line from Lake Abitibi to Quebec has not been run yet. If you measure it on the map, as the crow flies, between Quebec and Winnipeg you will find that it is very little over 1,200 miles ; but allowing 10 per cent for curvature it brings it nearly to 1,400. I am devoting my attention principally to the portion of the line which interests the tax-payers, that is the road from Winnipeg to Moncton. Because from Winnipeg westward the government is simply guaranteeing a portion of the cost of construction, and before the government can become liable, the Grand Trunk Pacific and the Grand Trunk Railway also, with its $187,000,000 assets, must become bankrupt, so there is no ground to apprehend that the government will ever be called upon to make good their guarantee for the western sections. The location of the road from Winnipeg eastward to Lake Seul, from Lake Seul to the north of Lake Nipigon, and thence eastward to the north of Lake Abitibi ; from Lake Abitibi to the headwaters of the St. Maurice, and then southward down the valley of the St. Maurice to Grand Mere and to Quebec. There is a reason for the deflection from the headwaters of the St. Maurice southward, because there the line crosses the Laurentian range. Taking it from the headwaters of the St. Maurice river to the other extremity of that immense plateau, you find that there is very little difference in level. Winnipeg is 800 feet above the sea and the headwaters of the St. Maurice between 800 and 900 feet, and there is no mountain range to cross. The highest point is Lake Seul, the waters of which are 1,140 feet above sea-level. Allowing 60 feet for the shores of the lake at the point where the railway will pass, you have an elevation there at the rail of 1,200 feet, and as the distance from Lake Seul to Winnipeg is some 400 miles, it gives an average grade of about one foot to the mile. Then coming east from there, a distance of some 800 miles, you would descend another 400 feet, or six inches to the mile. Therefore, it will be seen that there is no easier route for a railway, because you are running in the basin of the Hudson Bay and James Bay, all rich alluvial soil and a level country. The reports which surveyors give of that country are all to that effect. You have, for instance, the line run for 200 miles immediately west of Lake Abitibi by the Ontario government. They have run the line east and west and taken levels at many points. The ground is slightly undulating, but about the same level all the way, so it will be exceedingly easy to build a line under those conditions. An hon. gentleman (Mr. Haggart), in the other House, said that it would take two and one-half years to complete these surveys. Why the work has been going on for nearly that time now, and an instrumental survey has been made from North Bay to within seventeen miles of Winnipeg. Naturally the company would not like to locate its line through the thickly settled country in the neighbourhood of Winnipeg and into the city, where they would be held up for the right of way. They will not say precisely where they will enter or leave Winnipeg until the last moment. In the wilderness it is all very well to locate the line at once, but in thickly-settled districts it is better not to locate the line until the company is ready to build. I have seen plans of the survey east of Winnipeg, and it

is open for any other senator to see them if he wishes. I went to the Grand Trunk Railway offices in Montreal with the permission of the officials, and was given access to these plans. I have seen the plans for 248 miles of the line coming east from Winnipeg. On the division line between Ontario and Manitoba it passes through the roughest country on the route. The work will be rather heavy, but the grades have been kept down within that limit. I have had the plans and profiles in my hands made on the same scale as those that will be deposited with the Department of Railways and Canals—400 feet to the inch. The horizontal plans give the contour lines showing the elevation all through. On the profiles the quantities of each section are given—so much rock, so much earth, &c., and the estimated price for the work. They were shown to me on the authority of Mr. Hays himself by the chief engineer, Mr. Stephens, and I spent two days examining them.

Hon. Mr. MacKEEN—Are these recent surveys ?

Hon. Mr. CASGRAIN—Quite recent. They are still coming in all the time. Then a survey has been made westward, from Winnipeg to Edmonton. They have had an instrumental survey through the Rocky mountains, by the Pine River Pass, and another by the Peace River Pass. The distance by the latter route to Fort Simpson is 1,066 miles (from Edmonton to Port Simpson). By the Pine River Pass it is a little shorter, but the grades are much better by the Peace River Pass. Very little is said about the construction of the road from Edmonton to the coast, but there is an outcry when it is proposed to build a line through Ontario, Quebec and the maritime provinces. It seems to be the opinion of many that we of eastern Canada can get along without railways, but there is no complaint when it is proposed to build thousands of miles of railways in the Northwest and in the Rocky mountains where nobody lives at present. The grades and curves of the line from Edmonton westward are very easy, the grade on the eastern slope being only 26 feet to the mile, except at the summit where it will be 1¼ per cent or 66 feet to the mile. On the Canadian Pacific Railway the grade in some places is as high as 200 feet to the mile, and they have safety switches in order to protect the trains from accident. Nothing of the sort will be necessary on this new road. I see the hon. member from Sarnia (Hon. Mr. Vidal) is listening very attentively and I am proud of it. He will know the difference between the load which an engine can haul on the Canadian Pacific Railway with grades such as I have mentioned, and what an engine can haul on the Grand Trunk Pacific with grades such as I have mentioned, and what an engine can haul on the Grand Trunk Pacific with the grades I have described. Down the Skeena river, which is in the nature of a canyon, the grades will not be quite as favourable as on the other parts of the line through the mountains. The valley of the river is very narrow and curves up to six degrees will be necessary. The ruling curvature on the eastern slope of the Rocky mountains will be five degrees, and in some places four degrees. East of Winnipeg the curvature is very slight, the country being so level that the maximum curvature for a great part of it will not be over two degrees.

Hon. Mr. BOLDUC—Are the figures which the hon. gentleman has given to the House official ? Taken from reports of engineers deposited in the Department of Railways and Canals, or are they only figures furnished by some of the engineers employed on the survey ?

Hon. Mr. CASGRAIN—I have already explained that I obtained them myself at the Grand Trunk Railway offices in Montreal, with the full authority of Mr. Hays and Mr. Wainwright. They are the plans prepared for the use of the Grand Trunk Pacific and on which the contracts can be let. The quantities are actually marked on them.

Hon. Mr. FERGUSON—Are those plans deposited with the Department of Railways here ?

Hon. Mr. CASGRAIN—Not yet. The Bill has not been passed yet.

Hon. Mr. SULLIVAN—When were they made ?

Hon. Mr. CASGRAIN—Quite recently, and some are going on still. For instance, take the line north of Lake Nipigon. Where it has been run it describes quite a curve, and lies between 30 and 40 miles north of

the lake. Finding the levels at both ends of this long curve about the same, the engineers have decided to shorten the distance. There is no object in following the valley of the river, and they are now making a string to the bow, and they are shortening the line some 30 miles at that point and touching the extensive waters of Lake Nipigon.

The hon. member from Hastings has no faith in the resources of that part of the country, although he told us that he had gathered roses at a point 1,000 miles further north. I cannot believe that the Great Architect of the universe could have made this immense stretch of country to be of no earthly use. We must remember that until recently that country has been almost a closed book. There has been more said about it within the last two years than there had been within the previous fifty. The eyes of the people of Canada have been turned towards it; information has been collected. The only means of access to that country up to the present time has been by bark canoes in summer, and dog-sleighs in winter, and there is a question in the minds of the Conservative party whether we should continue to depend on such primitive means of access to that country to open it for settlement. From the reports of engineers and explorers it is clear that a large proportion, perhaps a larger proportion, will be fit for agriculture, than of the country in the immediate vicinity of Ottawa. The reports prepared by the Trans-Canada Railway Company, show that there is a great extent of good land—I see the hon. gentleman from Marshfield smiling.

Hon. Mr. FERGUSON—I am smiling because the hon. gentleman is referring to a country hundreds of miles away from the section to which he refers.

Hon. Mr. CASGRAIN—The Trans-Canada was to pass south of James Bay, and not far north of Lake Nipigon. We know what an immense tide of population has set in to the Northwest. If it increases in the same ratio in the future the pivot of population will be disturbed. The older provinces in the east will cease to control, and the Northwest Territories will possess the power unless we bestir ourselves in the eastern provinces. It is time we opened up our northern country, and with the construction of the transcontinental lines I believe we will see as many settlers pouring into that part of eastern Canada as into the Northwest. The west, as I have said, has some 5,000 miles of railway. Why deny the east a couple of thousand miles of railway built with government assistance? Why should the government hesitate to build this line from Winnipeg to Moncton? They have a tenant for their property for fifty years. Would any hon. senator hesitate to build a house, a store, a warehouse, an elevator, or anything whatever, if he was sure of a tenant to occupy it for fifty years? They are assured of three per cent on the money they invest. The opening up of Manitoba and the Northwest has had the effect of depreciating the value of farms in Ontario and Quebec. Manitoba has been opened up largely with money from Ontario and Quebec, and the effect has been to diminish the value of property in those two provinces. Why not now, when the country is prosperous, have northern Ontario and northern Quebec opened up to settlement? We have seen the premiers of these provinces here seeking a readjustment of the provincial subsidies, and I see the hon. gentleman from Mille Iles (Hon. Mr. David) has a notice on the paper dealing with that question. The opening up of the north will have the effect of enriching these provinces. Supposing there are only two townships in depth on each side of the line, that will give twenty-four sections per running mile, or 15,000 acres of land per running mile on a good railway line. You cannot get land so situated for less than $3 an acre. Putting it at a minimum of $2 an acre for the good land, you would have $30,000 per mile going into the coffers of these provinces, thus solving this vexed question of increasing the provincial revenues. The provinces would have money to improve their educational facilities and increasing their expenditure on public improvements, and you would keep the pivot of population where we in the east at least should like to see it remain. But we are told there are no resources in that country, that there is no good timber. I would read something about the forests through which the line will pass. First, we know it is the

natural home of pulp wood, and pulp wood will do as much for Ontario and Quebec as pine did in its palmiest days. The country is full of pulp wood, and with our immense water powers we can be the paper makers of the world, and that will be a great source of revenue. A great part of the material for the construction of the road will be found in the country—the ties, timber for trestles, and perhaps a great deal of material for permanent structures. It will only be necessary to import rails and explosives ; the rest will be found in the country itself, and, as I have just explained, a large proportion of the cost will be met and paid for by that country itself. Now, as to the timber you find in that country, white elm and white pine as far north as latitude fifty-two, which is one hundred miles or more north of this line. You find red pine equally far north, black ash up to latitude 53, cedar and black pine up to sixty, balsam, balsam fir, canoe birch, common poplar in enormous quantities and as large as ten inches in diamenter, balm of Gilead, tamarack and also black spruce, excellent for spars and masts of small boats, white spruce, which is a great rival of our pine, and which is in great demand in England and sells for nearly as much as pine—you will find all these in abundance up to latitude 62, or 700 miles north of the average location of this line. You will find on Carry lake white spruce 29 inches in diameter, two feet from the ground and it is quite common 18 inches in diameter. The lumber alone would pay for the building of the railway. If that country was given to a syndicate they could not hasten fast enough to open it up with a railway and give value to their property. Surely the government of Canada is able to do what an ordinary syndicate would be glad to do. I shall not weary the House with the description of the mineral wealth of that country, but we know that it contains great quantities of hematite, iron, coal, copper, mica, and on the Isinglass river there is a beautiful quarry of mica which was opened in 1685 showing how long that country has been known. It is evident, therefore, that people went there not merely to gather roses but to mine for mica. That was about the time that Father Albanel visited that country. The sooner we open up that region the better, and take possession of our northern heritage.

I now come to the question of government ownership. The hon. member from Hastings said last night—and he followed it up with a motion to the same effect—that he wants the railway owned and controlled by the government. That means, I suppose, operated by the government. That reminds me of a speech the hon. gentleman made in the House last year. It will be found at page 1384 of last year's debates. He said on that occasion, 'I am opposed to government ownership of railways and I pray to Heaven may God protect us from the financial results that would accrue should the railway be run by the government.' Such was the prayer, and I join with him on this occasion in the prayer which he made in all sincerity last year. The hon. gentleman continued—'The Intercolonial Railway would be better run by the Grand Trunk Railway, or by the Canadian Pacific Railway in every way.' The Lord evidently has heard his prayer, because the government will protect us from the dire results which he anticipated from government ownership. The hon. gentleman from Hastings has been converted. Well, praying always brings conversion.

Hon. Mr. YOUNG—It was a very moderate conversion.

Hon. Mr. CASGRAIN—Some hon. gentlemen say that his conversion was simultaneous with that of Mr. Haggart of the House of Commons. I do not know whether these two gentlemen like each other so much that they absolutely entertain the same views on all questions. The hon. leader of the opposition in the other House had a project for a railway. It was a great project, but it did not meet with the nourishing sunshine of public approval, and by unanimous consent it was committed to limbo, the quiet abode of the souls of those who died before being born and baptized. The idea was to continue the Intercolonial Railway to Georgian bay and following the coast of Georgian Bay to the Canadian Pacific Railway, then acquire that portion of the Canadian Pacific Railway on which the company say they cannot carry grain with a profit, as far as Port Arthur ; from Port Arthur either tak-

ing the Canadian Northern or the Canadian Pacific Railway to Winnipeg, and after that I do not know where he would stop with his project, but I suppose he would not go beyond Winnipeg. That was for his winter route. Then he had a summer route. This winter route would be no good in the summer time; the grain would come via Lake Superior in the usual way as it does to-day. That project, as I have said, did not meet with favour; it was discredited. Had that been carried out, and had the Canadian Pacific Railway been able to unburden that unprofitable portion of their road on the tax-payers of Canada, they would at once have built on the present location of the government portion of the Transcontinental Railway. If they had not built it, it would have been constructed by Mackenzie and Mann. Their chief engineer, Mr. Sinclair, when I asked if he was going to built it, said: The government are going to build where we would have built, north of the Laurentian range, and through that level country. If Providence would but permit me to waft away the roseate mist which dims the horizon of the next two decades, so that hon. gentlemen could gaze with your own eyes beyond the Laurentian range over that incomparable and boundless region of rich alluvial soil, the future home of millions of christian people, then might you exclaim like the ancient prophets, of biblical lore: What is this new Canada rising from the wooded wilderness surging from the primeval forest? It bears upon its brow the mark of immortality. It is clothed in the brilliancy of the northern lights. Where did she beget these numberless sons of many tongues who are not the fruit of her womb? Canada is born again, richer and more youthful. People of the Orient are turning their hastening steps towards her fertile fields. Let the nations rejoice and be glad that by this modern steel avenue, the best that the genius and engineering skill of the 20th century can devise, immense new dominions have been thrown open for the husbandry of mankind, the advancement of civilization and the betterment of the world. Such will be the consecration of the political task of Canada's foremost citizen, of Canada's most gifted son, of Canada's greatest Prime Minister, Sir Wilfrid Laurier.

Hon. Mr. CASGRAIN (de Lanaudière).

Hon. Mr. BOLDUC—In his opening remarks to this House to-day the hon. senator from de Lanaudière said that he felt very much indebted to the hon. leader of the government for having chosen him to reply to the able speech of the leader of the opposition. I must say that I feel proud myself to have the honour of replying to the hon. gentleman selected to make the speech which we have just heard. I am not in a position to use as many figures as he quoted, not having, as he had, access to the plans and profiles in the hands of the Grand Trunk Railway Company—not only plans of the portion to be built by the company, but also of the portion to be constructed by the government. I am not surprised that the hon. gentleman had free access to the plans and profiles for the portion of the road to be built by the company, but I am surprised that the figures of the explorations which have been made for the section to be built by the government have not been laid before parliament, although it is in session. They have been given to the hon. gentleman while they have been denied to everybody else.

Hon. Mr. THIBAUDEAU (Rigaud)—They were not denied.

Hon. Mr. BOLDUC—The hon. member from de Lanaudière has devoted a good deal of time to those figures, and also to discussing the Canadian Pacific Railway. He mentioned also that he had been told by a high official of the Grand Trunk Railway Company to refrain last year from giving facts in connection with this project, because the effect would be to frighten the shareholders in England and probably serve the interests of the country. I must say the hon. gentleman followed that advice last year very carefully, because I did not find in his long speech on that occasion a solitary phrase in support of the interests of the Dominion. All he said was favourable to the Grand Trunk Railway Company; and this year again, while we have heard a great deal from him about the facility with which the prairie and mountain section can be built, and a little about the facility with which the eastern section can be built, the greater part of his speech was devoted wholly to advocating the interests of the Grand Trunk Railway. I am not going to deal very extensively with the question of railway transportation, though the present is a proper time to dis-

cuss it. Last session, however, the debate on the subject was so long, and this year the discussion has been so extended, that I shall mention only a few facts to show why I think it better that the government, instead of building a railway and handing it over to the company, should adopt a better means of developing this country. There ought to be no antagonism between the west and the east on the truly great question of transportation, for what will benefit the west must benefit the east, and vice versa, what will benefit the east must of necessity help the west. The great question to-day is, how best to develop the great Northwest and transport the products of that country to the lakes and thence to the sea. We have the experience of the United States; why not profit by that experience? Before embarking in a scheme which will tax the revenues of this country for some fifty years to come, we should pause and see what our neighbours south of the boundary line have done. We find that they have abandoned the carrying of grain by rail and have gone back to water transportation. They have railways better situated than ours to compete with water carriage. They have the New York Central, for instance, a four-tracked road; and yet that line has had to abandon the attempt to compete with water transportation. More than that, we have now the evidence that instead of carrying their grain through their own country, the greater part of the western grain is carried from Duluth and Chicago by the St. Lawrence route and shipped from Montreal. I have here a report by Consul Edwards, of Montreal, relating to that question. It was published in the Ottawa 'Evening Journal' of last March, and is as follows:

> The removal of the tolls on the Canadian canals has resulted in a heavy movement of grain over the Canadian lake route and thence down the St. Lawrence, as the exporters can now handle corn for 3 cents less a bushel than by the part-lake and part-rail route to Boston.
>
> The Montreal Board of Trade reports up to August show that during the year 1903, 9,000,000 bushels of wheat and 4,500,000 bushels of corn have passed through the port of Montreal, as against a little more than 1,000,000 bushels of wheat and 4,000,000 bushels of corn shipped from Boston.
>
> The matter has drawn attention to the channels in which Canadian grain at present moves to the sea-board. A striking fact is the importance of the Canada Atlantic route, from Depot Harbour. From a pamphlet compiled by the 'Northwestern Miller,' the information is gleaned that last year there was shipped from two Canadian Lake Superior ports, Fort William and Port Arthur, 35,525,798 bushels of grain. Of this total, 13,500,654 bushels, 38 per cent, was shipped to Buffalo and Port Huron, the balance—62 per cent—going to Canadian ports, as follows:—

	Bushels.
Owen Sound	1,308,160
Midland	8,316,972
Depot Harbour	3,515,760
Point Edward	192,904
Meaford	972,684
Goderich	2,759,484
Kingston	4,985,176
Total	22,051,140

The following is the grain drawn from Duluth to Canadian ports:—

	Bushels.
Owen Sound	102,000
Midland	1,633,000
Depot Harbour	3,591,000
Meaford	1,065,000
Quebec	574,000
Goderich	100,000
Kingston	58,000
Port Sarnia	19,000
Total	7,142,000

In addition there was also handled 813,000 bushels of flaxseed.

Chicago shipped extensively to Canadian ports as follows:—

	Bushels.
Montreal	254,000
Depot Harbour	4,691,000
Port Sarnia	2,349,000
Midland	3,707,000
Collingwood	2,366,000
Meaford	186,000
Goderich	271,000
Other Canadian ports	81,000
Total	13,985,000

Altogether these two United States ports (Duluth and Chicago) shipped to Canadian ports 21,129,000 bushels of grain, as compared with 13,500,654 bushels shipped from the two Canadian ports (Port Arthur and Fort William) to American ports, in other words, almost 20 per cent of the grain crop of the United States shipped by water from these two leading American inland ports passed through Canadian waterways. The points shipped directly to are of interest. They were:

	Bushels.
Midland	13,736,972
Depot Harbour	11,797,760
Kingston	5,043,176
Goderich	3,130,484
Port Sarnia	2,368,000
Collingwood	2,366,000
Meaford	2,223,684
Owen Sound	1,410,160
Quebec	574,000
Montreal	254,000
Point Edward	192,904
Other Canadian ports	81,000
Total	43,171,140

These figures show that 48 per cent of the grain making use of the Canadian transportation routes was grown in the United States.

Those people in England who are talking of how the United States could shut out Canadian grain from United States ports might take note of the foregoing facts.

If it had been possible to carry grain by rail, instead of shipping it by Canadian water routes, our neighbours would have taken it on their own railways.

We know very well that their railways are much better situated than ours can be in the wilderness some 300 or 400 miles beyond civilization. We are not sure of the grades or curvatures. There will not be any local traffic, and I think it is a fallacy to believe that it is possible to carry grain by rail from Winnipeg to Quebec. I am of opinion that before pledging the credit of this Dominion to the extent of between $150,000,000 to $170,000,000 we should wait till we obtain further information. I say that the country has been plunged into this agreement, the premier refusing to accept the advice of the most expert railway men in this Dominion; and when I say that, I have the authority of no other than Sir Wilfrid Laurier himself for the assertion. We know that Mr. Blair has been opposed to the scheme. He resigned from the cabinet, refusing to share the responsibility of an agreement which he considered detrimental to the interests of the country. During the present session, when Sir Wilfrid Laurier was asked why Mr. Blair had been chosen chairman of the Railway Commission, Sir Wilfrid's reply was: Because Mr. Blair was the most experienced and the best expert in railway matters that we had in the Dominion. How can we reconcile the fact that Sir Wilfrid Laurier admitted that Mr. Blair was the best informed man on railway matters in this country, with his refusal to take his advice? Then he chooses Mr. Emmerson to succeed Mr. Blair as Minister of Railways. The hon. leader of the opposition stated yesterday what had been Mr. Emmerson's ideas on this question, but I suppose when Mr. Emmerson was sworn into the cabinet twice, first as a member of the cabinet and next not to open his mouth during this long debate because he might be inclined, in the heat of the debate, to speak against the government. That is the only explanation I can offer. I stated a while ago that the only cheap mode of transportation of grain was by water. We have the experience of the Canadian Pacific Railway. Nobody can deny that the Canadian Pacific Railway is administered by men who have no superiors in railway matters, if they have equals. What do they do? Do they carry their grain from Winnipeg to Montreal or Quebec? No. The grain is carried to Port Arthur, is unloaded there, loaded in barges and shipped to Midland, Depot Harbour, and all the other ports which I have mentioned on the great lakes. Do hon. gentlemen believe that, if it were feasible to carry grain by rail, the Canadian Pacific Railway would not do it? In many cases the grain that has been carried by the Canadian Pacific Railway is transferred from the barges to the Grand Trunk or Canada Atlantic. Do hon. gentlemen believe for one moment that if it were possible to carry the grain by rail that the Canadian Pacific Railway would not carry it directly from Winnipeg to Montreal? Although at present we have only the one water route, by the Welland canal and the St. Lawrence, it draws many million bushels of grain from the west in the United States. If the government instead of expending the large amount which they are going to expend to build railways which are of no necessity whatever, would construct the Georgian Bay canal, what would be the result? Not only would that canal carry all the grain from the Canadian Northwest, but we are sure that three-fourths of the grain from the United States would be diverted to that route. There was a meeting of the royal commission on transportation in Ottawa the day before yesterday, that famous commission, which was appointed to advise the government what they should do to improve our system. When that commission was to be appointed every body expected that nothing would be done by the government in the way of a transportation policy before we had a report from that commission. The commission was appointed only after the government had pledged the country to an expenditure of about $150,000,000 without any profit to the country, and now the commission is travelling. After the government has adopted its policy, why incur the expense of a royal commission travelling through the country

examining witnesses and taking their advice and evidence. What is the use of it, when they have already decided that they will not follow that advice? This commission was here the day before yesterday and Mr. Wisner, one of the most competent men. I am told, on railway and navigation transportation, gave his views about the Georgian Bay canal. The report reads as follows:

Mr. Wisner in opening generally gave his views on the necessity generally for waterways. He said $100,000,000 was now being expended to improve and extend the Erie canal which runs from Buffalo to Albany and New York. It was a costly undertaking and he did not think it would answer all the needs of the great grain transportation problem.

He says further:

The Georgian Bay canal from the mouth of the French river to Montreal would be 425 miles long. There would be four miles of locks and approaches, 40 miles of canal section, and 74 miles of improved river channels, 300 feet wide at the bottom, and the balance—307 miles—open river and lake section. In connection with the scheme under consideration, the amount of canal section to be constructed would be so small that considerable expense could be economically incurred, as the canal outlet is in Canadian territory. The freight carried would be not only grain but other commerce as well.

Mr. Wisner has put the total cost of that canal at about $75,000,000. If the government are not willing to build the canal themselves I believe they have already received an offer from a powerful company offering to build it for a small guarantee on the cost of construction. If the government decline to build that canal, why should they not encourage a company to build it? Instead of taking this means of solving the transportation problem they build a railway and hand it over to a powerful corporation—because I do not consider that the Grand Trunk Pacific Company is to be considered at all—they are only there to represent the Grand Trunk—the two companies are one—Instead of coming forward to parliament themselves, the Grand Trunk have simply put up another company, for one reason, only, and that is to escape almost all the responsibility. It was not for any other reason, because when the scheme was presented to this House it was stated that the reason the government insisted on having an agreement made with the Grand Trunk Pacific was that there were some strong, influential men at the head of that company, that there were business men at the back of it having all the necessary experience, men in whom we might have confidence. It is quite true that the gentlemen who are at the head of that Grand Trunk Pacific Company are wealthy and men of experience. At the same time they are very prudent and very careful men. When that charter was granted, it was by section 6, if I remember correctly, stipulated that the amount to be subscribed before there was a complete organization would be $2,000,000, on which ten per cent was to be paid. It was not a large amount for such a wealthy corporation, but what do we find to-day? Instead of subscribing to the extent of two million, we have before us a Bill, which is to be read a third time on Thursday next, to reduce the amount to one million dollars. Is that a proof that they have great confidence in the scheme? Is it a proof that they have no fear that perhaps some portions of the line may not turn out to be as profitable as they expected, and that if the government after having leased their road for several years without collecting one cent of revenue, ask to be recouped the interest, they may find the company is not in the position to pay one single cent. What course will the government have but to take back that road after the five years, the terms for which they have a right to use it without paying rental, and five years more, a road which will have been completely wrecked, without recourse against the company except for the $1,000,000 invested.

Hon. Mr. DeBOUCHERVILLE—Ten per cent paid.

Hon. Mr. BOLDUC—Twenty per cent paid. I say that the premier acted in a very curious manner. Without any pretense whatever he refused to take the advice of his Minister of Railways. Who were the men who were to advise him? The men who had the greatest interest in having the best of the bargain. Instead of taking the advice of his Minister of Railways, the right hon. premier went straight to the Grand Trunk offices and obtained advice and information there. I do not believe it is doing any injustice to Sir Wilfrid to say that his profession and his training were not such as would qualify him as an expert on railway matters. He may be a very brilliant man, but nobody can say positively that he has had any experience in railway construc-

tion, and we cannot be surprised that having refused the advice of the only man in his cabinet who could give him advice, he made a bad bargain. The hon. gentleman from de Lanaudière has stated as proof that the first agreement was not in favour of the company the fact that some of the stockholders of the Grand Trunk opposed it. I am not surprised at that, when all the directors and stockholders of the Grand Trunk Railway found how easily it was to treat with the premier of the Dominion. I do not wonder at all that they decided to demand a great deal more, knowing that a man of so small experience would not be in a position to refuse, and in support of that contention we would have some little evidence. At a meeting held in London on the 8th day of March last, the president, Sir Charles Rivers-Wilson, after having spoken against a motion for adjournment of the meeting for further consideration spoke as follows :

> But the idea of adjournment is out of the question, I am afraid, and for this reason : the parliament of Canada meets the day after tomorrow for the special purpose of accepting.

So that, not only the president of the Grand Trunk Railway Company had power enough over Sir Wilfrid Laurier to make any contract he would choose to make, but he had a right to ask Sir Wilfrid to convene parliament for the sole purpose stated by Sir Charles of accepting that rich proposition. I wonder why Sir Charles did not add that he had commanded Sir Wilfrid to order his followers to accept all the agreements that would be submitted to them. Lord Welby, at the same meeting, after having spoken strongly in favour of the new agreement with the government, stated as follows :

> And further than that, we have got an indispensable condition connected with it ; as the result of the long and intricate negotiations, we have driven, I may say, the Canadian government into becoming absolute partners with us in the expenditure on that mountain section. That means that we have made their interest one with ours, and we are assured, therefore, of their hearty co-operation and assent to any proposition on our part.

That means not only that they have succeeded in obtaining from the government certain concessions but they have driven the government to accept certain conditions. It is not surprising then that Sir Charles Rivers-Wilson would say publicly in that meeting that parliament was convened for the sole purpose of accepting that new agreement. We heard the hon. leader of the opposition state that nothing had been mentioned of the extension from North Bay to Quebec or Moncton. I have heard almost all the speeches made, and I must confess that I could not find a word speaking of the extension from North Bay to Quebec and Moncton, so little cared the Grand Trunk for that part of the railway. It was ably stated yesterday that the Grand Trunk Railway has no object at all in working that part of the railway. Their only interest is to open the prairie section, and then, as soon as the government will have built from Winnipeg down to Lake Abitibi. (The Ontario government is employed at the present moment in building a railway from North Bay to Lake Temiscamingue and then they take power from the legislature to build from Lake Temiscamingue to Lake Abitibi), then as soon as that railway from Winnipeg is built by the government to Lake Abitibi, the Grand Trunk Railway will be in a position to rent that portion of the railway from the Ontario government and will have a connection there with their railway system. Besides that, the Grand Trunk Railway Company has a charter, I believe, from Port Arthur to Nipigon Bay, to join the main line on the National Transcontinental Railway. For that line they have been subsidized to the amount of $2,000 a mile by the the Ontario government, besides 6,000 acres of land per mile. They will surely expect a large amount from this government, and according to what has been done they are sure to get it. Then the Grand Trunk Railway will be in the best possible position to manage all their traffic from the west down to the great lakes and connect with their railway system. I repeat that the Grand Trunk Railway is so disinterested in that portion from North Bay to Quebec or Moncton, that we do not hear one single mention of it in the reports of the public meeting when they addressed their shareholders as they were addressed on the 8th of March last. You have heard from the hon. leader of the opposition what Mr. Hays stated about the connection of their part of the railway with this railway system, indicat-

ing in a precise manner that they did not care at all to encourage the other part of the scheme but later on in his remarks, Mr. Hays made the following statement.

One shareholder a minute ago, in speaking of the obligation the Grand Trunk was to assume in this connection, seemed to have the impression that his interests, whatever they may be in whatever class of securities, were jeopardized from the outset, and I fear that there is a general impression arising entirely from this misunderstanding. The Grand Trunk Railway is not going to be called upon under its guarantees for one cent for eight years after this enterprise is started—after the construction of the line is commenced— the cost of the line during construction being added to capital and provided out of capital, and the securties which the Grand Trunk will guarantee will will not be issued for eight years, and then after that eight years have rolled by, you have seven years yet on the mountain section, a part on which there seems to be some doubt. There cannot be the slightest doubt as to what the returns will be from the prairie section, but on the mountain section you have seven years without any claim at all, three years after that only a claim on what is earned, making therefore before the mountain section becomes anything of a burden on the railway, eighteen years.

Surely Mr. Hays must have known and read the agreement, because we are assured they have prepared themselves and must have understood the meaning of the new agreement which was made by the government. At any rate, I believe it was impossible to make a worse contract than the one made last year, and I am afraid the government has agreed to a still worse bargain. There is no word in the new agreement in favour of the government, and there are many conditions against the government. The company have an extension of time for building; the obligation that the government has contracted to guarantee the bonds is increased to an unlimited quantity, because notwithstanding the statements made by my hon. friend the member for de Lanaudière, I still believe that the building of that mountain section will be very expensive. The government will be forced to guarantee 75 per cent of the whole cost of that section, no matter what it may cost, and, as has been stated, supposing the bonds are sold below par it will further increase the obligations of the government. In order to make us believe that the construction of the railway on the east side of Manitoba is a very easy affair where levels would be obtained almost equal to those between Montreal and Toronto. he cited the fact that the government of the day has made an examination from Lake Temiscamingue to Lake Abitibi, but surely a gentleman of the experience of my hon. friend will not force on laymen like myself the belief that he will find the same levels across the mountain as he will on a line along the valleys. We have not had as much experience as the hon. gentleman, but we cannot believe that he will get the same levels by crossing mountains as he will in following the water-courses. I believe that in making this statement my hon. friend has wasted his time.

Hon. Mr. CASGRAIN—I said that was just what they were doing.

Hon. Mr. BOLDUC—The hon. gentleman was speaking of the road examined by the Ontario government from Lake Temiscamingue to Lake Abitibi. It does not cross the mountain. But the hon. gentleman was using that argument to show that there was no great difficulty in going up to Lake Abitibi, and on the rest of the line they would have the same result. Nobody of experience will believe that, even when it is stated by a gentleman with the vast experience of my hon. friend. I repeat that it is amazing to see the government building about 2,000 miles of railway and handing it over to the company without any consideration for about ten years, allowing them to use it five years without paying any interest, and to be five years in default without being able to force them by expropriation to give it up, and running all the risks of being obliged to take back the railway in very bad order. Supposing the company runs the road for fifty years, they still have the right to renew the lease for another fifty years. They have the right also, if they decide not to retain the road, to keep all the profitable branch lines and compel the government to take over those which are considered unprofitable. Why did the government consent to such a proposition? Why should even a man without much experience in railway matters accept conditions which are altogether favourable to the company and against the public interest? I dare say the ex-Minister of Railways would not have consented to such an arrangement, and I trust that in this House some amendments will be accepted which were rejected by a large majority in the other

House, amendments which will render the Bill more acceptable to the country than it is now. One of these amendments which was rejected in the other House was to force the Grand Trunk Railway Company, in accepting the $25,000,000 bonds, to take them at par. All the friends of the government, without exception, voted against that amendment, so that the Grand Trunk Railway Company may secure those bonds for a mere song. In the first agreement they had no right to dispose of those $25,000,000 bonds, but now they may dispose of one-half of them, and they can realize whatever amount they please for the bonds, which probably will have cost them nothing. And in case the government should be called on to pay interest at 3 per cent, as stipulated, the interest on those bonds will cost nothing to the Grand Trunk Railway Company. They have a right now to dispose of $12,500,000, whereas last year they had no right to dispose of any. Who can say that next year another amendment will not be brought before parliament to give them power to dispose of the whole amount? From the way things were done last session and this session, no one can foresee what may be done in the future. Several amendments were offered to protect the interests of the country, but to no purpose whatever; they were rejected without exception. The only party that had a right to propose conditions was the Grand Trunk Railway Company. The representatives of the people had no right to interfere; it was a private affair between the government and the company, and every suggestion from any other source was rejected. Now, as to government ownership, I see in principle no great difference between the government and the opposition. The government undertake to build the railway from Winnipeg eastward. They have extended the Intercolonial Railway from Lévis to Ste. Rosalie, and have obtained running rights on the Grand Trunk Railway from Ste. Rosalie to Montreal. It was a good bargain for the Grand Trunk Railway Company. We must remember the help that was given the Grand Trunk Railway Company to build the Victoria bridge. Now, for the use of that same bridge, the whole cost of which we paid, we are obliged to pay almost all the repairs and a good round sum every year besides. What was the attitude of the Grand Trunk Railway Company when that bridge was built with the money of Canada? The first week after it was opened the Grand Trunk Railway Company took advantage of it to carry the freight which, in summer time had been shipped at Montreal for across the Atlantic, on to their own port at Portland for shipment. We know very well that the Grand Trunk Railway Company is more interested in the development of Portland than of any Canadian port. It has always been their policy to transport all the freight they could to and through Portland. In fact, the company has made that city, to a large extent, what it is to-day, having spent some fifteen or seventeen millions of dollars in that port. Naturally, they want to make as much money as possible. They are never guided by sentiment. They do not care whether they favour Canada or the United States, provided their shareholders get dividends. In 1855 the Canadian government loaned them some fifteen million dollars. I have no doubt most of that money was used to improve their line from Montreal to Portland, and to make some improvements in the port of Portland. How are we treated by that company to-day? That company, which has been so largely aided by the government of Canada, discriminates against Canadians. While their rate to passengers in the United States is two cents per mile, they charge us three cents per mile in Canada. They have never received a cent from the people of the United States to aid them in building their road while we have subsidized them liberally, and that is the way we are treated. It is evident all they care for is to take our money.

It being six o'clock, the Speaker left the chair.

After Recess.

Hon. Mr. BOLDUC resumed his speech. He said: When the House rose at six o'clock I was going to discuss the advantages of having a railway owned and operated by the government as opposed to the idea of having the road built by the government and operated by a private corporation. When I say controlled and operated by the government, I mean railways built and owned by the government, should be operated by a special commission. I see no reason why the government should not find as competent officials as the Grand Trunk Railway and the Canadian Pacific Railway have, to oper-

ate the railway in the public interest. We have the experience of many governments who own and control railways. Wherever a government has tried to operate a railway it has proved a failure, because we know all the influences which interfere with the proper administration of a line. I believe it is impossible for a government itself to operate a railway at a profit, but we have many instances of governments owning railways and operating them by commissions with great advantage to their people. The hon. leader of the opposition yesterday pointed to the results in Australia, which has 12,594 miles of railway. Last year the net revenue was £3,725,000 sterling.

When they started with the idea of building and owning their railways they tried to operate those railways as we are operating the Intercolonial Railway now. They found it was a failure, but as soon as they realized it was impossible for the government to operate a railway by themselves, they appointed a commission ; they selected a man having the necessary experience and ability, and now you see the administration and operation of government-owned railways in Australia is a success. I see in the work published by Mr. Edwards on the nationalization of railways, he mentions that Lord Carrington stated in 1898 that if all the railways of Australia were sold they would bring a high enough price not only to pay the cost of the railways but to pay the whole debt of Australia. This is good evidence that a road can be built by a government and operated successfully by a commission appointed by the government. We have also seen the result in Belgium. They started operating their railways in 1850. They did so at first with a great deal of hesitation, because they were in the same position as we were ; a great party was opposing the principle of government ownership of railways. We find that in 1850 the state owned 388 miles of railway against 166 miles owned by private corporations. In 1865 the government owned 469 miles of railway against 950 miles owned by private corporations. In 1884 there were 1,930 miles owned by the state and 1,780 owned by private corporations. In 1900 Belgium owned 2,513 miles of railway against 322 miles owned by private corporations. The net revenue of 1902 was $11,000,000 for that small part of the railway. The figures I have given I quote from Warring on the State purchase of Railways, page 13. I say that in Belgium, as in Canada to-day, there was great hesitation at first to embark in that serious undertaking, but the success which has been obtained in Belgium and Australia is a sure proof that we can do exactly the same thing here in Canada. In Germany, the state owns 29,437 miles of railway out of a total of 34,415, and I observe from newspapers that the government there operates the railway by commission with great profit and advantage to the country. In Russia the government owns 23,895 miles out of a total of 34,415. The net revenue was £14,800,000 sterling. In France and New Zealand a great part of the railways are owned by the state and worked with great profit. Now, when we have these figures before us, I do not see why we should not undertake to own and operate the railways we are going to pay for almost entirely. When we are going to spend about nine-tenths of the cost of the new Transcontinental Railway I see no reason why we should not pay for the whole road, own the railway and appoint a commission which would administer that railway at the same time with the Intercolonial Railway. I understand there was at first great hesitation in Canada about government ownership of extensive railways, but I notice that the men who were opposed to that idea last year are forced now to view it in another light. The agreement entered into between the government and the Grand Trunk Pacific Company has forced the issue before the people of this country, and now is not the time to say that we will defer the matter and see what can be done later on, because if no action is taken now we are debarred for perhaps 50 or 100 years from doing anything in the way of the proposition which has been discussed in Canada for several years past. I say that the choice is not with the people of this country to delay or postpone the consideration of that question because the issue has been forced before the public by the present administration.

On reference to the last report of the Department of Railways and Canals, we find that we have a total of 19,077 miles of railway in operation. Of that mileage the government owns 1,551 miles, which leaves 17,526 miles of company-owned railways. The subsidies granted to these private cor-

porations by the Dominion amount to $167,007,344; provincial bonuses, $39,884,584; municipal bonuses, $12,661,527; loans to Grand Trunk, $15,142,633; without guaranteeing the interest, and other loans, $821,625, forming a total grant in the way of subsidies by the Dominion government, by the municipal corporations and local governments, of $226,517,713 to the railways of Canada. Besides that, railway corporations have obtained in land subsidies about 60,000,000 acres of land. If you figure out the proportionate cost per mile of those railways, according to the subsidies and the bonds, preferred stock and ordinary stock, you get an average of $65,350 per mile. I do not mean to say that that is the exact cost of construction of each mile of the railway, but when we make an addition of all the sums I have mentioned we must come to the conclusion that the railways of this country cost on an average $65,350 per mile. Why? Because bonds have been sold much below par. Some bonds have been sold from 10 cents on the dollar to 25 and 30 cents, and in many cases stocks have been watered to a great extent, but the fact is that the holders of these bonds and that stock expect to realize the dividends on those bonds and stocks at par, and the people will be forced to pay a little more for their freight and for their transportation, in order to provide dividends on stocks and bonds, which in several cases have not cost a cent to the organizers of those companies. If the government would build the railways in the future we would have no watering of stocks. The government interest would be the interest of the whole Dominion to make low rates of freight, to establish low schedules of rates for carrying passengers, and they could, at the same time, pay as large dividends as any private corporation who are bothered with stock which has been watered, who are bothered with bonds which they have to pay full value for now, and which have brought to the company only ten, fifteen and twenty-five cents on the dollar. That is the reason why, being forced to express my views now, I advocate that railways should be owned by the government, and operated by a commission appointed by the government. The railway to be built according to the agreement between the government and the Grand Trunk Pacific must be to the interest of all the provinces of this Dominion, but I say more particularly to the advantage of the west and the maritime provinces. Quebec and Ontario are less interested in the building of that line than the west and the maritime provinces, because the interest of the maritime provinces is that they must have a road which will carry the freight down to their ports, if they are to progress and become prosperous. If the farmers in the west hope to realize their expectations to have as low freight rates for the carrying of their grain as possible, they must have a road which is owned by the government, because if they have roads owned and operated by private corporations the result will be in the west as it has been in the United States, combines will be formed amongst private corporations, and they will squeeze the people from the west as much as they can, so that the farmers from the west are ten times more interested in the fact of the government owning that national railway than we in Ontario or Quebec are. It was stated last year that the building of the National Transcontinental Railway would benefit extensively both the provinces of Ontario and Quebec—that it would open a back country of which we know nothing. There may be good farming lands in that part of the country, but before entering into such a large expenditure of money more prudent men would advise the government to make explorations, not only with respect to the location of the line, but to examine as to the quality of the soil and the quantity of minerals and timber there, because I have met many lumbermen who have sent explorers through that district, and they all agree that on the height of land where the line is to be located there is no timber worth being worked at all.

The plea that this road might serve as a colonization road is to my mind an utter fallacy. We have roads running through the best districts, built by private corporations assisted by the Dominion and provincial governments, and those roads are built especially for the purpose of encouraging colonization. If we are to build a road under the pretense that it is to carry grain from the west we must build it as much an air line as possible. You cannot deviate from an air

line if you are to have the road profitable for the carrying of grain. A road to be constructed for colonization purposes must be located where land is fit for cultivation, attractive to settlers and where you are sure to have a pretty large population before many years. You can, without the slightest doubt, leave the question to the local governments, who are directly interested in the rapid increase of their population, and who know better than we, who have not the slightest experience where to find the best districts possible for the locating of local branch lines which will favour colonization one hundred times more than the proposed National Transcontinental Railway. What information have we as to the quality of the soil which is to be traversed by this railway? None at all, except the writings of Father Albanel who traversed that country some 200 years ago and discovered a place where the birds were so numerous that the Indians exhibited very great temerity in going there for fear they should be buried in feathers, and where the bears were so very clever at fishing, walking along the shore and taking their choice of the pike, bass and suckers, with which those streams abound.

Hon. Mr. MACDONALD (B.C.)—The Grand Trunk is a sucker.

Hon. Mr. BOLDUC—I regret that the offer made by the Grand Trunk Railway to build a railway from North Bay to Winnipeg and in the prairie section was not accepted by the government. If the government had accepted that offer by the Grand Trunk Railway they would have only been too happy to accept the ordinary railway subsidy, but we know very well that corporations who ask for subsidies generally demand double what they expect to receive, and if they had received the ordinary subsidy which is granted to railway corporations they would without hesitation have built the road. It may be said in that case there would have been no road from Quebec to Winnipeg, but we know that another corporation, the Trans-Canada Railway Company, which has a charter, at the head of which are some influential men, equal to those placed at the head of the Grand Trunk Pacific Railway—fully equal in wealth, intelligence and energy, were prepared to build that northern line. These men have always been ready to build from Quebec up to Winnipeg or to Port Simpson, with the ordinary subsidies which are generally granted by the government, and the government would not have the responsibility of building a railway which is considered useless and impracticable by all business men in this Dominion. I have stated the interest of the farmers from the west in having the government build that road and own it and work it by a commission. If we consult the interests of New Brunswick and Nova Scotia, can we expect for a moment that the Grand Trunk Railway will haul their traffic from the west, past their branch line from Lake Abitibi to North Bay, for the sake of benefiting New Brunswick or Nova Scotia—that they will haul it 500 or 600 miles further and incur double expense for the sole purpose of giving satisfaction to Nova Scotia and New Brunswick? Is there a business man who will dare to say that this will be the case? It is against the interests of the Grand Trunk Railway. The Grand Trunk Railway controls completely the Grand Trunk Pacific. They have a complete railway system which leads down to Portland, where they have a harbour on which they have spent many millions of dollars. Can a business man believe for one moment that through freights from the west to the ports of the maritime provinces will be the policy of the Grand Trunk Railway Company? To mention the matter is to answer it. Not a pound of western freight will be shipped through to St. John or Halifax when the Grand Trunk Railway have the power to prevent it, and they will be the controllers of the Grand Trunk Pacific Railway. They will use their line from Lake Abitibi down to North Bay, and from North Bay their railway system which leads them directly to Portland in the state of Maine. This is my opinion, hon. gentlemen, and I do not believe it is possible to contradict me on that point. It is impossible to imagine for one moment that the Grand Trunk Railway Company and the Grand Trunk Pacific Company will work against their own intertests. For these considerations, for the consideration also that the question of government ownership has been forced on the country by the present government, I believe that before giving a vote in favour of the 2nd reading of the Bill we should consider whether that Bill is for the advantage of the country, and I hope that the majority of this

House will decide that if we are going to pay for a line of railway some 3,500 miles in extent we had better keep it and operate it by a railway commission. I give notice that if the 2nd reading of this Bill is carried in this House I am prepared at the 3rd reading to offer an amendment that this Bill shall not come into operation before it has been submitted to and passed upon by the electors at the next general election.

Hon. Mr. KING—As I have not been in the habit of trespassing at any great length upon the time of this honourable House, I may be pardoned if I speak at considerable length on the subject now under consideration. If I had to offer an excuse, I would say that from the standpoint of the maritime provinces I look upon this measure as the most important that has ever been submitted to the parliament of Canada. Before proceeding to deal with the main issue, I shall take the liberty of directing the attention of the hon. leader of the opposition to some of the remarks which he made during the course of that long and eloquent speech delivered a day or two ago in this Senate. I shall take the liberty of submitting a statement made by that hon. gentleman with regard to the winter port of St. John, and, if I state it correctly, I am sure he is not the man to take exception to an honest statement by an hon. member on the floor of this House. The hon. gentleman took to himself and the Conservative party, in the course of his remarks on that occasion, the credit for having promoted the winter port business of the city of St. John. The hon. gentleman must have forgotten that during the eighteen years that the Conservative party was in power, long after the Intercolonial Railway was built, that his government or the government of which he was a member, continued to subsidize steamers to the port of Portland, Maine. The hon. gentleman must know that while what he states is perfectly true—and I want here to repeat what I said last year, that in St. John I believe that the hon. leader of the opposition is looked upon by the people of that city, regardless of party, as one of the best friends of St. John. I will not charge the hon. gentleman with attempting to suppress the truth, but I will make a statement which I made last year, and, when I make it, I challenge contradiction ; and it is this : that never until a supporter of the hon. gentleman's government, a Mr. John Chesley, actually tendered the government his resignation, did the hon. gentleman come down and agree to subsidize a line of steamers to St. John. The hon. gentleman has said that he does not know that to be true, but that statement was made publicly in St. John at the last election that Mr. Blair contested in the interests of the Liberal party, and remains uncontradicted. I repeat that not until Mr. Chesley, a Conservative in St. John, placed his resignation in the hands of Hon. George E. Foster, I think it was, at all events in the hands of a member of the government, did the government come down and do what they should have done years before for the city of St. John. What are the other facts ? It is true that the building of the short line across Maine has been of great advantage to the city of St. John, but I am not prepared to give the Conservative party credit for the construction of that line across Maine. It is well known to every one who is conversant with the history of the building of the Canadian Pacific Railway, that that company got into financial difficulties. I occupied a seat on the floor of the House when they asked for a loan of thirty million dollars, and in order to secure that loan at that time the government were obliged to promise a subsidy for a line of railway from Montreal—not to St. John—it would be just as well to understand what was done, because this thing has been made use of by the Conservatives and will be used again in the near future—not to St. John but a line of railway from Montreal via Salisbury to within a few miles of Moncton. That was the policy of the Conservative party in regard to building a line in extension of the Canadian Pacific Railway.

Hon. Mr. BOLDUC—This very question of building the road was discussed in the Senate.

Hon. Sir MACKENZIE BOWELL—Did I understand the hon. gentleman to say that the loan of $30,000,000 that was made to the Canadian Pacific Railway at the time of their difficulties had anything whatever to do with the short line ? I understood the hon. gentleman to say that when the Conservative government granted that loan it was on condition that the company should build the short line to St. John ?

Hon. Mr. KING—It was not contained in the Act which enabled the government to advance that money to the Canadian Pacific Railway, but right along with it came the proposition to build the short line across Maine to Salisbury.

Hon. Mr. PERLEY—Six years after.

Hon. Mr. KING—It was completed six years afterwards. I think I know something about it. I was in parliament and watching the affair. I do not know as much about it as members of the government, but I know as much about it as the hon. senator who has been residing in the North-west for the last 22 years. The short line was built, and, as I remarked before, it has proved of great advantage to the city of St. John. We heard a great deal to-night about a winter port in Portland, Maine, which is going to do the carrying trade of Canada even if this transcontinental road is constructed, but I am proud to be able to bear out the statement which my hon. friend made the day before yesterday, that so far have the government succeeded, that if St. John does not occupy a foremost place on the Atlantic so far as Canadian trade is concerned, she occupies a good second place alongside of Portland. How has that been accomplished? It is worth while to inquire. I am not prepared to give any share of credit to the Conservative party for it, but I am prepared to give credit where credit is due. Let me repeat what I know, that in 1896 the present leader of the government in Canada, Sir Wilfrid Laurier, was an invited guest at St. John, at an exhibition, and I recollect that it was one of the largest representative gatherings that ever met at that place. Sir Wilfrid was asked to address the assembly at the exhibition grounds at St. John, and if every other word he spoke on that occasion has been forgotten, there were words uttered by him which are still remembered, a pledge given to the people of St. John, and not St. John alone but the people of the maritime provinces, and it was that his government would see to it that for the future every pound of freight that originated in the Canadian west should be shipped to Canadian ports both summer and winter, and he went further and said that the government would secure also for the Canadian seaports a large share of the traffic of the north-western states. I ask if that pledge has not been redeemed? Is it not a fact that for the last six or seven years that this government have been in power, that eight or nine line of steamers have been running to and from the port of St. John, carrying the products of Canada but not the products of Canada alone. A very large percentage of the freight supplied to those steamers is from the north-western states of the United States. Sir Wilfrid had a party behind him in the parliament of Canada who was prepared to assist him in carrying out the pledge he then made, and I am safe in saying that the action of the government is consistent with the promise made on that occasion, and that to-day, Sir Wilfrid Laurier is aiming to give to the maritime provinces and to Canada as a whole the only possible railroad that could develop trade to Canadian seaports in the winter time.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. KING—I was surprised at the hon. leader of the opposition yesterday, trying to bolster up his arguments against this road by appealing to the people of the maritime provinces, that it was going to divert western traffic to Portland, Maine and not to our own port. I was surprised, and I asked myself the question, how are the mighty fallen when a gentleman like the leader of the opposition has to resort to a Yankee newspaper, the Boston 'Advertiser,' to back him up in his arguments against the Transcontinental Railway which the government are likely to build in the near future. I will not weary the House with reading the long extract referred to by the hon. leader of the opposition. It appears in the report of his speech, but I think it was entirely uncalled for. If that hon. gentleman with all his ability could not adduce arguments to sustain his case without resorting to Boston newspapers, then, I think, his case must be a bad one indeed. I am glad to know, in discussing this question to-night, that I did not have to take the position which I took last year or which our friends took last year. Last year, if I remember rightly, there was a difference of opinion as between the Liberals and the Conservative party as to the necessity for another transcontinental line. I will not say that some prominent members of the

Conservative party did not approve of the building of the road, but I do say that the members of that party throughout Canada were largely opposed to its immediate construction and I do say that prominent members of the party showed strong opposition to the building of the line at all. To-day, as far as I can judge, the two parties in Canada are in perfect accord.

Hon. Mr. FERGUSON—Oh, no. Do not run away with that idea for a moment.

Hon. Mr. KING—Does the hon. gentleman say there is no necessity for a transcontinental railway ?

Hon. Mr. FERGUSON—Admitting that would not be admitting ourselves to be in accord with the government.

Hon. Mr. KING—I was not saying anything about the plan or policy at all. I think the best evidence that another transcontinental line is needed in Canada, no matter what our Conservative friends may think, is that a man occupying the position Mr. Hays does in the Grand Trunk Railway, a gentleman who in Canada and out of Canada perhaps is one of the most able railway men that can be found, asserts the necessity of extending the Grand Trunk Railway from North Bay, out across a thousand miles of what our friends term a wilderness, to reach the Pacific coast. I believe it was a well-known fact that application was made to the government for a subsidy to construct a line like that. If the Grand Trunk Railway were willing to enter into a contract for a road like that, does it lie in our mouths who do not understand Canada as well as these gentlemen do, who get the credit of being sharp and able railway experts to say that such a road is not needed ? Therefore, I take it for granted that there is not very much difference of opinion in Canada in regard to the necessity for another transcontinental line. What did these gentlemen ask ? Not assistance to build a line of road from the Atlantic to the Pacific, but they ask the government to enable them to build a line of railway from North Bay, the terminus of a branch line, running up from Belleville or Toronto, I care not which; they ask to be allowed to extend their line via Winnipeg to the Pacific coast. I have followed very closely, both this year and last year, the debates in the other branch of parliament on this question, I have discussed these matters in the presence of gentlemen belonging to the Conservative party, and, reading between the lines, in most cases the plain and above-board feeling of the Conservatives of Ontario is that the government did not do right, when they did not accede to the wishes of the Grand Trunk Railway and assist them in building that line. What did happen ? Sir Wilfrid Laurier took charge of the negotiations himself, notwithstanding all that has been said to the contrary. I contend that he should have the most credit in that matter. In making the bargain which he did make, and which we are now about to carry out, so far as parliament can carry it out, he redeemed the pledge which I referred to a moment ago, that he would see to it that every pound of freight from the west should find an outlet at Canadian ports both summer and winter. Suppose that our Conservative friends who are so anxious to have all the grist in the west brought to their own mill, and who are also so anxious that not one pound should filter out by a road to the maritime provinces, supposing they should have their own way what would happen ? Why, Canada would have had a longer railway from North Bay, without going further north, to Portland, Maine, than the government proposed to build to reach St. John—I will not say Halifax, but St. John. Now, let me quote some figures. I will admit that in submitting figures there is a difficulty with regard to a portion of the line which the government propose to construct, but I think no one will claim for a moment that there is the slightest difficulty in ascertaining what the exact distance would be from Winnipeg to Portland via the proposed line—I mean by the line proposed by the Grand Trunk Railway themselves. If I am wrong in the figures which I submit to the House I am perfectly willing to be corrected. Winnipeg to North Bay, according to surveys made by the Grand Trunk Railway, is set down 1,043 miles. I am aware that this is some thirty miles longer than the present line of the Canadian Pacific Railway from North Bay to Winnipeg; but I am also aware that they felt it necessary to take an entirely different route from the route adopted by the Canadian Pacific Railway. They had been forced to go north of Lake Nipigon, and getting back from Nipigon to North Bay must

have caused a lengthening in the line. That would lengthen the line considerably. I do not know about the figures given yesterday by the hon. gentleman from de Lanaudière (Mr. Casgrain), but it has been stated that they are the figures of the engineers of the Grand Trunk Railway. Then from North Bay to Toronto is 227 miles, Toronto to Montreal 333, Montreal to Portland, 297, making in all a total of 1,900 miles. That was the Grand Trunk's proposition to the government at first. Now, let me add to that 200 miles. You will ask me where I get that 200 miles. I will try and explain to you where I get it. I am confident that if the line from Winnipeg has to go north of Lake Nipigon and keep on a straight course it will be 200 miles north of North Bay where that branch line from North Bay would intersect the main line. Some fear, alarm, or suspicion has been expressed that even with this line built and handed over to the Grand Trunk Railway that it would be possible for them to divert traffic from 200 miles north of North Bay down to Toronto, or Belleville, which is a little nearer, and over their road from there down to Montreal and from Montreal to Portland. Hon. gentlemen will see that it is out of the question entirely. Take a correct map of Canada and measure the distance and you will find that the point of intersection of the main line north of North Bay is about equidistant from Toronto and Quebec.

Now in opposition to the proposal of the Grand Trunk Pacific, I want to place before this honourable House the government's proposal. I shall be told that I know nothing about it. I want to be fair in dealing with that question, and I want to do it in a way which will not be open to suspicion that I am trifling with facts and figures. I have watched the debates in the House of Commons and I have never heard a higher estimate placed on that road between Winnipeg and Quebec than 1,480 miles. I know my hon. friend gave the distance as somewhat less, but I am willing to accept the figures of the leader of the Conservative party in the House of Commons, and he puts it at, from Winnipeg via Nipigon to the city of Quebec, 1,480 miles. I am going now to talk of something I know personally, something I am not afraid to talk about. I have heard very much about the surveys made in New Brunswick forty or fifty years ago, before confederation, when the same Conservative party were in power, and in order to carry confederation they promised thirteen different lines in the province of New Brunswick, in order to deceive the people of that province. New Brunswick is not in the state to-day that it was forty years ago. It is not by any means a wilderness to-day, it is fairly well opened up with railways. From St. John, New Brunswick, which is, and ought to be, the winter port of Canada for freight, there is a line of railway owned and controlled and operated by the Canadian Pacific Railway Company, starting at the port of St. John and running to Edmundston, a point on the very line indicated in this contract now before the House. Consult the time-table of the Canadian Pacific Railway and you will have no difficulty in arriving at the distance between those two points. Then take across the divide between the waters of the St. John and the waters of the St. Lawrence, I am not positive whether it is 78 or 87 miles, but I will quote an authority whom hon. gentlemen are fond of quoting in this House and elsewhere in this country, and who will be accepted and quoted as an authority from now on, perhaps for some time to come.

I am not taking exception to the fact that that gentleman does now, when he discusses railway matters, so far as he is acquainted with the facts, object to this project. Mr. Blair in that celebrated speech which the Tories of Canada used to swear by, says that a line can be got by the route I have indicated, which will be only 411 miles in length. That is not the line the government propose to build. The government propose to construct a line from Quebec, keeping south of the St. Lawrence, turning the promontory of Quebec to get to New Brunswick further south, striking Edmundston, and from Edmundston running to Moncton. But allowing that distance—I am speaking now of St. John as the terminus, I have no doubt there are lots of people who are prepared to stand up for the interests of Halifax and Nova Scotia—I am perfectly willing to accord fair treatment to a sister province, and I care not where the line is located through New

Brunswick—if a line can be run through that province which will not rob St. John of her geographical advantages, and which will give fair-play to the sister city of Halifax, I am for that line; but failing to secure a line of that kind, it is in the interest of Canada to get to the nearest port on the Atlantic, and that is St. John. If that can be done without injustice to Halifax, I say that is the line.

It has been charged by hon. gentlemen opposite that in the location of this trunk line Halifax was being unduly favoured and that St. John was being discriminated against. I confess that at one time I had some fears that such might be the outcome. Those fears, however, have been allayed, for on referring to the speech of the Minister of Finance this session, speaking on Quebec and Moncton section that gentleman said:

> We are making the scheme larger because instead of starting from Edmundston, and using the Intercolonial down to Rivière du Loup, our policy is to start from the Quebec bridge, run through the counties of Quebec until you turn the corner of American territory at Edmunston and down through the centre of New Brunswick to Fredericton.

Now, I do not suppose any one will construe that to mean that Fredericton is to be the winter port—from Fredericton the line is to continue on to Moncton, passing through the counties of York, Sunbury, Queen's and Westmoreland, reaching the sister province of Nova Scotia over the Intercolonial Railway, connecting it with not only the Grand Trunk Pacific but also with the Canadian Pacific Railway system and securing to that province an advantage she was deprived of by the Senate of Canada years ago. I may be asked, what, advantage this will be to St. John unless the line is extended to St. John. I answer, none. But, does any one suppose that the splendid country which lies on the both sides of the St. John river will be allowed to go longer without railway facilities when it once becomes possible to combine the interests of a great transcontinental line with the local interest to be served on the route? And that the link in the line to which I have alluded will give the Grand Trunk Pacific access over its rails to Canada's winter port. It might be well in passing to say, that the Dominion government have carefully seen to it that the Dominion subsidy voted years ago for that line has not been allowed to lapse, and if required is still available. If it were necessary to insure the construction of the line referred to no local government would dare refuse to assist, considering the vast importance of the line. I may say, however, if not a single dollar of aid was given, the Grand Trunk Pacific would be compelled in its own interest, to construct this line. I may live to see the day when the reasonable hopes of a large number of persons living on the banks of that beautiful river may be realized. That line which I have been outlining to this House, from Winnipeg to Quebec, call it if you like what the leader of the opposition in the other House called it 1,480 miles, and Quebec to St. John, according to the figures given by Mr. Blair, 411 miles, give a total distance from Winnipeg to a winter port of 1,891 miles. You have a line from Winnipeg to St. John 300 miles shorter than the line controlled by the same company via Toronto and Montreal to Portland, Maine. I ask, hon. gentlemen, could a government do more to facilitate trade to ports in the maritime provinces than this government has done? I care not if you add 150 miles more to it—and that is giving you a good deal of latitude—you still have 150 miles of an advantage over Portland, Maine, by this new route. The hon. gentleman from Beauce (Hon. Mr. Bolduc) told us that it was the intention of Mr. Hays and the Grand Trunk Railway people, the moment they got this line running, to take advantage of that route by building up from North Bay to the intersection of the National Transcontinental Railway to carry everything over their own system to Portland. If I could believe for a moment, that they were fools enough to undertake a business of that kind, then I would say the government of Canada were fools to have anything to do with them. But they know better. I want to give some figures. Of course hon. gentlemen opposite will tell me that they have no proposal to make. I know they are all at sea this year on this question, but fortunately we have them committed, unless they are prepared to throw over the leader of their party. Take their proposition of last year, which the press of their party still advocate. So long as they continue to advocate it, there is

no harm in tying them down to it in this House.

They say we want a line from Winnipeg to Fort William, 426 miles, Fort William to Sudbury, 555 miles, Sudbury to Scotia Junction, 105 miles, Scotia Junction to Coteau, 294 miles, Coteau to Montreal, 39 miles, Montreal to St. John via the Intercolonial Railway, 740 miles, making a distance of 2,150 miles by the route proposed by the opposition, compared with 1,891 miles by the government system. Does anybody belonging to the opposition believe that the people of New Brunswick and Nova Scotia are fools ? Do they take them to be insane ? I should like to ask hon. gentlemen what they have been agitating for ever since confederation—for something which has been denied them by the Conservative party ? They have been agitating to bring the trade of the great west to ports in the maritime provinces. The time has come when they can point to a government and party in Canada without an opponent to the scheme in their ranks. We find in the other House, every member of the Liberal party standing up in support of this scheme, not only last session, but this session again, We are glad there is a great west in this country, as well as a great east. We are glad that the new element which is pouring into that western country is prepared to do for us what the Tories of Ontario have denied us. We are prepared to fall back upon the people who are settling in that great west and ask them to do us justice. In this matter of the location of the road they have a splendid opportunity ; they have a government that is willing, and that means a great deal, and to-day are in the happy position of being able to hold out the hope to the people of the maritime provinces that in the near future their hopes, which had been doomed to failure in the past, will be realized. The hon. leader of the opposition, in the course of his remarks, pointed to the fact that his government was able to promote the trade of the port of St. John by a railway longer by 200 miles than the Grand Trunk Railway line to Portland. I am not disputing that. It is true, but he said that was brought about by a simple agreement between the Canadian Pacific Railway and the government of which he was a member. I ask why it was that a contract which meant so much for the people of St. John should be left to a mere word of mouth bargain ? I am glad to know that the Canadian Pacific Railway have honestly adhered to that bargain, as I believe the Grand Trunk Pacific people will adhere to their bargain, but I want to call attention to the difference between the two contracts . I am anxious to make this particular phase of the question plain, because I happened to be in St. John last winter during the election in that city, and I knew the unfair arguments that were made use of there. I do not want to be considered as saying that the people of St. John are more ignorant than people elsewhere, but there were unfortunate incidents connected with that election. The press, which should have kept the people informed of the facts, failed in their duty, and the people of St. John were not as well informed as they might have been. I want to be careful, because I know this remark of mine will be taken up by the opposition press and distorted and misrepresented. I searched in the city of St. John for a copy of this contract, and could not find one in the hands of anybody there--not a single copy of the contract which we are discussing to-night. The newspaper controlled by my hon. friend from St. John (Hon. Mr. Ellis) made reference to it, but the organ of the government, the morning paper there, was against us, and the facts were concealed. But the principal argument made use of in St. John at that time—I am not going to say that it turned the election—was that as this contract was worded, the trade of the west might be diverted to Portland, Maine. I have shown that it is not probable that the Grand Trunk Pacific would take the freight from North Bay to Portland, Maine, but I admit that it would be possible, as was stated by the leader of the opposition, to divert the traffic when it reaches Quebec, as Quebec is nearer to Portland than to St. John, by some eighty or one hundred miles. I admit if there was nothing in the contract to compel these men to do justice to the people of the maritime provinces, they might evade the contract. I am not lawyer enough to know whether the agreement would be binding on the company or not, neither do I care to argue that point. I am quite prepared to rest my case on an altogether different basis. Let me read what

the contract does contain. There is first the 42nd section, which is as follows :—

It is hereby declared and agreed between the parties to this agreement that the aid herein provided for is granted by the government of Canada for the express purpose of encouraging the development of Canadian trade and the transportation of goods through Canadian channels. The company accepts the aid on these conditions, and agrees that all freight originating on the line of the railway, or its branches, not specifically routed otherwise by the shipper, shall, when destined for points in Canada, be carried entirely on Canadian territory or between Canadian inland ports, and that the through rate on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports, and that all such traffic, not specifically routed otherwise by the shipper, shall be carried to Canadian ocean ports.

If it stopped there, I would not be so sure that if the company wished to evade it, they might do so; but section 43 further provides:

The company further agrees that it shall not in any matter within its power, directly or indirectly advise or encourage the transportation of such freight by routes other than those above provided, but shall, in all respects, in good faith, use its utmost endeavours to fulfil the conditions upon which public aid is granted, namely,—the development of trade through Canadian channels and Canadian ocean ports.

Now, just for the sake of argument, let us admit that it would be possible under that contract for the Grand Trunk Pacific to take every pound of freight after it crosses the Quebec bridge to Portland, Maine. I should like to ask you where the people of Canada would be ? First of all, where would the government be, who have given their pledge to the people of the maritime provinces that they would see to it that every pound of freight originating from the west should find an outlet through Canadian ports on the Atlantic in the winter-time. No government that held office in Canada could get a baker's dozen of votes in a county in New Brunswick that would not at once come to our rescue and insist on the Grand Trunk Pacific living up to both the spirit and the letter of their contract ? You tell me it could not be done ; I say it could be done. If I am not wrong—and I am not wrong—there is a provision in that contract, and before I go further it might be just as well to say what I have to say on this point to make it plainer. We heard a gentleman who spoke on the other side say something about government ownership and control of railways. We have not heard anyone venture to advocate government ownership and operation of railways, and I am not surprised at that. I should like to ask these gentlemen if this project does not provide for government ownership and control ? To whom will this railway from Winnipeg to Moncton belong, when it is built? Who owns the line which it must tap at Moncton to reach St. John and Halifax ? The government of Canada. Now, suppose the government of Canada finds that the Grand Trunk Pacific Company are of the character our friends represent them to be, and that they are not living up to their contract, but are taking the freight originating in the west to Portland, Maine—a practice that has been going on ever since Canada was a Dominion—there are three remedies I would apply. If I am wrong, I am willing to be corrected. The first I would apply would be this : I would say 'gentlemen, take your freight to Portland, Maine, but remember we own the Intercolonial Railway, and also the Transcontinental, and representing the people of Canada, we will put a rate over your line that will bring you to time.' What is the government's position, supposing they start a fight of that kind ? They start with half a million dollars to their credit. The Tories say this road will cost from Moncton to Quebec sixteen million dollars, and the contract provides that the Grand Trunk Pacific must pay a rental of three per cent on that road. That amounts to $480,000 a year. The government starts in with $480,000 a year to their credit, the Grand Trunk Pacific with $480,000 a year to their debit and before the company can have a dollar to show to their credit for hauling freight over that 297 miles to Portland, they must earn $480,000. Do you think the Grand Trunk Pacific will act the foolish part our friends predict ? If I could believe it, I would vote want of confidence in my people for having anything to do with them ; but there is no danger. With the consent of both parties in parliament, the Mackenzie & Mann road has been largely subsidized. What are these gentlemen aiming at ? Their object is to establish another transcontinental line. More than that, they have a charter from the terminus of their road at Quebec, right over identically the same country, through New Brunswick, on which the government is building. Suppose the government want to get even with the Grand Trunk Pacific,

they say to Mackenzie & Mann, ' gentlemen, put your trains on our track; we will give you as good terms as we give the Grand Trunk Railway,' and I venture to say the time is not far distant when, if they can get a monopoly of the trade to those ports, small as it may appear to some compared with the trade to Portland, they would be only too glad to accept the offer. But I am going to point out a very much more effective remedy than those to which I have already alluded. In Canada the Grand Trunk Railway has been for the last thirty or forty years handling fifty to seventy-five per cent of the goods imported from abroad to Ontario, Quebec, the Northwest and British Columbia. Do you tell me that the people of Canada would not at once change the tariff and provide that the preference on goods coming from Great Britain will only be granted when they are imported direct through Canadian ports summer and winter ? If you admit the truth of what I say—and I challenge any one to deny it—would it not prove an effective remedy and compel the Grand Trunk people, if they were disposed to break their agreement with Canada, to come to time within 24 hours ? You would only have to state your purpose, to have them come down.

Our hon. friends agree upon another thing, and that is, that a good thing for Canada would be a preference for Canadian products in the English market. Some of us, I hope all of us, may live to see the day when politics will assume such a shape in the mother land that Mr. Chamberlain, or whoever happens to fill his place, may have authority from the people of Great Britain to negotiate a treaty with Canada for the admission of Canadian products into the English market on better terms than the products of foreign countries. Suppose that time comes, do you tell me that either the government of Canada or the government of Great Britain would consent or dare to consent or be safe in consenting to an arrangement which would not at once settle this question, that so long as that preferential tariff existed, all goods in order to get the preference must be shipped through Canadian ports ? I ask, if these last two remedies were applied, would it not have the effect of making the grass grow in the streets of Portland, Maine.

Hon. Mr. FERGUSON—Could the parliament of Canada pass such legislation as that ?

Hon. Mr. KING—Yes.

Hon. Mr. FERGUSON—Certainly they could not.

Hon. Mr. KING—They passed the German surtax, and the government that passed the preferential tariff and got permission from England to do it, and also the dumping clause in the present tariff, is a government that can do anything that is in Canada's interest. The Conservative party could not do it, and would not do it if they could. Now, I do not believe that it is worth my while to follow that subject any further. I do not know how well I have satisfied hon. gentlemen opposite or even my own friends, but I feel myself on pretty safe ground. I am sure the hon. senator from Marshfield will take the ground that the government could not put their own trains on that road and retain in their own hands the $480,000 rental which the Grand Trunk Railway will have to pay for the road whether they use it or not.

Hon. Mr. FERGUSON—I do not understand the proposition at all.

Hon. Mr. KING—Probably the hon. gentleman does not want to understand it. I will try to make it plain. As hon. gentlemen must be aware, if the Grand Trunk Pacific are permitted to operate the government section of the road from Winniueg to Moncton, it is under an arrangement by which they are to pay a rental of three per cent on the cost of its construction. Now, I am prepared to say, and I ask the hon. gentleman if he is prepared to deny, that that applies to the Quebec-Moncton section as well ?

Hon. Mr. FERGUSON—It applies to the whole of the eastern section.

Hon. Mr. KING—Then if that is the case, and the section cost sixteen million dollars —and when the hon. gentleman speaks he will probably say twenty million dollars— three per cent on sixteen million dollars would amount to $480,000, and the government will collect that from the Grand Trunk Pacific.

Hon. Mr. FERGUSON—I do not know. That is a question I am not clear about. We have serious doubts whether they will pay that regularly or not.

Hon. Mr. KING—Well, suppose the Grand Trunk Pacific failed to pay, where would we land? We would have a road from Moncton to Winnipeg built by a government which has managed the affairs of this country honestly and economically for the past eight or nine years, and if the Grand Trunk Pacific are unable to carry out their obligations, the road would fall back into the hands of the government, and we would have what the amendment provides for now, nothing more or less than a government-owned and controlled railway.

Hon. Mr. FERGUSON—The contract provides that it shall not fall back into the hands of the people of Canada, but shall be managed by an agent who shall distribute the proceeds.

Hon. Mr. KING—That is exactly what the amendment proposes, that it shall be managed by a commission. We propose to entrust the management of this railroad to a company, who have for a number of years past shown their ability to manage railways in Canada—to the hands of one of the ablest railway men in the Dominion—and if they fail to meet our expectation we have a chance for redress. Now, a word on government ownership and control of railways. I suppose if it were not a fact that in the beginning of confederation the Intercolonial Railway was made a part and parcel of the terms of confederation, no party in Dominion politics to-day would have ventured to suggest government ownership of railways. It is a fact that we have some hundreds of miles of government railways, and that the people of the maritime provinces appreciate that fact. I know the feeling has taken possession of the minds of a good many people in the western part of Canada that we are proud of that road simply because it affords us exceptional low rates. That is a great mistake. A great deal of the money lost on the Intercolonial Railway has been lost through our attempting to do an export trade over the line. It ought to be patent to every one that a road which has to be run in competition with a road heavily subsidized, and 250 miles shorter, cannot be expected to pay. I say, moreover, that while the road has lost money, to the people of Canada, it has been of immense benefit to the Dominion. I know it is the fashion in this debate—and I was sorry to hear the leader of the opposition resort to it here—to belittle the argument advanced by the leader of the government last year when introducing this Bill, and when he said that if we desire to obtain a favour from our neighbours, we must be independent of them. I will not describe the transcontinental as a military road, and I do not intend to say that it has brought terror to the hearts of our American neighbours; but, I do say that the construction and operation of the Intercolonial Railway has been, perhaps, the means of preserving to the people of Ontario and the North-west an outlet to the ocean ports, independent of the United States all these years. There have been times since confederation when our United States friends, if the chance had presented itself, would have taken advantage of it. I do not depend on them. Let me illustrate what I mean. Last fall, at a hotel in St. John, where I was staying, there were four gentlemen from New York who were making large investments in New Brunswick in coal lands. At dinner, one of them, the president of a coal company, said: 'I notice your country is extremely prosperous'? I said 'yes, we are feeling very comfortable in Canada just now.' He said: 'You are better off than we are.' I said: 'Yes, we feel that.' He said: 'I suppose if things continue as they are going now you will follow our example?' I replied, 'What do you mean,' He said: 'You will be proclaiming your independence.' I said: 'Yes, we are getting ready for that now.' He said: 'I am glad to hear it.' I said: 'Do not misunderstand me, we are getting ready to declare our independence of you, but not of Great Britain.' That is my idea of building a road through Canadian territory from the Atlantic to the Pacific—it will make us independent of our American neighbours. If they remain on good terms with us, we are willing to remain on friendly terms with them, but so far as our people of the maritime provinces are concerned, we are not losing sleep over that. If to-morow, our neighbours were to close down on trans-

portation in bond through their country, they would, of course, for a time, do some injury to our interests, but everybody knows that it would be the means of forcing the trade of all our western country to the ports of the maritime provinces and the St. Lawrence. Now, that is not a remedy which I suggest would be applied on our side, nor do I wish to say a word to-night which would bring about a condition of affairs like that, but I have no hesitation in saying, to repeat what was said by someone better able to express the view than myself. 'In order to retain the favour of our American neighbours we want to be intependent of them.' Considering our experience with regard to the Intercolonial Railway, I am surprised to hear our friends of the opposition moving in favour of government ownership, control and operation of railways. On my way here a few days ago, I happened to pick up the Montreal 'Gazette,' which I consider the ablest organ of the Conservative party in Canada, and I read an article referring to the cost of the Intercolonial Railway, which was as follows :

This table shows the cost of the Intercolonial to the country during the four years in which Hon. John Haggart was minister of railways.

1893	$1,934,617
1894	1,946.270
1895	1,974,218
1896	2,011,686
Total	$7,866,791

Under Liberal management :—

1897	$2,005,092
1898	2,049,719
1899	1,872,572
1900	1,912,809
1901	2,612,164
1902	2,125,888
1903	2,118,277
	$14,696,551

Now, do not understand me as saying that the deficits have been that much ; I think the calculation is a fair one, because the rate of interest added to the expenses on the road and everything considered, shows that no one can dispute the figures. We have the Intercolonial Railway. We appreciate in the maritime provinces that we have the Intercolonial Railway. Those who have looked into the matter carefully do not believe that the building of this line through New Brunswick will interfere with that road—that is, they do not believe it will detract from it. It is my candid opinion, living in the province of New Brunswick and doing business there, that instead of injuring, it will help that road. If it is true that in the next ten years we are to have one and a half to two millions of people in the west, and will then be exporting wheat to the amount of two or three hundred million bushels, then what would happen? If no more should be attempted on the Intercolonial Railway—if not so much should be attempted as has been tried in the past to force trade over that road which the road was never intended to carry, the very fact that this new line will insure the carriage of a large volume of trade through New Brunswick, to the Intercolonial Railway at Moncton, and furnish traffic for that road to its termini at Sydney and Halifax, will mean in the near future, that portions of that road will have to be double-tracked. It is true that the portion of the road from Moncton north may, to a certain extent, be interfered with, but the people residing on the north shore will feel just as safe as they ever felt, in the hands of a party in Canada that has managed that road efficiently and has put it in a condition surpassing any road in Canada. The party that has done that in the last eight years is a safe party to trust with the road in the future, and the people of the north shore have nothing to fear, because if the revenue from the Moncton section should not be as great as it was before, it will be more than made up by the large receipts from the other portions of the road to Halifax, Truro, Sydney and St. John. Just one word more with reference to the Grand Trunk Railways first proposal. I want to call attention to the conditions that these gentlemen made with regard to the trade of the maritime provinces. In section 8 of that application they say :

8th. That in order to provide for connection with the Atlantic sea-board all year round and through an all-British territory route, your petitioners will be prepared to enter into an arrangement with the government for an interchange of traffic, or other satisfactory agreement, with the Intercolonial Railway at Montreal, or to consider such other proposal as the government may submit.

They do not say they are willing to make the Intercolonial Railway a part and parcel of their system, but they do say they are willing to do what they are bound to do now, nothing more or less. If I am not

wrong, they have a traffic arrangement with the government of Canada to-day under which they agree to hand over certain traffic to the Intercolonial Railway at Montreal. We know that the quantity of that traffic is not large, but they are operating to-day on their own rails. When they use the line from Winnipeg to Moncton their trains will run on a line owned and controlled, if not operated, by the government. In reading the speech of the leader of the opposition in the other chamber, there was something which attracted my attention, and if I could not endorse very much of what that hon. gentleman said with regard to the proposition now before us, there is one thing on which I did agree with him, and that is the following :—

> The people of Canada, if they realize their own strength, are and will be greater than any corporation—greater than all corporations. They may not have the same organization or the same capacity to combine, but their power when exerted to the full is at all times irresistible.

That is a doctrine which I fully endorse, applying to the matter now under consideration. If the Grand Trunk Pacific people attempt to evade the contract solemnly entered into between the people of Canada and themselves, with regard to the operation of that road in the interest of ports in Canada, I am sure that the whole people of Canada can find a way of protecting themselves as readily in a matter of that kind, as in the case to which this argument is pointing. We are told that this Transcontinental Railway is to be an issue at the polls in the next election. I, for one —I have no right to speak for any one else in the maritime provinces but myself—invite the opposition to meet us on that ground, and I have no fear of the result. We are satisfied that the time has at last come when in Canada we have a government which is prepared to do us justice in the matter of transportation. I would say to our western friends who are disposed to appeal to the people on this question, that in my opinion the people of the maritime provinces have nothing more or less to expect than if a majority of Conservatives should be returned to parliament the Grand Trunk, and the Grand Trunk Pacific will get from them what was denied to them by the Liberal party. If the people are so unfortunate as to confide in the Tory party they will wake up after the elections and find that we in the province of New Brunswick are sold, as we were at the time of confederation.

I feel that I ought to apologize to this House for speaking at such length, but the subject under consideration is, to my mind, one of vast importance to the province which I have the honour to represent. Let me say another word with reference to the ports in the maritime provinces. Take a map of Canada, and look at the little purple spot at one end of it called New Brunswick. You see an immense strip of territory extending three thousand miles west of it: that territory will be wider by two or three hundred miles if this project goes through, and the only outlet for the products of that region is through the province of New Brunswick, through that narrow strip of land between the boundary of Maine and the St. Lawrence. I ask if the people of Canada can afford to trifle with a matter of this kind ? Is it not in the interest of Canada to stand nobly by the winter ports of the maritime provinces ? See what is going on to-day in the far East ? What are Russia and Japan fighting about ? Why is Russia pouring out her blood and treasure, if it is not to secure what we already have in the maritime provinces, a winter port. We have our Vladivostock at Quebec, a harbour frozen six months of the year. Down at Halifax and St. John, we have, without spending a dollar, our Port Arthur; and my advice to my hon. friends, Liberals and Conservatives, is to do justice to the people of the maritime provinces and retain to them what is worth more to them than millions. What would all Canada be worth without that purple spot on the map, New Brunswick ? Could you induce capitalists to invest a dollar in this railway without it ? If there was any uncertainty as to whether our neighbours in the United States could shut us off and deprive us of an outlet to the sea, could you go to the markets of the world and command a dollar to build even a government railway ? You could not get enough money on your credit, which we all think so much of, to pay for the survey of the line. I beseech of you, not that I fear the result of the vote on this contract, not that I fear that this contract will not be carried out and lived up to honestly by both parties—but I ask you again to remember that you have a

greater interest in the winter ports of the maritime provinces than some of our friends realize.

Hon. Mr. WOOD moved the adjournment of the debate.

The motion was agreed to.

The Senate adjourned.

THE SENATE.

Ottawa, Monday, June 20, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine roceedings.

QUESTION OF PRIVILEGE.

Hon. Mr. MILLER—Before proceeding with the Orders of the Day, as I see the Chairman of the Debates Committee in his place, I should like to get information from him as to arrangements made with the special reporter on the floor of the House with regard to the reporting a synopsis of the debate. I was under the impression, until to-day, that the arrangement was that we paid a gentleman, who I presume, is connected with the Montreal 'Star', thirty dollars a week, during adjournments and sittings of the House, for furnishing a synopsis of our debates to the papers generally, and especially to the Montreal 'Star,' and that it was an understood thing that we were to get a publication of the synopsis in the Montreal 'Star.' I find, however, that that is not the case. I think it would be very desirable if a good synopsis of the report of this House should be given to the papers. A very prominent gentleman in the House of Commons met me on Saturday, on the pavement, coming up to the House, and he said to me: 'Now you have the Grand Trunk Pacific Bill before the Senate, I hope you will give it a good investigation and a thorough overhauling there.' I said: 'What is the use of giving it an overhauling in the Senate? We are not reported by the papers of either party. We have a reporter paid to prepare a special report but the papers will not take the special reports for which we incur the large expense of $30 per week.' Last year it amounted to $1,000. We had on Friday last the Grand Trunk Pacific bill under consideration and I think I am safe in saying that we had three very able speeches from two members on the government side of the House, and from one member on this side of the House, and the following is the synopsis of these three speeches in the Montreal 'Star.' The bare resolution given by Sir Mackenzie Bowell is printed, and underneath it says: 'Senators Casgrain of Quebec, Bolduc and King, continued the debate, which was adjourned.' That was the synopsis of these very able speeches from both sides from the different standpoints. If we cannot get any better synopsis of the debates published, we should not continue the large expense we are incurring, which is a charge upon our contingencies. I would remind the hon. leader of the House that he has often spoken of the extravagance of our contingencies.

I would like him to point out a greater extravagance than this in connection with our contingencies for years past. We get no actual value for the amount of money here paid. I repeat, I was under the impression all time that the gentleman doing this work, being on the staff of the Montreal 'Star' was to furnish that paper with a fair synopsis of the debates in this House, but where is the use of preparing the reports for the press, if none of the papers will publish them? I think the press, on both sides of politics, is making a great mistake, because a very prominent member of the House of Commons told me recently that there are many people in this country who would like to hear what the senators have to say on the important subjects now before the public, and it is unfortunate that reports of the debates in this House do not appear in the press. The only way we can have our speeches reach the public is through the official reports of our debates, but that is not circulated as the newspapers could do it. The circulation of the official reports must always be very limited if you have to depend solely on private circulation of the debates. I should like to ask the hon. gentleman from Montreal if he could tell us the terms which the gentleman on the floor of the House has made with the committee. Does he incur any responsibility in obtaining the publication of the synopsis which he makes, in the 'Star' or in any other paper? If he does not, what is the good of the synopsis?

Hon. Mr. BEIQUE—The special reporter has been continued as heretofore with instruction to prepare a synopsis of the debates in the Senate in a very concise form, and to supply it to every paper that wishes to publish it. He has not been intrusted with that work as a representative of the Montreal 'Star' or of any special newspaper, but as a special reporter employed by the Senate, and he has to file a synopsis of our debates and that synopsis is open to the inspection of any member of the Senate. It is for the hon. gentleman to see whether the work is properly done, and if it is, and it is found that the press does not publish the synopsis, then it will be for the Senate to consider whether this work should be continued or not; but, as far as I am aware, the special reporter has to this day performed his duty. I have not examined his later reports, but I have done so before and found that they were properly made in a condensed form, in such a form that they could be published in the press.

Hon. Mr. BERNIER—Some years ago, we found that the Senate was not properly reported by the press, and it was resolved to secure the services of a special reporter to see if the work could not be improved. For a time, the newspapers did publish a little more than they had formerly given, but for the last few years they have gone back to their old habit and are ignoring the Senate. The special reporter prepares about fifteen or twenty copies of his report and hands them over to the various representatives of the press here. It rests with the managers of these papers to publish the reports so supplied or not. It does not depend on the reporter. We thought at first that the system which we adopted would effect an improvement, but experience has shown that it does not, that the newspapers do not publish the reports furnished to them. It is for the Senate to say whether the synoptical report should not be dispensed with for the present.

Hon. Mr. FERGUSON—This is a subject that we are very familiar with. It is many years since we had our attention first directed to it in this House. The reporter cannot be held responsible, in most cases, for the failure of the newspapers to publish his report. His duty is to furnish a fair synopsis to the representatives of the press at the capital. That is the requirement of the Senate, and there is a very strict provision as to how early in the evening the Senate report shall be handed to the newspaper correspondents. Some hon. gentlemen, when they fail to find reports of their remarks in the press, blame the reporter employed by this House, or the representatives of the press at the Capital. Sometimes, the report is cut down after it reaches the press correspondents here, and then it is shortened still further at the office of publication, and thus a speech which has been summarized, perhaps very drastically, by our own reporter, in the first instance, may be subsequently cut down by the representatives of the newspapers here, and afterwards cut down still further.

Hon. Mr. MILLER—Or, perhaps, thrown in the waste paper basket!

Hon. Mr. FERGUSON—Or it goes to the wastepaper basket. Now, we cannot possibly help that. Sometimes, pretty fair reports of what happens in this House appear in the press. On other occasions this House is absolutely ignored, as was the case in the very important and interesting debate of Friday last. It is useless for hon. gentlemen to find fault with or criticize the newspapers. They publish just what they consider interesting to their readers. I noticed that when this Transcontinental Railway Bill came up in the Commons some members of the press said that nothing new could be said about the railway Bill. We have said something of the same kind in this House, and it has been my own opinion. When the speech of the hon. Secretary of State and the speech of the leader on this side of the House were delivered, a leading paper published not far from this chamber said, that nothing new had been said on the subject, and just left it there. I feel that probably the members of this House are as capable of throwing new light on the subject as the newspapers are, but it is their misfortune that the matter was thoroughly threshed out before the Bill reached us. I have not investigated the matter myself, but I have been told that the summary of last Friday's debate is not on file in Mr. Soutter's office, as it should be. I have tried to see it since my hon. friend raised the question, but it is not there, and that is not

complying with the order of the House. Somebody is to blame for it, and must bear the responsibility. On other occasions, when I have been reported in the press in such a way that I found it difficult to connect the report with my observations, I have examined the summary furnished by our reporter, and found that he was not to blame, that the report had passed through several hands, and finally appeared in such a form that I could hardly identify my own speech. I have just one criticism to offer of the work of our special reporter, and it is this : on several occasions my remarks have been summarized in this way : after one or two points were noted, he proceeded to say : 'Then the hon. gentleman proceeded to make some lengthy observations on some other question.' Now, I say with all due deference and all kindness of spirit to our reporter, we do not pay him to make comments on our remarks, whether they are long or short, wise or foolish. He is in some way or other to give the public an idea of what we say, without any comments of his own. I say this in no spirit of fault-finding, but his duty is to report what we do say, and not make any comment on the length or wisdom or politeness of our remarks. As I remarked a moment ago, I have not yet got the summary of last Friday's proceedings. I am told on good outhority it has not been filed. That is not right, some explanation to hon. gentlemen so that it could be laid before the Senate.

Hon. Mr. MILLER—I do not raise this question on my own account, because of late years I am not in the habit of troubling the House much, not as much as I did some years ago, and therefore I do not make it on my own account. It is a delicate thing to make a complaint of this kind personally, but it is because others are interested in it that I call attention to it. After the manner in which the report of Friday was inserted in the 'Star', several hon. members have spoken to me about it. My hon. friend on my left took a great deal of trouble in preparing his speech in reference to his own province, and a great deal of research hunting up statistics, and did not get a single line in the synopsis. That is not satisfactory. The last time I spoke at any length was on the address. I spoke for over half an hour and my hon. friend the leader of the House was good enough to come over and speak kind words to me on that occasion. I found that I just received two or three lines in the report supplied by our special reporter, but I was treated much better than the three hon. gentlemen who spoke on Friday. I got a whole paragraph to myself, while they are huddled up into a paragraph of hardly two lines and a half. But the point is this ; if these reports are not published by any papers what is the use of going to the cost of having them prepared ? That is the point.

Hon. Mr. COFFEE—I think the hon. gentleman is quite right in calling the attention of the Senate to this matter, because certainly the reports that have appeared in the press during this session have not been satisfactory. If we are to pay thirty dollars a week for a summarized report of the proceedings of the Senate in the daily papers we should get something for our money. I hope the Chairman of the Debates Committee will shortly call the committee together for the purpose of considering this matter. We do not know just whose fault it is at present. I am inclined to think it may be the fault of the newspapers, but there is a point about it to which I wish to draw your attention. Reports for the daily papers that reach the editorial rooms between seven and half past nine or ten o'clock every night, have a good chance of being published ; but matter of extraordinary importance comes in after ten o'clock, between ten and twelve or one o'clock. They then get the midnight despatches, and when they find a lot of copy on hand the custom is to cut down almost everything except news of the utmost importance. They have to do that in order to get to press. I think if our reports are sent to the leading papers between seven and nine o'clock every evening we would have more satisfactory results. On account of our adjourning at six o'clock, I think it would be quite feasible to get reports of our proceedings in the papers before eight or nine o'clock.

Hon. Sir MACKENZIE BOWELL—It seems to me, the whole question has resolved itself into a very narrow compass : that is, whether we should continue an expense for which we receive no benefit. The Chairman of the Debates Committee will remember that last year I called his atten-

tion to this fact. I found no fault with the reporter. I upon one or two occasions went to the clerk's office to see what kind of synopsis were made, and as a rule, I found them to be tolerably fair condensed reports of what took place, although nothing appeared in the papers. We may talk till doomsday, but we cannot control the newspaper. No one knows that better than my hon. friend who has taken his seat, and the only question that this Senate has to consider is whether, under the circumstances, we should incur an expenditure of a thousand or fifteen hundred dollars a year for which we receive no return at all. There have been occasions upon which I found fault with the reporter in regard to some matters which have been discussed in this House, and the reporter and the then Usher of the Black Rod thought it was a question that ought to have been discussed with closed doors, and therefore it was not mentioned. They were to be the judge and not us as to that. I informed the gentleman at that time responsibility was assumed by the Senate itself, and if it were wrong let it be made public and let those who brought such matters before the House assume the responsibility and take the blame. That was their duty. I quite concur in the remarks of the hon. gentleman from Marshfield, that the duty of the special reporter is to report what is said in as condensed a form as he possibly can, giving a fair synopsis, but it is not for him to criticise as to whether a speech is long or short, or whether it is to the point or not to the point. I was not so badly treated as some of the three gentlemen who spoke. I had an unusually lengthy report of what I said on Thursday. A whole column was devoted to me, somewhat to my surprise, and if that were a synopsis by the reporter, it was a tolerably fair one, I must say, to condense into a column a speech occupying the length of time which I occupied in this House. I have no fault to find with that, but I do think the committee should come to a decision as to whether we should continue paying a thousand or fifteen hundred dollars a year for which we receive no return at all, not through the fault of the reporter, but simply because the newspapers do not think proper to publish his reports.

Hon. Mr. FERGUSON—In justice to the officers of this House, I am asked to make an explanation for them. When this debate began I at once sent a message to Mr. Soutter's room, asking to be favoured with the summary of the report of Friday last. The messenger returned to me saying he could not find Mr. Soutter, that there was no person there, and he was not able to get it. I mentioned it to Mr. Stephens at the table, and he said he would undertake to have it brought here. He did so, and he saw Mr. Soutter, but they misunderstood each other. Mr. Soutter thought the request was for the unrevised debates of Friday last, while my desire was to get the summary report as furnished by Mr. Holmden. It was reported that there were none on file, that that document was not in Mr. Soutter's office, and therefore I made the statement to the House which I had a right to make. I now find that it was a misunderstanding between Mr. Soutter and Mr. Stephens, and that there is quite a lengthy summary of the debate of last Friday on file. I have been furnished with it. It is on my desk. I have not read it, and do not know whether it is correct or not, or fair or otherwise. It contains seven pages of typewritten matter.

Hon. Mr. BEIQUE—I understand the synopsis is distributed among the members of the press at seven o'clock every day, unless there be a night session.

Hon. Mr. SULLIVAN—I had a talk with our special reporter on Friday, and I know very well that he had a large amount of material, enough to fill three columns, and in speaking of it he was lamenting that so much of that would not be published by the paper. I do not think the reporter is to be blamed at all.

Hon. Mr. MILLER—No one blames him.

Hon. Mr. SULLIVAN—If the chairman of the committee wishes to see the synopsis I think the reporter will furnish it to him. Probably this discussion will have a good effect, and you will get a report to your heart's content for some time to come.

Hon. Mr. WATSON—I have been looking through the file of the 'Citizen' newspaper published in this city, in which some report of the proceedings in the chamber should be found, but I fail to see any report or reference to the debate of Friday last. Perhaps

we should pass a vote of censure on the 'Citizen' for not publishing the debate, because we pay for a number of copies of the 'Citizen.' However, there is one matter which has not been pointed out, and that is in reference to what a newspaper publishes, and why they publish it. I think if hon. gentlemen were fair to themselves, and fair to the reporter, it is only right to say that newspapers only publish what they think the public are interested in, and it ought to be a lesson to a number of hon. gentlemen who did make remarks, that their public utterances in the Senate are not appreciated by the public, because the press do not see fit to publish them.

A QUESTION OF PRIVILEGE.

Hon. Mr. LANDRY—Before the Orders of the Day are called, I should like to call the attention of this honourable body to the fact that the House was sitting on Friday, and that my name does not appear among those who were present.

Hon. Mr. WATSON—What does the rule say about that?

Hon. Mr. LANDRY—The hon. gentleman thought there was no rule in regard to it. The rule reads as follows:

> The time for the ordinary meeting of the Senate is at three o'clock in the afternoon, unless some other time shall have previously been ordered.

I was here from three o'clock till three-twenty.

Hon. Mr. YOUNG—Was the House sitting?

Hon. Mr. LANDRY—If the House was not sitting, it was because the rule was violated? Then rule 7 reads as follows:

> When the Senate adjourns on Friday, unless otherwise ordered, it stands adjourned until the Monday following.

When the House adjourns, usually it adjourns till the next day, but on Friday it adjourns till Monday, and rule 3 states that we must assemble at three o'clock in the afternoon. The House adjourned on Thursday till Friday, according to the rules of the Senate, and I was here at three o'clock on Friday. I remained till three-twenty, and then took the train, but the House was not sitting. It was not my fault.

Hon. Mr. WATSON—That would be eight dollars off.

Hon. Mr. LANDRY—No. I attended two committees in the morning, and I contend that the House should assemble at three o'clock when our rule says so, and especially on Friday. Supposing I had not attended two committee meetings in the morning, and my business required me to go down to Quebec, and I left at three-twenty, I would have lost my pay for that day.

Hon. Mr. YOUNG—But the hon. gentleman would have served his country.

Hon. Mr. LANDRY—I suppose I could be recouped, either by the minister who leads the House or the hon. Speaker.

Hon. Mr. YOUNG—The Speaker cannot take the chair until there is a quorum present.

Hon. Mr. MACDONALD (B.C.)—Oh, yes, he can.

Hon. Mr. LANDRY—Does the hon. gentleman say that the Speaker does not say prayers until there is a quorum?

Hon. Mr. YOUNG—That is the practice.

Hon. Mr. LANDRY—The House opens at three o'clock, and if there is not a quorum we ask the Speaker to call the members, and then if there is not a quorum the Speaker will go away.

NATIONAL TRANSCONTINENTAL RAILWAY BILL.

Hon. Mr. FERGUSON—Before resuming the debate on the motion for the second reading of the Bill to amend the National Transcontinental Railway, I wish to call the attention of the government to a circumstance which I think is not satisfactory to this House. We were told last year, before this Bill came up for consideration, that there was no correspondence of any kind between the government and the Grand Trunk Railway Company with regard to this matter, and that verbal references were all that took place with regard to it. The Bill was passed last year and no correspondence of that kind was submitted to parliament. This year we again have the Bill before us as every hon. gentleman knows, and there has been a long discussion. The Bill was read a first, second and third time in the House of Commons,

and just before the third reading the Minister of Finance produced a long letter from the promoters of the Grand Trunk Railway Company to the government of Canada dated November 1902, containing propositions for the building of the Grand Trunk Pacific Railway, proposals which throw great light upon the negotiations between the government and the company. This document was marked confidential, and that is given as the reason why it was not submitted to parliament before the measure came up last year, or up to the present time, and it is further explained by the Minister of Finance that the consent of the Grand Trunk Railway had been obtained to present it at that time in the way in which it was presented, and read by him on the floor of the House in his capacity as a member of the House. Now, I am not going to comment on the extraordinary fact that the government should make a mis-statement to parliament that there was no correspondence, when there was most important correspondence. I am not going to comment on the impropriety of covering up correspondence relating to a public question like this, and holding it back by the ruse of marking it 'confidential'; but I do comment on the fact that when the consent of the Grand Trunk Railway Company was obtained to make public use of this document, and the Minister of Finance did make that public use of it as a member of parliament, a copy of it should have been officially brought down, so that we would have been in possession of it in this House. It was only to-day I became acquainted with the contents of that proposition. I tried in vain at the distribution office to get a copy of it, and at last a friend told me I would find it in Mr. Fielding's speech. I submit that we should have that proposition as soon as ever the agreement to hold it as confidential was removed, and it should have been submitted to both Houses of parliament, so that it would become a record, which it is not now, except in the speech of the Minister of Finance. Although it is late, we have considerable time to discuss this Bill, and I would suggest that even now that document should be printed and distributed in this House, in such a way that every member could obtain a copy of it, and use it, and that it may become one of our sessional papers and part of the record of the transaction.

Hon. Mr. SCOTT—I will see that the document is obtained, and printed and distributed among the senators, at the earliest possible moment. I thought it was dated in 1902, and not 1903.

Hon. Mr. FERGUSON—1902 I said.

Hon. Mr. SCOTT—It was not considered as referring to the line as projected from Quebec to Moncton, and it had no connection with that. Everybody knew the Grand Trunk Railway wanted to build from North Bay to Winnipeg; that they were applying for government aid because they had applied for a charter. Hon. gentlemen took cognizance of that. I presume it was not thought actually necessary until the question arose as to whether it would not have been better to have given the charter to the Grand Trunk from North Bay, and then the correspondence was unearthed, but before that it was not really thought to be necessary. Whether it was confidential or not, I do not really know. It was not intended to be brought down. I understood it was a private letter to Sir Wilfrid Laurier. However, we will bring it down.

Hon. Mr. LANDRY—Will the hon. gentleman be kind enough to have it translated in French and printed.

Hon. Mr. SCOTT—Yes.

Hon. Mr. LANDRY—Because we have sessional papers of last year which are not yet translated into French, and I will draw the attention of the hon. minister to the Sessional Paper No. 148, in connection with the Quebec bridge. That document was circulated last year. We each had a copy of it, but I tried since last year to obtain a French copy of it and went to-day to see if it was printed in French, but they told me it was never printed in French. I think, as a matter of right, we should have a French edition of those papers.

Hon. Mr. FERGUSON—I hope my hon. friend will not wait until it is translated into French before it is brought down.

Hon. Mr. SCOTT—No.

Hon. Mr. LANDRY—No.

Hon. Mr. FERGUSON—I hope the hon. gentleman will bring it down in a formal

way, so that it will become a record ; distributing it among the members will not answer.

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS COMMITTEE.

FOURTH REPORT ADOPTED.

Hon. Mr. WATSON moved the adoption of the fourth report of the Standing Committee on Internal Economy and Contingent Accounts of the Senate.

Hon. Sir MACKENZIE BOWELL—I do not propose to discuss this report, but I was going to ask whether the committee, in the re-arrangement of salaries, had considered the question of the salary of Mr. Gibbs, a gentleman who has been in the service of the Senate for over 20 years. I do not see his name mentioned there, and it struck me that it would be only fair to that gentleman to place him a step higher. He has reached the maximum position of first-class clerk, and I think he should be placed in the same position as other clerks who have not been in the service so long, and made a chief clerk, at an advance of $50 a year. I am not going to oppose the motion, but simply make that suggestion. The hon. Secretary of State, when the majority were on the other side of the House, objected that the committee were extravagant, and, I suppose, he agrees with this report. I am not objecting to the report, but I call attention to the fact that circumstances alter cases.

Hon. Mr. SCOTT—I think there are only one or two small increases.

Hon. Mr. WATSON—There are three increases in the case of translators.

Hon. Sir MACKENZIE BOWELL—No one objects to that.

Hon. Mr. WATSON—Mr. Trudel receives an increase of $200—from $1,300 to $1,500. Mr. Bouchard's salary is increased from $1,200 to $1,300, and there is another increase from $1,000 to $1,100. Another clause in the report recommends that the widow of the deceased Alfred Garneau be allowed one year's salary. A statement was placed before us that Mr. Garneau, during his life, had contributed about $900 in superannuation fees, and we thought, on account of his long services, that it would be proper to give his widow one year's salary.

The motion was agreed to.

NATIONAL TRANSCONTINENTAL RAILWAY ACT AMENDMENT BILL.

DEBATE CONTINUED.

The Order of the Day being called :

Resuming adjourned debate on motion for second reading (Bill 72) an Act to amend the National Transcontinental Railway Act, and the resolution of the Honourable Sir Mackenzie Bowell in amendment thereto.

Hon. Mr. WOOD—I am sure it afforded us all a great deal of pleasure on Friday last to listen to the address which was delivered by my hon. friend from Queen's, N.B., and it afforded me pleasure at the adjournment of the House to congratulate him upon the energy and ability and eloquence with which he discussed the subject which is before the House. No doubt he gained a great deal of enthusiasm and inspiration from the magnitude of the theme and the importance of the subject he was discussing. A considerable portion of his opening remarks was devoted to the importance of the scheme and to the great benefits which might be expected to result to all portions of Canada from the construction of this great transcontinental railway. My hon. friend expressed himself as an ardent supporter of the policy of the present administration in this respect, and as a warm admirer of the leader of the government, to whom he gave credit for originating this great scheme. He devoted some remarks to the province of New Brunswick, and to the city of St. John. It is only natural that those of us who come from the province of New Brunswick should feel an interest in the city of St. John. It is the principal seaport, and also the great commercial and business centre of the province of New Brunswick, and it is only natural that from whatever portion of the province we come we should feel a deep interest in the welfare of St. John. My hon. friend called attention, apparently with a good deal of satisfaction, to the fact that the trade of the city and its winter export business had grown very considerably, especially during the six or eight years since the Liberal party came into power. He pointed to the fact that, during the last winter, six independent lines of steamships had been employed in carrying away from that port the products of the western section of our Dominion, and he, certainly, seemed to express great gratification that during the years of Liberal

rule the trade of the port had grown to very satisfactory dimensions. He omitted to state that this large volume of business comes to the city of St. John via the Canadian Pacific Railway, and that the Canadian Pacific Railway was extended to the city of St. John as the result of the policy of the Conservative administration; that that policy had been the means of giving the Canadian Pacific Railway Company access to the city of St. John, and made that city the eastern terminus of its system. I was glad to note that this fact did not seem to detract from the pleasure which he expressed that the trade of the city of St. John had developed under the Liberal administration. He called attention also to the speech which was delivered by the eloquent leader of the prevent government in the House of Commons, I think it was as far back as 1896, in which he promised that as his party had come into power they would adopt a policy on the transportation question that would largely increase the share which the city of St. John should thereafter have in the export trade of this Dominion, and make it in a larger sense than it has heretofore been, one of the winter ports of this Dominion. He did not explain what had been done by the leader of the government in pursuance of that announcement. The omission may have been an oversight, and with the permission of the House I shall refer very briefly to it. I must do Sir Wilfrid Laurier the justice to say that he immediately set about to redeem the pledge which he gave at the time to the people of St. John. He called to his cabinet the late Minister of Railways and Canals, and it was, no doubt, upon his advice, the policy of the administration upon the transportation question, was largely framed. That policy was very shortly afterwards announced to the people of the country. We were told that it was necessary to extend the Intercolonial Railway to Montreal, and, if that we done, this road would be placed in a position to compete successfully for a large share of the business between the great west and the maritime provinces, and that St. John might then expect to become what it had long had the ambition to become, one of the great ports for the export of western produce during the winter season. That was the declared policy of the government, and it was consistently followed until 1903. The Intercolonial was extended to the city of Montreal and, in pursuance of the same policy, a wharf property was purchased in the city of St. John, an elevator was built there, and another elevator was built in Halifax. Other expenditures were made, involving, in the whole, an outlay upon capital account in connection with the Intercolonial Railway which amounts to something over twenty millions, some five millions in excess of the sum the government now estimate will be required to build another new road from Quebec to Moncton. That is the policy which the hon. leader of the government and his colleagues pursued for six years in order to redeem the pledge which he made to the people of St. John, but it is regrettable to state that the traffic did not come, that not one steamer was loaded as the result of that policy. And I must here congratulate my hon. friend from Queen's (Hon. Mr. King) upon the happy disposition he must possess. It would naturally occur that a person under such circumstances, who had been an ardent supporter of the government, who had such admiration for its leader, and who is such a warm believer in the policy of the government during those six years, would have experienced a feeling of disappointment that the large amounts of traffic which they had reason to expect would follow the policy adopted, had failed to materialize, that not a single steamer had been loaded, and that the elevators which had been constructed in St. John and Halifax stood idle, and useless. I could not, however, detect in the speech of my hon. friend any tone of disappointment. He appeared to be in an unusually exultant frame of mind, and he referred again to the speech of Sir Wilfrid Laurier, and in referring to the new policy that they had adopted, he remarked, that Sir Wilfrid himself had taken charge, that he had conducted the negotiations, and it had been through his instrumentality that the arrangements have been completed for carrying out this grand scheme for the construction of another transcontinental railway. 'Now,' he exultingly exclaimed, 'Sir Wilfrid has redeemed the pledge which he gave to the people of St. John in 1896.' My hon. friend must pardon me if I do not share his joyous feeling in considering this subject. I cannot but have a feeling that as the same party,

the same government, and the same leader inaugurated the policy of 1896, which has proved a disastrous failure, that the new policy which they are inaugurating now may share the same fate. I cannot, either, forget that notwithstanding this scheme is before parliament for discussion, the work has not yet been commenced, the surveys have not even been made, it has not even been demonstrated that the scheme is feasible, and even if, at a later date, it is found so, it will require at least ten years to bring this scheme to completion. If the scheme is carried out, we will then have a great transcontinental railway, it is true, extending from the Pacific to Moncton, but so far as the city of St. John, in which my hon. friend and I are both equally interested, is concerned, we have to rely upon the statement which he read to us from the speech of Mr. Fielding in the House of Commons, that after this railway is completed from Quebec to Moncton, the company will find it in their own interest to build a branch to St. John, in order that they may get an outlet for their traffic at that port. There is no provision in the contract for connection with St. John, and we have to rely entirely for that part of the scheme, upon the interests of the company itself. I must express some sympathy with the people of St. John, for, according to the statement of my hon. friend himself, they will have to wait ten years, and possibly fifteen years, before they feel even the first wash of that great wave of prosperity which is to overtake them as the consequence of this policy in the far-distant future. A great deal might happen in the course of ten or fifteen years, and I assume a great many things will happen. It is just possible that the city of Halifax may, within that time, become the terminus of the fast Atlantic steamship service, and become the Liverpool of America ; but as far as St. John is concerned, it appears from the argument of my hon. friend, that they will have to be content to move along in the same old way in which they have been moving on for the last ten years, and that they will have to content themselves as best they can with what measure of prosperity comes to them by the traffic which reaches them over the Canadian Pacific Railway which was built so long ago under the Conservative administration. I certainly feel sorry for those of the city of St. John who belong to the same generation as my hon. friend and I do, who listened to the speech of Sir Wilfrid Laurier in 1896, and are now told that they will be dead and buried before the pledges which he then gave can be fulfilled.

My hon. friend devoted so much attention to the scheme as a whole, and to the great benefits the Dominion was to receive from it, that he gave little, I think scarcely any attention to the measure which is now before the House.

The Bill which we are considering proposes certain amendments in the original contract which was submitted to parliament last session. The hon. Secretary of State and others who follow him gave some attention to these amendments and generally regarded them as rather unimportant in their character as making no very serious differences in the relations between the government and the other parties to the contract than those which existed under the original contract submitted last session. It is possible that my hon. friend regarded them as of so little importance that he did not consider them worthy of his attention. I wish to offer a very few observations with regard to one or two of them.

The first clause in the Bill before us proposes an extension of the time, so far as the mountain section of the railway is concerned, from five to eight years for its completion. With this section of the Bill I have no fault to find. Indeed it meets with my entire approval. I had a feeling of relief when I discovered that this section had been incorporated in the Bill. We were told last session by the leader of the government that the construction of another transcontinental railway was a matter of urgent importance, that the interests of the Dominion were such that it was necessary to enter at once upon the construction of this great work, and that its early completion was necessary in order to avoid some dangers which were likely to overtake us. It is gratifying to know this year that these dangers no longer threaten, that the crisis which then existed has passed, and that the Grand Trunk Pacific can proceed leisurely and deliberately with the construction of the mountain section of their road and complete it in five or eight years as may best suit their interests.

With the next clause in the Bill I do not so heartily agree. This clause materially increases the obligations of the government in connection with this work. Under the original contract, the obligations which the government were to assume were limited to the amount of $30,000 per mile of the railway. That limit has been removed, and the government obligations are only limited now to three-fourths of the cost of the work, whatever that may be. They are further increased by the agreement that they would implement the guarantee of bonds, beyond the 75 per cent in order to make good any difference there may be between the price which these bonds realized, when they are placed on the market, and their par value. in other words, the government under this section agrees that the Grand Trunk Pacific Railway bonds, which it guarantees and which bear interest at three per cent, will sell upon the market at par, and to undertake that, if they do not bring par, they will make good any difference there may be by a further guarantee of bonds. This change in the contract materially increases the obligations of the government and the country with regard to that section of the road. But that is not the only objection to this change. It makes it, as hon. gentlemen will readily see, in the interest of the Grand Trunk Pacific Railway Company to swell the construction account upon that section of the road to the highest amount possible, and for the very obvious reason that the bonds issued to cover three-fourths of the construction of that part are to be guaranteed by the government, and the government is to pay the interest on those bonds for seven years after construction has been completed. It is well known that in railway construction there are a number of expenditures which may be charged to construction account, or may be taken out of maintenance and operating expenses. It will be to the interest of the Grand Trunk Pacific Company to have every possible expenditure charged to construction, and as I read the contract, the government will be powerless to prevent that, for as it appears now under the present contract the Grand Trunk Pacific Railway Company will be in a position to demand that the construction account should not be closed until that road shall be completed up to the most perfect standard possible, and if that is done, as every one knows, the result would be this: that for the first five or ten years after the road is completed and in operation the expenses for maintenance or repairs will be comparatively nothing, and as the result the whole of the receipts from that section of the road during the first seven years at least of its operation, will go, after paying the mere running expenses, into the treasury of the Grand Trunk Railway Company as holders of the bonds and stock. Besides this, and for the same reasons it opens the door for manipulation in the sale of the bonds and stocks of the company. It is not necessary for me to go into particulars with regard to that, for everybody knows that in these transactions manipulations are possible, and it will be in the interest of the Grand Trunk Pacific Company to manipulate these bonds and have them placed on the market at a price which will yield to the holders of them—the nominal interest may be three per cent—a much larger return upon the money actually paid for them.

There is another clause of the Bill to which I think serious objection can be made, and that is the clause under which the government abandons its rights of foreclosure. This clause of the Bill materially alters the relations between the government and the Grand Trunk Pacific Company. Under the general contract, the government stood in the position of mortgagees for the amount of the bonds which were guaranteed by them, and had the right of foreclosing that mortgage and taking possession of the property in case the interest—I think it was for three years—was not paid, or the company failed to redeem any of their obligations to the government. That has now, in my opinion, very unfortunate, been abandoned, and the relations of the government and the railway company are no longer those of mortgagor and mortgagee, but the government and the Grand Trunk Railway have become, practically, partners in this enterprise. In case the interest is not paid, the government have no recourse until the interest is in default five years, and then the only remedy they have is to require that a receiver be appointed, and the receipts above the operating expenses be divided between the government and the Grand Trunk Railway, in the proportion of three to one. These

changes, to which I have referred, appear to me exceedingly objectionable. This remark may be made with regard to them, that they are all in the direction of lessening the risk and obligations of both the Grand Trunk Railway and the Grand Trunk Pacific and increasing the obligations and burdens which will rest upon the government and the people of this country. It can hardly be expected, therefore, that those of us who opposed this measure last session, will find it acceptable now in its amended form. Indeed, the amendments to which I have referred appear to me to justify entirely the position which the opposition took last session. It was held, by those of us who opposed the Bill, that this scheme was impracticable, that the safeguards placed in that Bill would never be enforced, and that they were illusory, and the amendments which have been introduced in the Bill before us prove that that contention was entirely right. The most important safeguards which the Act contained are proposed to be removed by the very Bill we are now considering, while all the objectionable features of the contract remain. Let us look for a moment at the position of the government and railway company after the prairie section is completed. It has been contended, and the strongest argument which has been offered, in my opinion, in support of this measure is that it is a great transcontinental railway intended to have the effect of bringing Canadian traffic to Canadian seaports. Now what will be the result—a result which some of us pointed to last session—under the Bill in its amended form, the inevitable result, after the prairie section is completed? We know it will be the policy of the company and in the interest of the company to proceed at once with the construction of the prairie section, and that will be pushed through to completion as rapidly as possible. What will be the position then? The Grand Trunk Railway, I am informed on good authority, has already obtained connections between Chicago and Duluth and the boundary line, and that negotiations are in progress by which within a very short time they will have connections between Winnipeg and Duluth, on one hand and Chicago on the other. This gives them in the summer an independent line through United States territory, giving them connection with the waters of Lake Superior, and with their own system at Chicago, which will give them connection with the whole Grand Trunk Railway system throughout Ontario and the east. It will be all-rail system when the navigation of the lakes close. During the period that that western section is being completed, which is now extended to eight years, and during ten or more years required for the completion of the eastern section, freight which must necessarily be exchanged between the Grand Trunk Railway system in the provinces of Ontario and Quebec, and the prairie section in the west, will go by the lakes in the summer over their own connections at Duluth, and over the all-rail connection via Chicago in the winter time. So it is obvious that any portion of the trade of the great west which by the construction of that prairie section they are able to divert to their own lines, instead of being carried, as proposed, to Canadian ports, will be diverted through United States territory to Portland, Maine. During the early history of this enterprise, as the Bill now stands, it is inevitable that such a result must follow. What may happen later on it is difficult to surmise. There is a clause providing that, during the progress of construction of the eastern section, the government have power to lease any portion that may be completed to the Grand Trunk Pacific Company, and that it can be operated under the general terms which are proposed for a lease of the whole section after its final completion. It is well known that the Grand Trunk Company have now a line to North Bay; that in the interval, since this Bill was introduced last session, they have been pushing forward their surveys, the report of one of which was given to the House on Friday last by my hon. friend from de Lanaudière, on to Winnipeg. Indeed if that report be correct, they have that portion of the line surveyed, and it is only reasonable to expect that within a few years, at all events long before the entire line is completed, connection may be established there, and the same results would follow, so far as the carrying trade from Canada to the United States ports is concerned, for any portion which the Grand Trunk Pacific received in the Northwest Territories and which came over their lines to their system in the older provinces, would necessarily be conveyed to the city of Portland for export.

Now, a few words with regard to the eastern section. Indeed this is the portion of the scheme to which the most serious objections may be urged. We complained last session on this side of the House, of the lack of information regarding the country through which this railway was to pass. We have received no information of an official character since. The only new light which has been thrown on the subject was that given us by my hon. friend opposite (Hon. Mr. Casgrain, de Lanaudière), on Friday last, when he read a memorandum taken from a report to which, he says, he had access in the Grand Trunk Railway offices in the city of Montreal, and which was prepared by their chief engineer, Mr. Stephens. From that report he concludes that the portion of this railway east of the city of Winnipeg, extending somewhere in the neighbourhood of a point north or northwest of North Bay, was found to be practicable, and it was ascertained to be possible that a road with very easy grades could be constructed over that distance. We are not, of course, in a position to contradict that statement, or to offer any criticism upon it; but I pointed out last session, and I do not intend to repeat the figures now, that a portion of the line immediately west from Quebec, where it followed the general line of the Lake St. John Railway, was exceedingly difficult, and that a number of grades were there to be met with exceeding sixty or seventy feet to the mile. We all of us have some idea of the general physical features of the country in that portion of Quebec through which this railway is to pass. We know that it is a country full of lakes and rivers, and hills or mountain ranges. We know that the general course of these rivers and ranges of hills is from north to south, while the general course of the railway will be from east to west, and for my own part I can scarcely conceive it to be possible that, under such circumstances, a railway of the standard my hon. friend described can be possibly built through a country of that character, unless, indeed, it is done at an enormous expense. It will readily be admitted that engineering skill can accomplish anything if it is backed by a sufficient amount of capital; but I venture to hazard the opinion that a railway such as has been described may be found to be impracticable, or, if it can be constructed at all, it will cost two or three times the amount that is estimated by the government as the cost of this projected railway. It is not, however, necessary to spend more time on that phase of the subject, for there is another feature of it which I consider of vastly more importance, and on which we have definite information to enable us to come to more definite conclusions. I refer now to the prospects of that portion of the railway as a commercial enterprise. In considering that, we have, of course, to take into consideration the sources from which it may expect to derive its revenue. A good deal has been said about this railway being a great highway for the traffic between the east and the west; that it is to be a great thoroughfare for carrying the trade of the prairie sections in the west to the cities and seaports of the eastern provinces. Let us for a moment calmly consider what are the prospects of a railway such as has been described successfully competing for that business. It is now fairly admitted on all sides that during the season of navigation it is utterly impossible for that railway to compete with the lake and river routes. The hon. gentleman from de Lanaudière (Hon. Mr. Casgrain) on Friday referred to some figures which were submitted in the House of Commons last session by the member for North Norfolk (Mr. Charlton).

I did not understand him fully to endorse the statements which that hon. gentleman made, but he did express the general opinion that it was surprising at how low a rate a modern railway could carry heavy traffic. We all admit the great improvements that have been made in railway construction, and the great reductions that have taken place in freight rates. But any theory which may be supported on that basis is entirely and completely answered by the practical experience of other railways. The experience, for instance, of the rival lines which connect the city of Chicago and city of New York, to my mind settles this question beyond a doubt. We all know that those great trunk lines of railway have been brought up to the highest state of efficiency at an enormous expense. Nothing that engineering skill or an unlimited amount of capital could do to bring those road-beds up to the most perfect standard, has been left undone in order that trains may travel over them at the highest rate of speed and carry freight at the least possible expense. But with all

this expenditure of capital, those railways find it unprofitable to carry the heavy freight from the west to the seaports on the Atlantic coast, and, notwithstanding all they have done in that direction, it is found that freight can be carried for less than one-half during the summer season via the lakes and Buffalo that it can be carried by the all-rail routes, and even at those double rates the railways, I understand, are careless about such traffic and often refuse to accept it. The rates which the Hon. Mr. Charlton submitted to the House, are so far below the rates which have prevailed between Chicago and New York by the lakes and by Buffalo, and I think are less than one-third or one-fourth the rates which are actually paid to railways when they do carry this freight between Chicago and New York, that I think it is difficult to found an argument in face of the practical experience of these railways that such freight can be successfully carried at a rate which will pay even operating expenses over this railway from Winnipeg to Quebec, and I may say that the government apparently recognizes this fact, for the Hon. Mr. Sifton, in his address in the House of Commons a few days ago, referring to this subject, said that wheat was hauled last season from Duluth to Quebec for 3½ cents a bushel, and, certainly, a railway cannot compete with this. That may be taken as evident. So much then with regard to the through traffic during the summer seasons; but it was argued by Mr. Sifton and, I presume, will be argued by others, that, when the lakes and rivers are closed, this railway will avail itself of the traffic which may offer during the winter season and that during the winter season it will be able to do a large and profitable business. Let us examine that proposition a little more carefully. In the first place, we must take into consideration the fact that the operating expenses of a railway in the winter season are very much greater than they are in the summer season. There is a large expense necessary in order to keep the track clear of snow. The quantities of freight which a train will carry have to be very much reduced; the cost of fuel in the winter time for doing the same work is very much larger than it is in the summer season. I have heard the opinion expressed by those who have had practical experienc in the business, that the fuel required in the winter season is nearly or quite double what it is in the summer season for doing the same amount of traffic. Now, under these conditions, it would be necessary to impose very much higher rates of freight in the winter season, in order to meet the increased cost of operating the railway. My hon. friend who spoke on Friday told us that the relative rates at which heavy freights could be carried by rail and water routes was in the proportion of 6 to 1: that is, if it costs in the summer season one cent a bushel to carry wheat from Montreal by the water route, it would cost six cents by the all-rail route. This difference would be considerably increased if that wheat was carried by the all-rail route in the winter season. It will be obvious then to any one that the farmer in the Northwest Territories will endeavour to ship his wheat in the fall when the low rates prevail. If he does not succeed in doing that, he will hold his wheat until the next season rather than submit to the large extra charge which he must necessarily pay for freight if he forwards it during the winter season. The same observation applies not only to grain, but to the moving of all classes of heavy freight. The result, as hon. gentlemen will at once perceive, is that the quantity of heavy freight which is moved in the winter time will be very small compared with the quantity moved in the summer time, and it will be obvious to any one that this class of freight cannot be carried in the winter time by the all-rail route except at a very considerable loss to the shipper. From this consideration one result which will follow is that the quantity of traffic offering in the winter time will be very much smaller than the quantity which will be offered during the summer season. But there are other considerations. This railway will not, it is true, have the lake and river route to compete with in the winter season, but it will have all the existing railway lines of railway which connect the great west with New York, Portland and other seaports on the Atlantic coast, and the rates of freight, which should be maintained, will only be equal to what other railways are willing to carry the same freight for. So that it cannot be reasoned that during the winter season this railway, even if it were

so disposed, could very materially increase its rates and bring them up to give it what would be a paying rate for its traffic during that season of the year. Taking into consideration these principles which must govern the rules of traffic, both from the west to the east and from the east to the west, leads one to the obvious conclusion that from its through traffic this railway cannot expect to receive any very large revenue. It is a well known principle to all railway men that trunk lines of railway cannot and do not depend upon their through traffic for the profits which pay the operating expenses and which pay the interest upon their bonds or the dividends upon their stock. The competition which exists between these numerous trunk lines of railway keep the through rates down to so low a level that no railway could exist if it depends for its revenue upon through traffic alone. Railways all depend to a very large extent, indeed to the largest extent, upon the receipts which come to them from the local traffic which originates along the line. What will be the position of this section of the transcontinental railway with regard to local traffic? So far as we can see, there will be no local traffic, for there is no settlement. My hon. friend's argument is that if this railway is built the country will be opened up and will soon be settled. They proceed upon the principle that on the heels of railway construction settlement necessarily follows. I scarcely think that is a sound principle, and when I heard my hon. friend, the hon. gentleman from de Lanaudière on Friday last describe to us the number of townships which were to be laid out all along this line, I thought he had a most vivid imagination. We are told that a portion of this country is fertile in its character. We have been told about a clay belt in the northern part of Ontario, which, I believe, is estimated to contain some sixteen million acres. We are told also that there are other sections along the line of railway where fairly good stretches of agricultural land are to be found. From all the reports that reach us, I have no doubt that these statements are correct. I have no doubt from the reports which we read of travellers and missionaries and exploring parties that this much may be said of the country through which this railway passes, that there are fairly good sections of agricultural land, that vegetables may be successfully grown, that the hardier kinds of cereals will ripen; that a certain amount of stock can be successfully reared. But while all that is true I do not think there is an hon. gentleman here that would calmly hazard the opinion that a man who intended to devote his life to agricultural pursuits, who intended to make his living by farming would prefer to settle in that northern country rather than on the fertile plains of the Northwest. We know that there are hundreds of men leaving far better districts in the older provinces every year and removing to the Northwest in order that they may carry on their farming operations on a larger scale and to better advantage and with more profit to themselves. I have no doubt that if that country is settled, these agricultural lands will be to a large extent cultivated; but I believe it is a fair statement of the case to say that the products which are raised there will all be required for local consumption, that those who go in there will not pretend to conduct their farming operations on a larger scale than is sufficient to meet the local requirements of the place. We know, from our experience in other sections of the country, where railways pass through tracts of country very similar to those which I have described, where this railway is to pass through, that that is the general experience. We can always point to different sections in the provinces from which we come, along the lines of railway, where farmers are cultivating their lands, are raising vegetables and grain and keeping a certain number of cattle, but they merely raise what is necessary for their own requirements, and I think it is really a most extravagant statement to say that in a section of country which this railway will traverse between Winnipeg and Quebec we can ever expect that farming operations will be carried on to that extent that there will be a large surplus of agricultural products to export to foreign countries, such as would furnish any profitable traffic for the railway. My hon. friend referred not only to the agricultural lands in that section of the country, but to the timber that is to be found there. From the reports which I have access to, I have been led to

the conclusion that there is a large portion of that territory rocky and barren ; that there are certain portions which are covered with swamp or muskeg, that there is a very considerable portion which has a growth of timber, but the timber generally is of a stunted and dwarfish character. The statement which the hon. gentleman from de Lanaudière made on Friday, goes to confirm me in this matter. He enumerated a number of classes of trees which grew in that section of the country, and he told us that many of them were suitable for making pulpwood. We know that the trees which are used for pulpwood are of rather a small growth. He told us too that there was timber there which was suitable for making railway ties and furnishing the timber which was necessary for temporary structures during the building of the road, and he also told us there was some class of timber there which would make suitable spars for boats ; but I think there is no hon. gentleman here who will assume to say that timber of that character, even if it is found there, will furnish any large or remunerative traffic for the railway. I have no doubt that there are sections of the country, particularly along the rivers, where certain tracts of timber may be found of a superior quality ; but I have yet to learn that there are any tracts of timber land there of sufficient extent and having timber of such a quality as would induce lumbering operations on any extensive scale, and I think it would be folly to affirm that these timber lands are sufficiently valuable anywhere along that line to attract any large investment of capital, to lead to the establishment of any important industries, or to furnish anywhere along the line business of a character which would supply profitable traffic for a railway of this character I believe the only other source of traffic for this section of the railway to which I have heard reference made is the possible development of the mineral resources of the country. There may be mineral resources there, but if they are, I believe they have yet to be discovered. So far as minerals are concerned, we will all admit Canada is rich in mineral resources. Minerals, I believe, are to be found in greater or less quantities in almost all the provinces of the Dominion—probably in every province of the Dominion ; but, notwithstanding that, experience shows that there are very few places where minerals are found in sufficient quantity and under such circumstances as will justify capitalists in expending money for their development, and still fewer cases where mineral wealth has been found of such a nature and such a character that it was an inducement to capitalists to go in and establish any important industries. So far as this section of the country is concerned. it seems to me presumption to argue that we may expect any mineral development there of a character which will furnish local traffic for this railway. Now, those are the only sources that I can think of from which this railway can hope to derive any important remunerative traffic through that section of the country, and we stand in the position that it cannot compete successfully for the through traffic and the nature of the country furnishes no local traffic, and I leave it to hon. gentlemen opposite to explain where this railway is to derive a business that will support it, or even to pay its operating expenses. It seems to me that the very nature of the arguments which have been used show the weakness of this whole scheme. My hon. friend repeated the argument, which, I think, was used on a former occasion by the eloquent leader of the government in the other House, that the Great Architect of the Universe had placed this vast region there, and they could not believe that he had placed it there for no useful purpose. It is not for me to criticise the doings or the motives of the Architect of the Universe, but we must remember that that same Architect of the Universe created Greenland's icy mountains and the Desert of Sahara ; and we all know, too, that there is not a section of the country, or a province of this Dominion, where we do not find large tracts of land, some of them rocky and barren, others of them desert like in their nature, which are unfit for human habitation. Why did the Architect of the Universe place them in this position, and what was his object in putting them there is difficult for us to explain. We are told too, in a general way, that we must enter upon this scheme enthusiastically if we have faith in our country. Faith in an enterprise is, of course, necessary to the enthusiastic projection of it ; but I must warn the hon. gentlemen against placing their faith in visionary

theories. Faith in visionary theories has led many a man to embark in many an enterprise which has led him to bankruptcy. Faith in the representations of enthusiastic and optimistic promoters has led hundreds and thousands of men to financial ruin. I think I have as much faith in the future of Canada as any hon. gentleman present. I believe she has great resources and a glorious future before her, but I recognize the fact that in any scheme which we undertake for the development of her resources or for the promotion of her greatness we must not follow visionary theories; we must base our faith on some business principle and keep our policy in harmony with the dictates of reason and common sense. There is only one other point to which I desire to refer before I resume my seat, and that is the question of government ownership. There is no person in this chamber who has more persistently opposed government ownership of railways than I have myself, and I have not changed my views or opinions upon that point, but I may say with regard to this scheme that, in my opinion, it involves government ownership in its worst and most objectionable form. We are building a great Transcontinental Railway. We are handling over to a private company the construction of the paying part of the road. When the western section is built, it will be the property of a private company, and it will be owned by them and operated by them to their own advantage. The government undertakes the construction of what the Minister of Railways terms the lean part of this enterprise. They undertake the construction of the part where construction is most difficult, where the cost will be the greatest and where there is really no prospect of remunerative traffic, but we are told—at all events it has been argued in the other House and I presume it will be argued here—that this does not matter, that the contract which is before us contains a provision that when the road is completed, as the Minister of Finance stated in the House, we have secured a good tenant; we have made an arrangement by which it is to be rented to the Grand Trunk Railway, and they are to undertake the responsibility of its maintenance and its operation, and after some seven or ten years at the most they will pay the government a rental equal to three per cent upon the cost of this construction. I readily admit that the provision is in the contract, but, as I said as regards the provision which the contract contained last year, which was found necessary to eliminate this year, I believe that this provision in the contract cannot be made effectual. We will suppose that that railway, after it is built, is found to be so unprofitable that it will cost some hundreds of thousands of dollars annually besides its earnings to cover operating expenses, does any hon. gentleman here seriously believe that the Grand Trunk Pacific under those circumstances will carry out the strict terms of that contract? Besides this I cannot find in the contract any means that the government will have of compelling them to carry out their obligations. So far as I can understand the contract the only remedy which the government will have in case they fail to carry out their obligations in that respect will be to take over the road and own and operate it themselves. That I frankly confess, as an opponent of government ownership, is a result which we have to fear and I scarcely see how that result can be avoided. What then is the condition of the country? We have that Transcontinental Railway it is true, but we have added some seventy-five or probably one hundred million to the permanent debt of the country, and while we have eighteen hundred miles more of government owned railway, we have an asset which is of no commercial value and no practical use, and one which, in order to cover its maintenance and operation, will impose a burden upon the people of this country amounting to some hundreds of thousands of dollars per year. These are my views with regard to government ownership, and the results which may be anticipated if the present scheme is carried out; and holding these views I shall find it my duty to vote in opposition to the Bill which is now before the House.

Hon. Mr. McGREGOR—Will the hon. gentleman vote for the amendment? His arguments are against it.

Hon. Mr. WILSON—I crave the indulgence of this House while I express the views I entertain in reference to this grand scheme for a transcontinental railway. In express-

ing those views, I hope that I may do so in a moderate manner while showing that the views which I entertain are views which are in the interests of the country and not simply in the interest of party. I have listened to the speech made by the hon. gentleman from Westmoreland. I was very much surprised indeed that in less than one short year he has, like his leader, seen the error of his ways and is now a converted believer in that which he did not believe a year ago. They say it is never too late to mend. They say it is a good thing to become converted in a short time. Six months ago we found the hon. leader of the opposition then holding up his hands in holy horror at the idea of a government controlling a railway, and we heard him but a few days ago holding his hands equally as strong and saying that he had become converted and was now going to support government ownership. Who converted him? He heard the voice in the other chamber of this House. The orders had gone forth, and although he believed strongly the other way and has the courage of his convictions, yet he has to yield. It puts me very much in mind of that old hymn that used to be sung so lustily at various meetings throughout the country, which runs as follows:

While the lamp holds out to burn, &c.

I will let him finish the sentence. He will know more about it than I do. I think he has put himself in that position again. I do not think my hon. friend from Westmoreland will be able to vote for the amendment moved by his leader. What position will he be in if he does? He certainly cannot vote, but perhaps he will do, as I noticed he did in the parliamentary proceedings some thirty years ago when he made a very strong speech on one side of the question, and when the yeas and nays had been recorded he either had taken to the woods or found his way home, so that he would not have to record his vote.

Hon. Mr. WOOD—I was not in parliament thirty years ago.

Hon. Mr. WILSON—I said twenty years ago. My hon. friend knows full well that twenty years ago when the House was sitting in October, that he made a very strong speech, and I must say a fairly eloquent speech, in favour of giving a grant of $30,000,000 to the Canadian Pacific Railway without the necessary information such as the information we have in regard to the feasibility of the present scheme. I will refresh his memory, because I suppose he has forgotten. The resolution was introduced by Sir Charles Tupper. It was at the time when we found the difficulty in 1884 to get the members of parliament together, and very likely my hon. friend from Stadacona (Hon. Mr. Landry) was there also. He will remember when the French were on strike. They would not appear before their leader. He had to send a messenger to room No. 16 to try and get them out.

Hon. Mr. LANDRY—There was no No. 16 at that time.

Hon. Mr. WATSON—No; No. 8.

Hon. Mr. WILSON—No. 8. They remained there, and, I have no doubt, the hon. Senator from London remembers the time as well as the hon. leader of the opposition, that, true to their instinct, the French members were not going to grant that $30,000,000 without some consideration and for the benefit of our friends in Quebec——

Hon. Mr. LANDRY—Hear, hear.

Hon. Mr. WILSON—They fought well. I give them credit. My hon. friend says hear, hear. They are ever ready to look after the loaves and fishes. We found on that occasion that day in and day out came the difficulty that no discussion could go on, no vote could be taken. The Conservative party advanced and put up this man and that man to keep the debate going on lest a vote might be taken. and they would find the French members of the party were not adhering to them. They were led by a very strong man, a very able man who was afterwards a speaker and afterwards made a judge, and the leader of the government and my hon. friend from London and the hon. leader of the opposition came down handsomely and they granted a concession that the representatives from Quebec in the House of Commons demanded. And what was it? That they should get that line of road north of the St. Lawrence. They made them concede it to them, and my hon. friend who has taken his seat being a member of the House at the time—did he find

any difficulty ? Even though he spoke in favour of the proposition he thought it better to not record his vote for it. I congratulate him very much on an occasion of that kind. I understood it only took six months for the leader of the opposition to change his mind in regard to government ownership. I am not surprised that his obedient followers, after twenty years of repentance, should have found that they could change their minds as well as their leader and so he votes for hon. gentleman's amendment.

Hon. Mr. WILSON—And he yet votes for you.

Hon. Sir MACKENZIE BOWELL—I hope so.

Hon. Mr. WILSON—I do not know if any one who can change his opinion within six months can really be depended upon, or any party would be greatly benefited by having his adherence for the time being, because they would be unable to rely on him and say whether he would be with or against them. We have heard a good deal from the hon. member for Westmoreland (Mr. Wood) going over the various items in reference to the Grand Trunk Pacific Bill. I ask hon. gentlemen if you can place your finger upon any important matter in this Bill that is brought before this House that would induce you to record your vote against it ? The whole weight of his argument was that for commercial purposes, for carrying freight between the east and the west, it would not be a commercial success. He turned a deaf ear to the idea that there were other advantages and benefits that the nation might receive from the construction of the railway, even if his statements in respect to the carrying of freight were true. Then he referred to that section between Quebec and Winnipeg. We have heard of blue ruin, of people decrying their own country. Have we not a grand Northwest, and should one who is Canadian born so far forget himself as to publish abroad such statements. Because his speech goes to the world, and people in the United States will be only too ready to seize upon it and say that a senator of the Dominion stated in his place in the Senate that that northern part of Ontario and Quebec was uninhabitable and consisted of muskegs with stunted pine and spruce, and that it would be a burden to those who would attempt to settle there. The hon. gentleman asks is it possible to find a man who is inclined to follow agricultural pursuits and looks forward to building up a home for himself and family, who would think of going to settle in that part of the country. I know of many farmers as intelligent as can be found in any part of Canada, who are going up there to-day to settle. In New Ontario we have hundreds of millions of acres of land just as habitable as any portion of Ontario or of any part of Canada. We know that the Ontario government have surveyed those lands and are building a railway to open them up. If the hon. gentleman has not the reports of the Ontario government before him, he can get them very readily. plans, maps and references. It is said, and I think truly said, that you will find even better lands in Northern Ontario than in the garden of Ontario the western peninsula. But the hon. gentleman not only decried the land, he ignored the forests of pulp wood. Canada is known all over the world as having the best supply of pulp woods to be found anywhere, and this railway will pass through vast regions of pulp wood forest, now inaccessible. That pulp wood is a commercial commodity that will furnish an inexhaustible supply, because it does not require many years to re-grow and we will be able to supply paper not only for Canada but for the United States and Europe. Are we to regard the construction of a road through such a country as a waste of money ? In New Ontario there are farmers who have been settled on their lands for many years, who are prosperous and satisfied, yet the hon. gentleman comes here, and for the sake of supporting a view which he entertains adverse to the Grand Trunk Pacific, says that that part of Canada is uninhabitable. I agree with the hon. gentleman that the Grand Trunk Railway would be glad to extend its line into this new territory, but the Ontario government are building a road there which will open up the country for colonization. I wish we in Canada could say that every section of the country was as good as New Ontario. I agree with the hon. gentleman, to a certain extent, that the prairie lands are more accessible and more readily settled than the timbered lands of the north. But the hon. gentleman says there are muskegs in that northern country. Is that a proper title to

apply to lands which grow a very valuable timber? Going all through that new territory from Quebec to Manitoba you will find as good land as any one would desire to locate.

But the hon. gentleman says if the Grand Trunk Railway gets this road the government is to build, that they will not run it long before it falls back into their hands. The agreement distinctly shows the Grand Trunk Pacific are desirous of leasing that portion of the road as soon as it can be constructed, and, as soon as any portion of it is completed, they are ready to lease and operate that portion. That being so, is there any reason why we should entertain a fear that the road will fall into the hands of the government? I feel satisfied that the Grand Trunk Pacific will be ready, as soon as the government is prepared to transfer the road to them, to assume control of it. My hon. friend contends that local traffic is the most profitable traffic for any railway, and he contends there will be no local traffic on this road. Those are not the views that he entertained when he supported so strongly the granting of $30,000,000 with all the exemptions to the Canadian Pacific Railway. We know that as soon as these roads are built, settlement will take place and the local traffic will grow. That has been the experience of the Canadian Pacific Railway. Therefore, his argument in that respect did not amount to very much. The hon. gentleman also said that if this road was built from Moncton to Winnipeg, it would have to compete with other railways during the winter, and in summer with the rail and lake routes. I agree with him there, but that will bring freight rates down, and St. John and Halifax and other eastern cities will find that the traffic of the west will be brought there for shipment to Europe at a low figure. His statement only shows that as soon as you get the road constructed it will be to the advantage of the people. It is not being built in the interest of the railway company. It is intended more as a colonization road to open up lands in Ontario and Quebec for settlement. It would look to me as if the hon. gentleman from Westmoreland is quite indifferent to the benefits which might accrue to the country by the construction of this railway, as long as we can prevent competition with other roads. Does the hon. gentleman dread the competition of this road with the Canadian Pacific Railway? No doubt, like my hon. friend the leader of this House, he would be very favourable to the success of the Canadian Pacific Railway, but we have the interest of the country at heart, and we must be prepared to see other interests opposed to the project. The hon. gentleman laid great stress upon the possible diversion of traffic to Chicago and other points in the United States. We know that in that respect he could not be as sincere as he pretended to be. When the Conservative government were in power their sins were many, and one of them was in purchasing the Rivière de Loup branch from the Grand Trunk Railway Company, they stipulated that the purchase money should be applied to the construction of a road to run into Chicago. Would you for one moment suppose that these super-loyal Conservatives would use the money of the people of Canada to get communication into Chicago and to United States ports?

I hardly would have believed it, but knowing it to be true I am forced to the conclusion that in an unguarded moment, in a moment of weakness to which Conservatives are liable occasionally, they yielded to the tempter and allowed themselves to be led away and gave the money with the understanding that it should be applied in the manner I have mentioned. I believe it is in the interest and for the welfare of the people of Canada that this Northern Transcontinental Railway should be built, and feeling that, I consider it my bounden duty to see that view is carried out. When the loan of $30,000,000 was made to the Canadian Pacific Railway we know how it was obtained. We know that it is not unusal to have strikes occur in the Conservative party. The hon. leader of the opposition will remember, no doubt with sorrow, that later on there was another strike. It appears that when a Conservative is very anxious to secure anything he does not reason out the question, but goes on strike to secure it. As a New Brunswicker, representing the people of that province for the last twenty-four or twenty-five years, it was the bounden duty of my hon. friend to do everything in his power to promote the interest of that part of Canada where he

lived. Has he been true and faithful to the trust imposed in him when he was a member of the House of Commons? I am afraid if his record be examined into it will be found that he has been an unfaithful servant, and that he is no longer entitled to the confidence of the people of New Brunswick. Hon. gentlemen will remember the glowing terms in which Sir Charles Tupper, many years ago, announced the policy of building the Canadian Pacific Railway from ocean to ocean; that it was going to bring the teeming millions of Europe to inhabit Canada. You remember also the glowing terms in which he introduced his resolution to grant the Canadian Pacific Railway $30,000,000 after the directors of the company found themselves unable to proceed any further with their enterprise. It is true that the people of Canada advanced that large amount of cash and gave them immense land grants—a kingdom from which they have realized a large amount of money. They agreed to relieve the company from taxation and exempt them from the duties that they should have paid on articles they imported for the railway from the United States, so anxious were they to get a road built from ocean to ocean to bind the provinces together and improve the relations between the maritime provinces and the other provinces of the Dominion, so anxious were they to get that interprovincial trade which we all feel is in the interest of the Dominion and for the development of that sentiment which every Canadian ought to entertain in endeavouring to make his country a land worthy of the people who inhabit it. What did Sir Charles Tupper say on that occasion? I have no doubt that many here will be glad to hear again the words of Sir Charles Tupper, spoken twenty years ago:

> I believe the interests of the company will involve the necessity of their securing direct and complete through communication with the great ocean ports of Canada.

That is right; we all agree with that—that it is in the interests of the Canadian Pacific Railway to be in direct communication with all the ocean ports of Canada, not the ports we have heard of from my hon. friend opposite (Hon. Mr. Wood) of Chicago, Buffalo, and other ports of the United States. We do not care about their ports. We have as good ports of our own.

> For the summer season at the harbour of Quebec I have no doubt that every measure will be taken that can be taken to attain that important object. I trust that by the shortest line to the sea, reaching ports in the maritime provinces by a shorter line than the Intercolonial Railway and by connecting the links which have been shadowed forth in connection with this matter they will never rest until they have come, not only to the harbour of Quebec for summer, but that, looking to the vital importance of having, as they will have, a great ocean port there in summer—the vital importance of having a Canadian port opened throughout the whole year, winter as well as summer—they will never rest until they have established a route of communication to St. John.

Did my hon. friend whose voice we heard the other day wait that long time before they got to the open port of St. John. He added: 'To Halifax to St. Andrews and ultimately to Louisburg.' When did they open these ports? They made their connection I suppose with the Intercolonial Railway, but the Intercolonial Railway could not compete with a road which was shorter and more direct. He said further:

> I say, Sir, the fact that when they have reached the harbour of Louisburg, they will make it the interest of every man who has a letter to send or who wishes himself to pass in the shortest period of time from London to New York to go through that harbour, will compel the company, in the interest of this great national work, not to rest short of attaining even that point as the ultimate object. But I have no hesitation in saying that the distance between Montreal and Halifax in winter can be shortened by the measures that are in contemplation as to give every reason to believe that the company will find it their interest until Louisburg is reached, to make Halifax at all times—in the winter at any rate—the great shipping port for the Canadian Pacific Railway.

Did my hon. friend hear those words sounding in his ears? I think he did? If you will bear with me, I might inquire a little later on where that hon. gentleman made his great speech in favour of the Canadian Pacific Railway. He did not wait for information in reference to surveys or anything else. He was willing to give the $30,000,000 and say he believed it, because Sir Charles Tupper told him that he would get those ports opened to the traffic and the grain would teem down from the great Northwest over this road to the sea. Has that been realized

At six o'clock, the Speaker left the chair.

After Recess.

Hon. Mr. WILSON resumed his speech. He said: When the House rose for recess I was endeavouring to point out that it was in the interest of Canada, that this National Transcontinental Railway fathered by the Grand Trunc Pacific Railway should be constructed in the very best interest of the nation. In attempting to doso, I have to repeat perhaps some of the remarks I made on that occasion, but whatever I might say, I think that hon. gentlemen opposite, in their remarks, have been unable to show that there was any serious objection to the agreement that is now before us. We all feel a desire that we should, as far as in us lies, endeavour to do what will be for the welfare of Canada. I could not help but remark when the leader of the opposition was replying to the leader of the House that he spoke of that hon. gentleman being so mild and so gentle—I do not suppose any one will accuse the leader of the opposition of that—that he could hardly conceive that his soul was in the measure he was proposing to this House. A more dispassionate, calm, argumentative speech perhaps has never been made in the Senate. It was full of information and of argument. He placed before the House the information which had been obtained, and the arguments that could be used in support of the measure, and if that was not showing that his heart was in the Bill nothing could have possibly done so. He is an old politician, who has occupied a public position for many years. I can remember him, in 1871, holding a prominent position, as the hon. senator from London (Sir John Carling) will remember, in the legislature of Ontario, and from that time down to the present day I do not think that one single aspersion can be cast upon his character, or his integrity, and his desire to do the best he possibly can for his country, and I thought it was unfair on the part of the leader of the opposition to insinuate that he was not sincere in wishing the Bill to pass this House. Considering everything, the Conservative party, or the opposition here to-day, are not what they ought to be if we consider their course in the past. In the other House, when the proposition was before parliament to grant thirty millions to the Canadian Pacific Railway, did the Conservative party say then that the traffic over that line would be profitable? Their doctrine then was that the Canadian Pacific Railway ought to be built, not only as an institution of the country, but to enable settlers to take up and cultivate the lands in the Northwest. I have no hesitation in agreeing with the hon. member from Stadacona (Hon. Mr. Landry) that the Canadian Pacific Railway has done an immense amount of good; that the project was wisely conceived by the grand old Conservative leader, who, I am sure, if he were here to-day, would not approve of the course the Conservative party is taking now, unless he should be, like the leader of the opposition, prepared to change his political opinions with regard to government ownership of railroads. We know that that grand old man had an experience of many years, and that he was strongly opposed to government ownership of railways, but no one can deny that he was a truly loyal Canadian. To use his own words, he was born a Britisher, lived a Canadian, and hoped to die a true Canadian loyal to the empire.

Hon. Sir MACKENZIE BOWELL—He never said he was born in Canada.

Hon. Mr. LANDRY—He said he was born a 'foreigner'.

Hon. Mr. WILSON—He was born a British subject, whether in Canada or in the mother country. I suppose the leader of the opposition would like to have me say he was a foreigner. I cannot do so, because he was not a foreigner at all. He was born a true loyal Briton, and remained so until the end of his days.

Hon. Mr. PERLEY—The hon. gentleman never said that of him before.

Hon. Mr. WILSON—The hon. member can speak for himself.

Hon. Mr. PERLEY—I have always said it.

Hon. Mr. WILSON—I am not so situated as to refuse to give a good man credit for his good qualities, or to condemn a bad man for his bad deeds, and I hope my hon. friend will take warning and act in the same way that I have endeavoured to do.

Hon. Mr. PERLEY—I am always generous towards a bad man.

Hon. Mr. WILSON—I am glad to hear there are some good qualities about the hon. member. He is certainly better than I supposed he was.

Hon. Mr. FERGUSON—I should like to know what clause of the Bill the hon. gentleman is discussing ?

Hon. Mr. WILSON—The hon. member from Westmoreland, after referring to the amount of money that had to be expended on the Intercolonial Railway, and the increased cost of extending the road to Montreal, stated that not a single steamer had been loaded with grain at St. John. Why is that ? Did we not hear twenty years ago that St. John was to be made a prominent winter port. Have we not heard even since then, when an application was made for grants to roads in that part of Canada, that we were to have St. John one of the leading ports of the Dominion? I am surprised that those who come from New Brunswick, descendents of the United Empire Loyalists, have not received more justice from the Dominion. I might almost say they were driven into confederation, and they expected that the promises made to them would, to a certain extent, be fulfilled. Have the promises made by the Conservative party been fulfilled ? Not at all. It is now for the Reform party, which has always been described by the Conservatives as the disloyal party, to do justice to that important element of the population of the Dominion. Do hon. gentlemen mean to say they should be left in the position described by the hon. member for Westmoreland—in a position where, notwithstanding the promise to make St. John the winter port of the Dominion, not a single vessel has been loaded with grain ? Who has been to blame ? The leader of the opposition said he had made some arrangements whereby St. John was to receive consideration that it had not received before. He claimed credit for having done more for St. John than any other premier in Canada. I have no doubt he did, for he says so ; but what has he accomplished after all, when not a single grain steamer has been loaded at that port ?

I wish now to refer to the 75 per cent guarantee on the mountain section of the Transcontinental Railway. The hon. gentleman from Westmoreland thought that clause an unfair one, and the leader of the opposition stated that the change involved a higher guarantee than had previously been arranged. The hon. Secretary of State said that that was apparently the case, but that the railway company had to expend 25 per cent out of their own pockets, and that if the bonds were guaranteed, to the extent of 75 per cent, with the investment made by the railway company, it would be safe security. If, for instance, some one came to you to borrow $500 on a mortgage, and said ' I intend to use that money to increase the value of my property, and I will spend 25 per cent of my money in addition, would it not be considered by the money-lender a safe investment ? Therefore the hon. member who conveyed the impression that the railway company might increase their issue of bonds, thereby diminishing their value, is not justified in his criticism. The hon. gentleman knows full well what a construction company means. He knows full well, as the hon. leader of the opposition knows what a construction company means. He knows from the record of the Canadian Pacific Railway what a construction company means, investing in stocks, bonds and things of that kind. Yet the government will control the amount of bonds issued by the railway company. The hon. leader of the opposition shakes his head. I read the statement of the Minister of Finance—and I believed it, and I am willing to accept it and that it will be faithfully and truly carried out. Then again, reasons were advanced by the hon. gentleman why he and this House should not endorse the resolution or the Bill now before the House because the power the government had to foreclose the mortgage was released by an extension of time. Is there any objection to extension of time as proposed by that resolution ? Is there any reason to fear that after the company has leased the road for a length of time and have failed to meet their obligations, that the government are going to forclose the road ? Is that the rule generally carried out ? Is that the practice that we have found hitherto in connection with railroads ? Such is not the case, when we know that the road was built for a purpose. We know that that road was built in the interest of the country, and the country can afford to invest a certain amount and delay getting our payments back for a while on account of the good it is doing

in the interests of the people of Canada. Therefore, I should say that objection is a frivolous one. I do not mean that it has not a certain amount of force, and that it may influence to a certain extent many hon. members of this House, but if they will carefully look back to by-gone days, when roads were built for the purpose of colonizing the country and advancing the welfare of the people, they certainly cannot expect that a different policy will be pursued in this case. Then the hon. gentleman referred to the expense of operating the road, and made a point that in the winter time it would cost very much more than it would in summer, and thereby the railroad traffic could not be made profitable in competition with other routes. We know perfectly well that in the winter season the railroads must keep their tracks open, and therefore may just as well, if they have to retain their men and keep the roads in running order, carry freight in the winter, even if they do not make as great a profit on it as they will in the summer. But for the sake of keeping the road open they will continue to do so. I want to say one word more about the road from Quebec through to Winnipeg. I would not have it known that in the Senate of Canada that hon. members would be guilty of making any remarks disparaging the capabilities and welfare of New Ontario. I am a resident of Ontario. I believe in the capabilities of Ontario. I believe that if you construct a northern road from Quebec to this New Ontario, you remove, to a great extent, what has been complained of that Canada is a mere fringe of settlement along the United States border. We must broaden ourselves. We must extend our settlement to the north as well as east and west. Instead of being a stretch of territory from the Atlantic to the Pacific with only a narrow belt along the border settled, we must extend our settlement north as well, and build up the country, so that people cannot say that country is but a mere fringe with no depth to it. I, therefore, strongly protest against that expression being used by an hon. member. Is there anything in New Ontario by which that portion of Canada can be made useful, productive and prosperous ? We have heard hon. gentlemen saying that it is a country characterized by stunted pine, muskegs and lakes ; but are there no minerals, are there not fish, are there not inexhaustible stores of raw material of various kinds, and will they not prove to be an inducement for the settlement of those sections of country ? I believe that in less than ten years we will find New Ontario where this Transcontinental Railway is going to run teeming with almost millions of people, prosperous, thriving and happy. I anticipate that such will be the case, and I hope that the Senate will be able to convince the hon. gentleman from Westmoreland that his ideas of New Ontario are fallacious. I will crave the indulgence of the House while I attempt to show that my hon. friend from Westmoreland had not the same idea a few years ago in reference to many things that he has to-day. We turn to 'Hansard,' of February 19, 1884, and my hon. friend will find that his name figures there as Mr. Wood of Westmoreland, and he is reported as having made these remarks that I am about to quote.

Hon. Mr. LANDRY—Dispense.

Hon. Mr. WILSON—If any hon. gentleman doubts the correctness of the report all they have to do is to send across the floor of the House and I will let them have the copy of 'Hansard.' This was upon a grant of $30,000,000 to the Canadian Pacific Railway upon the resolution moved by Sir Charles Tupper, when he stated that they intended to construct the road through to St. John and Halifax

> The company is relieved of none of the responsibilities which it then assumed. It assumes the additional responsibility of engaging to effect the completion of this important work.

They were allowed a certain length of time in which to complete the road. They came to parliament and asked them to lend the company this $30,000,000. The government on that occasion said : 'What security have have you to give us for the $30,000,000 ?' They replied that they would give about 21,000,000 acres of lands, and what lands were these ? Lands that they had bought ? Lands for which they had paid something ? No, they were the lands that the government had given to the company for the purpose of constructing the road, and the government not only gave them the land, but the government paid them $25,000,000 in cash on account of the construction of the

road. They came to us with what? It is as if I went to some hon. gentleman after he gave me a certain article, and saying to him 'I want to raise a loan of 50 cents upon this article.' Was that a reasonable advance for government to have made at that time unless they had some justification for it? Now we come to what my hon. friend said on that occasion:

> The fact, Sir, that the amount of aid asked from the government of this country was but a small proportion of the amount required for that enterprise, and that the company were willing to invest largely of their own capital in that scheme, was a strong proof of their confidence in its success. I am not aware that the statements which were made at that time have since been contradicted.

Further on he says:

> It has been said that it may be unwise to connect our railways with the railway system of the great Republic to the south of us. I, Sir, for one do not apprehend much danger from that quarter; for I feel, with the facts to which I have referred before us, that it will yet be found that we have in this Dominion, not only those vast fertile plains which are capable of affording a profitable traffic to more than one great line—

Mark you more than one great line of railway. What does the hon. gentleman mean? Did the hon. gentleman mean then that the Dominion of Canada would assist any railway company that would build another line through to the great Northwest? Had he prophetic vision then? The policy was brought in by his own political party. To-day that vision is blinded by the hands of those with whom he is not in full accord. He says:

> —affording a profitable traffic to more than one great line of traffic, but that we have in our seaports upon the Atlantic coast advantages which will yet attract within our borders the mail and passenger service, as well as a fair share of the freight traffic of this great continent.

And yet he comes here and tells us to-day that not one steamer has been loaded with freight or grain in winter at the Port of St. John.

Hon. Mr. WOOD—I beg your pardon.

Hon. Mr. WILSON—I thought the hon. gentleman said that.

Hon. Mr. WOOD—The hon. gentleman entirely misunderstood me. I said there had not been sufficient grain carried over the Intercolonial Railway to load a vessel.

Hon. Mr. WILSON—To the government elevator—not one load.

Hon. Mr. WOOD—No.

Hon. Mr. WILSON—Does the hon. gentleman still say, there has not been one load of grain shipped from the elevator there—that St. John does not amount to anything more than that? If those are the hon. gentleman's views, I am not here to quarrel with them.

Hon. Mr. WOOD—The hon. gentleman does not understand me yet. I said the export trade had increased in St. John. I endorse what my hon. friend said. There had been a satisfactory increase in the trade of the port of St. John, but it was all due to the construction of the Canadian Pacific Railway and the extension of their system to St. John, but that nothing came over the Intercolonial Railway.

Hon. Mr. WILSON—Very well. That is why I want on the present occasion to do away with traffic over the Intercolonial Railway, to a certain extent, and to offer him a better line to go down to the Port of St. John and Halifax. We know that on account of the greater distance on the Intercolonial Railway they cannot carry the freight as readily there, and more than that, it was known by the Conservative party. Do we not know that the hon. leader of the opposition said in the House of Commons that the Minister of Railways said that we had a short line of road running where? Would you believe it? Through the state of Maine to give competition with the traffic on the Intercolonial Railway, and yet we are told by hon. gentlemen that not a pound of freight comes over the Intercolonial Railway to St. John, and why? Because they offered facilities and held out inducements to build a competitive road and paid the Canadian Pacific Railway large subsidies out of the Dominion treasury for the sake of building a road through American territory, and shutting off traffic that would otherwise have come to our own ports. In the face of these facts we hear the cry 'You are trying to starve the Intercolonial and take the traffic from that road thus destroying it.' Who did that? The hon. leader of the opposition was in the House at the time the short line was built. It ill-becomes those who have been in charge

of the affairs of the Dominion in the past to charge our friends, the present government with not doing what they ought to do in the interests of the Dominion. My hon. friend was not so very careful in the matter of granting concessions in his time. At that time he said it was our duty, on an occasion like this, to try to build up in this Dominion a large and growing population, of prosperous and contented people that we might be the envy of our friends across the border. Are we in any way indebted to them for such a result? Is there any reason why our ports at St. John and other places are not as feasible and just as good in the matter of accommodation as will be found anywhere? I repeat that the people coming from down by the sea are the best citizens we have in this country. We feel that they are brothers, and if we are willing to sacrifice a little in the interests of our brothers, we ought to feel that those people are entitled to it. They were, perhaps, to a certain extent forced into the union against their will, and a feeling of hostility had been engendered in their breasts, and we should deal justly and liberally with them. It will conduce to the prosperity of the Dominion of Canada if every portion of this extensive country shall be united not only by railroads but in sympathy, kindness and generosity, and I hope the day may never come when it will not be the aim of every individual to strive to the utmost of his ability to foster trade relations between the various provinces of the Dominion. If we do what we can to promote the prosperity and contentment of the people we have a grand country with a great future before us. Nature has done much. Providence has handed down to us one of the finest inheritances that possibly could be bequeathed to any nation. From one end of the Dominion of Canada to the other we find everything calculated to make the people happy and prosperous, and the glorious news has gone abroad that Canada is prospering. On that account immigration into all parts of the country is rapidly increasing. I am not claiming that all this prosperity is due to the party in power. But I say that they have contributed much to the welfare and prosperity of the Dominion. When we see our able and efficient leaders in this chamber and in the other House devoting their time and ability in the endeavour to unite the people and make them prosperous, are we true to our country and to the instincts of the people if we do not unite one and all of us to do what we can to promote the prosperity of Canada. I shall vote in favour of the second reading of the Bill. I am not in favour of government ownership of railways, although I would be better satisfied that the present government rather than a future should own the road. However, I do not expect to live long enough to see the party of hon. gentlemen opposite come into power.

Hon. Mr. MACDONALD (B.C.)—When the hon. gentleman, who has just finished his speech, commenced his oration, he said he was to address himself to the question free from party spirit, giving us the impression, we had a veritable baa lamb meek and mild; but, as the hon. gentleman proceeded, I found it difficult to decide whether he was a wolf in sheep's clothing or a Chinaman with a large bundle of dirty clothes to wash. I hope he will bleach and starch the things well, and get paid for them when he carries them home. What can be the use of bringing in the irrelevant matter of the hon. gentleman's views on a question twenty years ago, that if a man held an opinion on public matters for twenty years, he is not competent to give an opinion as things are at this day. Is that a sound argument? Is my hon. friend a Mede or Persian, whose opinion altereth not. Has the hon. gentleman changed his opinion in twenty years? If not, he must be an Elgin marble—without sight, hearing or sense. But the hon. gentleman, although from Elgin, is not an Elgin marble. He lives, moves and has a being. I shall, therefore, ask him what was his attitude towards the Canadian Pacific Railway in 1874 to 1878? Was he friendly to the scheme or unfriendly? I know he will give an honest answer.

Hon. Mr. WATSON—That was thirty years ago.

Hon. Mr. MACDONALD (B.C.)—The hon. gentleman was arguing from opinions expressed twenty years back.

Hon. Mr. WILSON—What was the question.

Hon. Mr. MACDONALD (B.C.—From 1874 up to the time the contract was let for the construction of the Canadian Pacific Railway was he friendly or hostile to its construction ?

Hon. Mr. WILSON—I was not a member of the House of Commons in 1874, and I never opposed the construction of a road to the Northwest. I always believed that we ought to have a road, in the same way as I am in favour of the people of St. John, Halifax and Lunenburg having fair treatment. Those are the views I have always entertained.

Hon. Mr. MACDONALD (B.C.)—The hon. gentleman was opposed to the Canadian Pacific Railway at that time.

Hon. Mr. WILSON—No, I supported the Mackenzie government, and he was in favour of the construction of the road. I hope the hon. gentleman does not intend to misrepresent me.

Hon. Sir MACKENZIE BOWELL—The Canadian Pacific Railway was never intended to be run through Lunenburg.

Hon. Mr. MACDONALD (B.C.)—Every member of the hon. gentleman's party in parliament and out of it was strongly opposed to the building of the Canadian Pacific Railway.

Hon. Mr. WILSON—No ; the hon. gentleman was asleep at that time.

Hon. Mr. MACDONALD (B.C.)—Then we have an enlarged number of public men and men in private life, who have changed their minds. The Liberal party of Canada, to a man, were opposed to keeping the compact with British Columbia to construct a transcontinental railway, and if that party had had its way a blot would have been placed on the fair name of Canada by breaking the contract with British Columbia ; but Providence be thanked, a government came into power imbued with honest principles, who looked upon the keeping of a contract as sacred, and the Conservative party built that road—saved the honour of the country so shattered by the Liberal party—made the country.

The object of the Canadian Pacific Railway was not to open the Northwest so much as to keep faith with British Columbia. The government of this country entered into a contract with British Columbia to have railway connection with that province, and if it had been left to the Liberal party to carry out that contract, it never would have been completed to this day, and if it had not been completed, where would the Northwest be to-day ? Where would be the teeming quantities of grain and cattle and horses exported from there, and the thousands of emigrants coming into this country ? They could not have gone in and the crops could not have been raised. There would have been no one to raise them if it had not been that the Conservative party, with a deep sense of honour and integrity, looked upon the compact with British Columbia as a sacred thing and carried out that compact, and to-day we have the vindication of the policy of the Conservative government in the construction of the Canadian Pacific Railway to a marvellous degree of success.

They made the country, expanded our commerce from Hong-Kong to England, and over this continent. That is what the hon. gentlemen opposite have been contending against. If they had had their way, the Northwest would have been a wilderness, inhabited by the wolf and the musk-rat. I am not going to express an opinion of the country from Winnipeg to Quebec, whether it is good or bad ; very little is known about it. I will not go into the figures as to the mileage or anything of that kind. All I claim is that the road has not been asked for by the country. It has been pushed on by the Grand Trunk Railway and the premier of this government, who has taken the whole responsibility on his own shoulders. When the hon. Secretary of State rose to move an amended Bill to the Act of last year, I could not believe my eyes. I thought he must be joking, or have the nightmare. Could it be a fact that a complete surrender has been made of the contract entered into last year ? Could it be possible that a Bill framed by a master in the art of making contracts, and who has taken the whole responsibility of it on his own shoulders, had broken down of its own weight soon after it was completed ? I might use this metaphor : did not the master potter take this unshapen lump of clay to fashion it after his own mind, and brush to one side all the little potters, saying this will be my creation. So he fashioned it, polished it on this side and on that side, and thought he was making a perfect image

to stand for ages—gave it eyes that could not see, ears that could not hear, legs of clay he gave it to stand with a foot on the Atlantic and a foot on the Pacific—to span the continent, like the colossus at Rhodes, and the decree went forth to all Liberals to fall down and worship the beast. Power was given to this beast to torment Conservatives for twelve months. While the master potter was still full of admiration of his own creation, the legs of clay gave way and down came the beast on its face in the dust. Hence the patchwork now before the House. I say that contract is a breach of promise; it ought to be dealt with by the Divorce Committee. If the contract is broken this year, look out for next year. The gentlemen behind this enterprise have found a soft place, and they know how to get more out of the country. The company, aided by the hon. gentleman from Toronto (Mr.Cox), has only to press the electric button and the premier will dance like the aurora borealis on a frosty night, and scatter the money of the country with liberal profusion. When they want anything they are sure to get it. They did not ask for this railway; they asked for a much smaller thing, but the premier said, 'No, we will give you something greater; we will build two thousand miles of railway and give it to you for ten or twelve years, and we will guarantee your bonds for the construction of the western section to the extent of three-fourths of the cost of construction. There will be no limit to the cost of constructing that Rocky Mountain section. We will pay the interest, if you cannot meet it, because we are at the bottom of the whole thing. We will relax the conditions of the five million deposit, so you can use it almost immediately. My reputation is at stake,' says the premier. I have the people at my back and they will do just what I tell them.' It is extraordinary, how people blind themselves, how this project can be made a party question, and that people can be led to say that it is just the thing, though in their hearts they may not believe in it at all. My impression is that the hon. Secretary of State and Sir Richard Cartwright are as strongly opposed to this scheme as any two men in the country, if they would only give their unbiassed opinion.

Hon. Mr. SCOTT—No.

Hon. Mr. MACDONALD (B.C.)—If they are not, why did they oppose the carrying out of the contract with British Columbia ? They opposed it as long as they could.

Hon. Mr. SCOTT—No, they did not. Who commenced the Canadian Pacific Railway ? It was the Mackenzie administration. They were prosecuting the work during the five years they were in power.

Hon. Mr. MACDONALD (B.C.)—I know they had some sort of a scheme——

Hon. Mr. SCOTT—They were building the road west from Winnipeg when it was taken over in 1879.

Hon. Mr. MACDONALD (B.C.)—I am aware of that.

Hon. Sir MACKENZIE BOWELL—What road ? The hon. gentleman means the road from Minnesota to Winnipeg.

Hon. Mr. SCOTT—I know what I am talking about.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman is mistaken.

Hon. Mr. SCOTT—I was a member of the government at that time, and I know we spent about twelve millions on the railway, at all events.

Hon. Mr. MACDONALD (B.C.)—The project was forced upon the Mackenzie government against their grain, and if they had not been afraid that British Columbia would leave the union, it would not have been carried through. This government will be famous in history for its infamous contracts. Let us review briefly some of the more important contracts entered into, and concessions made by the present government, showing how some ministers disregard the interests of the country. Take the Stikine-Teslin Narrow Gauge Railway, a contract under which 3,750,000 acres of the cream of the Yukon gold region was to be given to a company—for what? Really for nothing. Access to that proposed railway had to be through thirty miles of United States waters, by a river, part of which is frozen for five months in the year, barring access to the railway for that period. That railway was

to end in Teslin Lake, which is frozen over for six months of the year, and the terminus was to be six hundred miles from Dawson.

Hon. Mr. WATSON—What clause of the Bill is the hon. gentleman discussing?

Hon. Mr. MACDONALD (B.C.)—I am showing that the government is not to be trusted to make a contract in the interests of the country. That is one of their contracts which was made, not in the interests of the country, but in the interest of a company. Then we come to the purchase of the Drummond County Railway. We all know the fight we had in this House over that scheme, and how the Senate saved a million dollars to the country. Then comes the Treadgold concession, under which miles of the Yukon water courses are handed over to a company for a nominal consideration, much to the injury of small companies and individual miners in subjecting them to exorbitant water rates. The Treadgold Company was allowed, under its concession, to charge one dollar per hour for a miner's inch of water. The whole scheme was challenged in this House, and more particularly the clause establishing an excessive water rate, resulting in a reduction to twenty-five cents, which show how unsound and one-sided the concession was. It gave to this company the monopoly of water, a necessity, without which miners cannot live or carry on their work. Then comes the leasing of miles of rivers in the Yukon district to the members and relations of one family—I think about twelve miles, to people all bearing the same name. That could not have been done in the interest of the country. It was due to political exigency. And now comes a more overwhelming concession, and one-sided contract on which no sane or business man would enter with his own money, though he might be reckless enough to risk the property and money of others as is being done in this case. I do not oppose this Bill from party feeling. If a Conservative government should introduce such a Bill, I would do as I am doing now, endeavour to expose the fallacy of it, and show what a bad bargain was made. I should like to think that the commerce of the country required this road, that all the habitable lands of the Dominion to which access can be had are occupied, and that the time had come to open up more land for settlement, but none of these conditions prevail. Who has asked for this grand costly railway? Not the Grand Trunk Railway. The general public did not ask by petition or in public meetings for this railway. The provincial governments and municipalities who are in close contact with the people, did not ask for the railway. The Boards of Trade of our largest commercial centres, who understand the position and needs of transportation, did not ask for this railway when they were before the Transportation Commission.

Hon. Mr. TEMPLEMAN—Does British Columbia ask for it?

Hon. Mr. MACDONALD (B.C.)—No.

Hon. Mr. TEMPLEMAN—Does British Columbia want it?

Hon. Mr. MACDONALD (B.C.)—There are men in all parts of the county who would like to see a large expenditure of public money. They say it does not cost them anything individually, so let it go on. I know there are many in Victoria and all over the country who think just that way. Seeing this railway was not asked for by the commerce of the country nor by the people in meeting assembled, we have two factors in the case, and what are they, as the basis of the scheme? First we have the jealousy of the Grand Trunk Railway Company of the unrivalled prosperity of the Canadian Pacific Railway, and second, we have the vanity of the premier of the Dominion. He wanted to make a name for himself, and carry out the affair single-handed. These two factors are the whole thing. As you know, the company asked aid for a railway from North Bay to the Northwest, or perhaps to the coast. They asked for $6.500 per mile, and 5,000 acres of land per mile, but the premier said no, I will not give you that, but I will give you more. We have in the Northwest to-day, railways doing excellent work opening up the country, and I say it is most unfair that government money should be given for the construction of competing roads. I would

have no objection to this company going in there on their own account and unaided. It would be fair competition, but this company is going in backed by the government, and the unfair competition will kill the smaller railways which are doing so much for that part of Canada. If there were not millions of acres of unoccupied land south of this projected railway, if in the east it did not duplicate the Intercolonial Railway, if it was not being given away for a certain number of years for nothing, I would vote for the Bill without hesitation, but there are millions of acres of land unoccupied which are accessible by existing roads, and therefore, I cannot vote for the Bill. With regard to the amendment of the leader of the opposition in favour of government ownership, that is offered as an alternative. We have a scheme before us which will involve a large expenditure of the public money. We have either to face this project or own the railway, and of the two evils, I prefer government ownership, though I put myself on record against it last year, and would oppose it to-day under any other circumstances. The true policy, in my opinion, would be, since we have to build the road, to own it. If we were not building this road, then I would say help the railways in the Northwest to construct branch lines, and get the accessible lands settled first of all, and then when you want more lands opened up, it will be time enough to build this northern route, but not sooner.

With regard to my own province, there is nothing in the contract to compel the company to commence construction on the Pacific before the very last day and all the rest of the line is completed. I have an amendment to propose to that part of the Bill which I fully expect my hon. friend from Victoria to support, in order to do justice to a province which contributes per head more towards the public works of Canada than any other province. I believe the company has left the matter of commencing construction on the Pacific slope within a reasonable time out of the contract to use it as a lever on the provincial government to obtain land grants and money subsidies as a condition of making an early commencement. The whole scheme is extravagant, premature and thoroughly unbusinesslike. It is unfair to other companies and an extinguisher to the Intercolonial Railway. It is a reckless, one-sided agreement, favouring the company throughout, with no corresponding benefit to the country, and I shall vote against the Bill.

Hon. Mr. McMULLEN—The hon. gentleman from British Columbia has expressed his disapproval of referring to past history, but it is almost impossible to deal with a great public question of this kind without making some reference to the past history of this country. We have had two or three very important railway schemes which have been aided by the people of Canada, and in discussing this project. it is impossible to do so, without at least making some comparisons with the experience of the past for the purpose of ascertaining how this project bears comparison with former projects. In referring to the construction of the Canadian Pacific Railway, my hon. friend was rather severe on the Liberal party. If he had thought for a moment he would hardly have risked his reputation as a senator by saying that the Reform party were bitterly opposed from start to finish to the construction of that railway. My hon. friend has surely not forgotten everything that took place with regard to the inception of that scheme. Opposition was offered to the construction of the Lake Superior section, because at that time it was thought that the great lakes would largely serve our purposes, in the early experience of opening up that country, and that if, after a number of years, the country should prove to be productive, and more extensive transportation facilities were needed, they could be furnished. Mr. Mackenzie's scheme was first to use the lakes from the prairies to Port Arthur ; then, when an all-rail route was proved to be necessary, it could be constructed. My hon. friend surely must remember the abuse that was heaped upon Mr. Mackenzie at the time he purchased the steel rails required for that particular section from Port Arthur to Winnipeg ; how he was condemned for having gone into such a large purchase at a time when the best business men in the Dominion thought it was most opportune to secure them. I notice my hon. friend, the leader of the opposition, shakes his head. We can all be wise after the event. There are many men in Canada to-

day who are poorer than they would have been had my hon. friend been able to tell them some months ago that stocks were going to drop. It is the same with regard to Mr. Mackenzie's purchase of the steel rails; he acted on the best advice that he could get. But I am not arguing whether that purchase was prudent or imprudent; I simply call my hon. friend's attention to the fact that the purchase was made, and that the construction of the road was well under way from Port Arthur to Winnipeg before the change of government. Yet my hon. friend says, as if he was speaking by the book, that the Reform party held up the Canadian Pacific Railway scheme from start to finish. Now he draws attention to the fact that the contract for the mountain section was not carried out as it was first made. He knows that that contract provided for an impossibility. At that time, we had no transportation facilities, no way of getting men and material for the work, and it was absolutely impossible to complete the road within the time agreed upon. What did Mr. Mackenzie do, as a wise man? He negotiated with the province of British Columbia for an extension of time.

Hon. Mr. MACDONALD (B.C.)—Will the hon. gentleman say what we got then?

Hon. Mr. McMULLEN—The government asked for an extension of time.

Hon. Mr MACDONALD (B.C.)—The government offered the province $750,000, ostensibly for an extension of time, but truly to buy out the whole rights of the province to the railway. I went to Lord Dufferin myself about the matter, and showed him the minute of council passed by Mr. Mackenzie. Another member of the House went with me, and Lord Dufferin told us that he had said to Mr. Mackenzie that he ought to be ashamed to allow a thing of that kind to leave his office.

Hon. Mr. McMULLEN—My hon. friend has been condemning us for going into past history in connection with those matters. Now he is drawing our attention to a private conversation between himself and Lord Dufferin, and he states it with a good deal of evidence of sincerity, but the condition of things is this: Lord Dufferin is dead, and we cannot tell whether the hon. gentleman is stating a fact or not.

Hon. Mr. MACDONALD (B.C.)—Does the hon. gentleman doubt my word?

Hon. Mr. McMULLEN—It may or may not be, but my hon. friend is dealing with very ancient history, history that cannot be unearthed, because there is no one living that knows anything about it but himself.

Hon. Mr. MACDONALD (B.C.)—No one in this House can convict me of a lie in all these years I have been here, and the hon. gentleman cannot do it.

Hon. Mr. McMULLEN—I am not attempting it, and my hon. friend need not be excited. I have been trying to refresh my hon. friend's memory.

Hon. Mr. MACDONALD (B.C.)—It is very clear.

Hon. Mr. McMULLEN—It does not appear to be, because the hon. gentleman has been dealing with things which are not in line with the facts at all. I am trying to show where he is mistaken. An arrangement was made whereby the time for the construction of the road through British Columbia was to be extended. The hon. gentleman admits that Mr. Mackenzie made an arrangement for that extension, and that the money was paid, so he kept faith with the people of British Columbia.

Hon. Mr. MACDONALD (B.C.)—The hon. gentleman is quite wrong; the money was never paid or accepted.

Hon. Mr. McMULLEN—I do not remember——

Hon. Mr. MACDONALD (B.C.)—But I remember.

Hon. Mr. SCOTT—The Senate threw out the Bill. It was passed in the House of Commons where the government had a majority.

Hon. Mr. McMULLEN—That may possibly have been a good act on the part of the Senate—I do not know.

Hon. Mr. MACDONALD (B.C.)—Keep to the facts.

Hon. Mr. McMULLEN—I have been drawing my hon. friend's attention to some inaccuracy in his remarks about the construction of the Canadian Pacific Railway. As far as I am concerned personally, I was opposed to the construction of the section

north of the lakes at the time it was gone into. I thought it would have been better to have deferred the building of that portion until we knew more about the Northwest. However, our friends differed from us and that section was built. I am glad that it was built. We are all friends of the Canadian Pacific Railway. I admire that company. They are a credit to themselves and to Canada. They have done a great deal to develop the resources of the Dominion, and fill up Manitoba and the Northwest. It is a good and creditable line. I earnestly hope that when the Grand Trunk Pacific is built, that it will contribute as much towards the settlement and development of new territory as the Canadian Pacific Railway has done, and that it will be as great an advantage to Canada. My hon friend said something about referring this Bill to the Divorce Committee. His friends have intimated that if they get into power, even though this Bill does pass, they will take advantage of the divorce power, and make it their own absolutely, whether it is started by the Grand Trunk Railway or not, and whether it is wholly or only partly built. My hon. friend's leader has announced that the purpose of his party is to own and operate the road. The operation of the road shall have my attention a little later on.

Now, it is rather singular to see my hon. friend from the Pacific coast opposing the construction of this road. I cannot understand it. I asked a friend a few minutes ago, if the hon. gentleman from Victoria lived at a place called Port Simpson, which is likely to be the terminus of the Grand Trunk Pacific, would he oppose it ? I have come to the conclusion that as the hon. gentlemen does not live at a place which will be served by the Grand Trunk Pacific he is rather jealous. Victoria is a very handsome and progressive city, and I have no doubt the hon. gentleman would like to see the trade of British Columbia focussed there and at Vancouver. I have no doubt he feels a little jealous at the idea of a line being constructed to Port Simpson, and trade, which otherwise would go to Victoria and Vancouver, centered there. But my hon. friend cannot expect that all the trade which goes across the continent will be dumped into the lap of the city in which he lives. He must expect that in the near future, ports will be opened up north of Victoria. I have no feeling against the city where the hon. gentleman lives. I hope it will hold its own, and that there will be plenty of trade for all the ports on our Pacific coast. From year to year, as Manitoba and the Northwest develop, I look forward to a very large amount of the surplus products of that part of Canada being exported from the Pacific coast, and I have not the slightest doubt that Victoria and Vancouver will yet grow to be wealthy and large exporting cities. I believe in the matter of mineral resources, British Columbia has merely broken the crust, and that in the near future, very important developments will take place in that province. I believe the Canadian section of the Rocky Mountains will be found to be as rich as any portion of the range in the United States. What is needed there is development. Trouble has beset the province during the last few years, but they will get over that, and the mineral wealth of British Columbia will unquestionably build up very large centres of trade and there will be plenty of room for two or three other large coast cities besides Victoria and Vancouver, which will do a large import and export business, and my hon. friend need not be the least afraid on behalf of Victoria. In all these public improvements we should cultivate a spirit of loyalty to the best interests of the Dominion, and not get into our mangers, and snarl at everything that is not bringing cream to our own doors. I hope my hon. friend will form a better opinion of the Grand Trunk Pacific, and, like others, when he comes to realize the advantages it will confer on that country, he will come down and frankly confess that one of the brightest and best days in the history of Canada was when that scheme was undertaken.

Hon. Mr. MACDONALD (B.C.)—I shall say so if it is.

Hon. Mr. McMULLEN—Another insinuation my hon. friend made was that the premier of this Dominion was trying to make a name for himself in the construction of this transcontinental road. I am sorry my hon. friend made this remark. I do not think the premier's career so far would warrant any man in casting a slur upon him, or questioning the purity of his motives. I have never in my business or public life

met a more humble or unassuming man, or one more patriotic and devoted to what he conceives to be the best interests of the country than Sir Wilfrid Laurier. In some things he may differ a little from us. We may not all be able to see things just in the same light as he sees them. But we know we can rest assured that when he comes to a conclusion with regard to a great undertaking like the Grand Trunk Pacific, the idea of making a name for himself in connection with it, is the most remote thing from his mind. The object and aim that he has is to do something for Canada, to do something that in years to come, when the great good that will be accomplished by the construction of that line will be referred to, people of this country will unanimously declare that it was a good thing in the history of Canada when Sir Wilfrid Laurier and those associated with him conceived the idea of constructing a line such as the Grand Trunk Pacific. I heard the remark that dropped from the Secretary of State in his introduction of this Bill. There was one feature of those remarks that I admired, and it was this: While it is desirable to build a line through that section of country, which would tend largely to open up and develop new territory, by connecting it with the Grand Trunk, and thus bringing to the doors of all the manufacturing institutions in Ottawa and Quebec a most convenient way of shipping any goods that they had to the Northwest, and supplying the demands of our friends there; that there was no other line that could accord better or greater facilities than the Grand Trunk Railway, because it had connections everywhere. Now, that is true, and it is a most desirable thing in itself, because when we build a road that has in the older provinces such a very large connection as the Grand Trunk has, we are building a road that will bring the people of this Dominion together on lines that could not possibly have been accomplished by an independent road which has not those connections, and in that way will be most valuable to the people of the older provinces. They will also be valuable to the people of the new provinces, because we hope that we will deal with each other to a greater extent in the future than we have done in the past. We hope that Canada will become largely self-sustaining, and the people of the Northwest will supply us with a great many things that we can take from them, and which I certainly hope we will take.

We earnestly hope, on the other hand, that for the very large amount of money that has to be spent to produce the road that is now under consideration, and that has been spent upon the surveys which have been made; by the immigration policy that has been adopted, I may say the magnificent and desirable immigration policy that has been followed whereby thousands have been brought into that country, the strain upon the resources of the older provinces will, to some extent, be relieved when we realize that we will have a large market there for many articles that our people can produce to advantage, and the result is that in business lines we will be very closely together. Consequently I feel that the country will develop quicker than it possibly could develop if we had only an independent line that had no such connections as the Grand Trunk has. My hon. friend has drawn attention to the fact that the government are giving away this line for some years virtually for nothing. He says they are to receive no interest for the first seven years, and then for three years, if the finances of the company or the earnings of the line are not sufficient, to pay the interest, the amount in default will have to be added to the gross debt of the road. If my hon. friend knows anything about railways—and I am sure he does, because he is an intelligent reader—he knows perfectly well that the first three or four years is the most expensive experience that a railway has. There is not a railway in Canada to-day which has not had virtually to be built a second time. The Grand Trunk was first built, and then for three or four years they were rebuilding. In several ways they had to expend very large amount of moneys. The Canadian Pacific Railway, after its construction, were for years rebuilding, and they are not through with rebuilding yet. There are many trestle works and many other works to-day that are not in as complete a state as the Canadian Pacific Railway would like to have them. I dare say the Grand Trunk Pacific expect that in the first seven years of the existence of that road they will be called upon to pay a very

large amount in the way of second construction. There is no doubt about it; it is the experience of every road. There is no road on the continent that has not had that experience, and I have no doubt it will take the Grand Trunk Pacific a very considerable number of years, perhaps all of those first seven years to get that road into a condition that will make it a first-class line. Then, after they get it into that state they will have to pay interest upon the amount invested. My hon. friend talks about government ownership. I am sure that any statesman and member of this or the other House who will cast his eye for a moment over the experiences of Canada in connection with the Intercolonial Railway, and in the light of that consider the question of government ownership and operations of railways—any patriotic, honest statesman would say, if that is to be experience of Canada in the future, it is better that we should have no more of it.

What has been our experience with regard to the Intercolonial Railway? We have some $66,000,000 of money sunk in that road. The people of this Dominion have been paying interest on the money invested in that line from year to year. There has not been less than fifty millions of money paid in interest alone upon the money that is sunk in the government railway, not one dollar of which has ever been returned from the earnings of the line. Does my hon. friend want us to go into an experience of that kind again? He surely does not. The Intercolonial railway has, I admit, served a fairly good purpose. I dare say it has contributed to keeping down freight rates. It served the purpose for which it was built admirably, in that sense, but as a money earning road, as a road returning to the treasury of this country a decent reasonable annual return for the money sunk in it, it has never done it for one year. Now that is the condition after thirty years of experience in government ownership. Do we want to build another road, invest fifty eight or sixty million more, pay interest at three per cent, which would be two milion and a half and put up for all time to come, with a road that is simply going to earn its own running expenses? We do not want that I thought this would be the experience of the Canadian Pacific Railway. Allow me to tell those who advocate government ownership and government operation of railways that there is no place in the world's history where you can point out that that system of owning and operating roads has been a success, has met the expectation of the country or people that inaugurated it. In Australia there was fair progress made. But recent years proved most conclusively that it is a drain upon the treasury of that country in place of being a source of revenue. Take the experience of the United States, or the experience of any country that has invested money in that way and throughout the experience has been that a road operated under political influence never can be kept free from that political influence. It will crop up and it will work out. I believe there have been men at the head of the railway department in Canada who were honestly and conscientiously determined to operate the Intercolonial Railway in the very best interests of this country, to do the very best they could to get a return out of it and after all they were unable to do it simply because the constituencies through which it ran always had some little advantage they wanted to get, something for friends and so on.

You cannot possibly relieve yourself and keep yourself free of these political influences, and when you cannot do that you cannot run a road on clean commercial lines, and lines that will bring a return to the people of this country. Consequently, I think that we have had enough of government ownership. We had better not attempt it any further. Let us accept and benefit by the experience we have had in the past, and in connection with this road, I do earnestly hope that our experience will be better from the money consideration than it has been in connection with the Intercolonial Railway. There is one other point to which I will draw the attention of the hon. gentleman and then, with the permission of the House, I shall move the odjournment of the debate. My hon. friend has advocated giving government aid to the company. He said the better plan would be to give a certain amount of aid and let the company built the road themselves.

I think the feeling of this country has

grown stronger in opposition to granting money for nothing to railway companies. I think the feeling is that we have done too much in that line, that we have given too much of our money and too much land to railway companies, and the policy that will continue in that line is not the policy that the people of this country will support. I believe that is correct. I believe the earning capacity of these lines, when built, will be such that they ought to be able to make a reasonable return for the aid that they get, and I very much admire the policy introduced by the Hon. Mr. Blair, when he was Minister of Railways, whereby in any aid that was granted it was stipulated that any service that railway was called upon to give to the government of the country, such as carrying mails, military stores, or anything of that kind, was to be counted as against the interest of the money that had been loaned to them. I think that was a good change. I thought it was an improvement that might be pardonable, but to give out and out grants of money for the construction of a road such as we have done in the past, is a policy that I do not think the people of this country are in a temper to continue much longer. My opinion is that the country has now been so far settled and developed, that wherever roads are built, unless it is a most inhospitable region—and thank heaven we have not many of them—that they ought to look forward to earning money for the return invested, and the sooner we lead all railway projectors to realize that the government's financial door is closed against the grants that we have been accustomed to give in the past, and that the lands that the country has will be held for actual settlers in order that when they come in they may get a home for themselves, the better for Canada.

With the permission of the House, I move that the debate be adjourned.

The motion was agreed to.

The Senate adjourned.

THE SENATE.

Ottawa, Tuesday, June 21, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

PURCHASE OF THE STEAMER 'GAUSS.'

MOTION.

Hon. Mr. LANDRY moved :

That an humble address be presented to His Excellency the Governor General, praying that His Excellency will be pleased to cause to be laid before this House :

1. A statement showing, in so many distinct columns, the names, surnames, ages, occupations of each of the sailors, from the commander down to the lowest cabin boy, who went to Germany, or who in Germany took service, on board of the 'Gauss,' and who have come back to this country.
2. The number of years, months or days previously devoted to sea service by each of the sailors of the 'Gauss.'
3. The names of all the signers of an alleged complaint supposed to have been addressed to the Minister of Marine.
4. A copy of such complaint and every answer thereto, as well as of all correspondence relating thereto.
5. A copy of all correspondence relating to the purchase of the 'Gauss,' and of the instructions given to Captain Bernier.
6. A copy of the log kept on board since the vessel has been placed under the command of Captain Bernier.

The motion was agreed to.

NATIONAL TRANSCONTINENTAL RAILWAY BILL.

DEBATE RESUMED.

The Order of the Day being called :

Resuming the further adjourned debate on motion for second reading (Bill 72) An Act to amend the National Transcontinental Railway Act, and the resolution of the Hon. Sir Mackenzie Bowell in amendment thereto.

Hon. Mr. McMULLEN said : In resuming the discussion of the subject which the House is called upon to give special attention to, I desire to present some arguments, which I hope will be considered pardonable, on the whole scheme and the reasons why I consider that it is necessary that we should have another transcontinental line. I admit that the amendments before the House would naturally confine us to two points, one the extension of time for the construction of the road, and the second the increased guarantee on the mountain section.

That is virtually the Bill before the House now, but I think I may be allowed to travel outside of the field, as outlined in the Bill, and give some little consideration to the whole question. I endeavoured to answer, as best I could, the remarks that were made by the hon. gentleman from Victoria last night. I had not the privilege of listening to the hon. member from Westmoreland, for whom I entertain a very high regard, and whom I should have liked very much to have followed had I been here. I was, unfortunately, unable to be present during the course of his address. In the first place I believe that in the sober serious thought of the people of Canada who have carefully looked over the relations between the provinces and the general developments which has taken place, a second transcontinental line is an absolute and imperative necessity. As I stated last night, the Canadian Pacific Railway has done a great deal for Canada. It has rendered admirable service, but owing to the location of that line, which closely hugs the north shore of Lake Superior for about one hundred and fifty miles, an interior line behind the height of land is necessary—a line that will open up a new avenue between the east and the great Northwest. There is a great deal of force in the argument that the water-ways of this country will greatly facilitate the carrying of the surplus products from the Northwest; and the transportation of the necessaries of life into that country for its increasing population. But, while that is the case, owing to the enormous increase of population and of products for export, a six or seven months avenue via water is not sufficient, however cheap or good it may be. We want an all the year round system whereby the products of that country can be carried to the seaboard at all seasons. We must admire our water-ways, which are contributing so largely to the development of the country, and I have no doubt that from year to year very large warehouses and elevators will be erected upon the south shore of Georgian bay, on the west end of that bay, and on the eastern side of Lakes Huron and Erie. I have no doubt, at the different railway points, it will be found necessary to erect very large warehouses to receive the grain required for the millers throughout Ontario as well as for export. But after all, while that will be the case, the focusing point at which the greater part of the grain will be gathered will undoubtedly be Port Arthur and Fort William. The Canadian Pacific Railway Company have erected very extensive warehouses there. The Canadian Northern is following on the same line, and I have no doubt when the Grand Trunk Pacific is built they also will establish a connection at Thunder Bay and erect very large warehouses to store grain for export. But after all that is done, and with all the facilities and cheapness resulting from the utilization of our water-ways, we cannot afford to be for four or five months of the year frozen up, without an ample outlet for the products of that western country, if it was found advisable to export them during the winter months.

Another point to which I would draw the attention of the House is this: I do not think it fair or just to grant aid to the Grand Trunk Railway to enable them to build a line from Quebec to Winnipeg without also aiding the Canadian Northern and the Trans-Canada railways. These lines were hammering at the doors of parliament for aid to construct a road that would virtually follow the same course that will be adopted for the Grand Trunk Pacific. The question which I am sure presented itself to the government is this, whether it is better for us to offer a uniform system to all the different applications and to all the constructed roads, or build a first-class, well-graded line with easy curves, built on the very best possible style known, laid with heavy steel rails, and give to all roads running into Winnipeg running powers over that line to eastern points. If the principle of allowing all lines to utilize that road during the months they would want it most—and I have no doubt the government have come to the conclusion it can be so adopted, it is a much better scheme to have subsidized the Grand Trunk Pacific than the Canadian Northern and then possibly another line, and we do not know how many more that might look for subsidies. Under present conditions, the government would be able to say we have built one first-class line. We have let it to the Grand Trunk Pacific with the specific understanding that the government have the right to grant running powers over that road from

Winnipeg east on equally low terms with those on which the Grand Trunk Pacific is permitted to use that line.

If the Canadian Northern want to use it, they are to get the right to use it. If the Canadian Pacific Railway should decide to take advantage of the provisions of this contract, there is nothing in the world to prevent them doing so, and if the Trans-Canada line or any other line undertake to extend their road west of Winnipeg they have nothing to do but to apply to the government, and terms can be arranged by which they can utilize that line to the best advantage during the months that the lakes are frozen, because I feel quite sure that it will not be used during the months of navigation to the extent that it would be if there was no navigation at all. The reason why the government came to the conclusion that this was the best scheme to adopt is owing to the fact that for the summer months when navigation is open, the line will not be overburdened with work. It may do but a limited business. Undoubtedly, along the line there will be some business to be done, but it will be very limited when compared with what it would be if they had not the lakes and water-ways to contend with ; but owing to the fact, traffic will be limited and viewing it from that standpoint they came to the conclusion that an arrangement of this kind would be the best thing under all the circumstances and I am willing to give them the opportunity of working it out as I have no doubt that they made thorough and careful investigation before they came to the conclusion that a line built in the way that they propose, would be the best scheme to adopt. Another thing, in my humble opinion, is that a line such as proposed by the Grand Trunk Pacific is an imperial necessity. We know that we are at present on the most peaceable terms with our neighbours to the south. I had the privilege of drawing the attention of this chamber to this point last year. I do not think it will be considered amiss if I again refer to it. We live on the most peaceable terms with our friends to the south, and we most earnestly hope that the day will never come in the history of this country when we will be forced to take up arms to defend ourselves against an invasion from the United States. We want to live on the very best and most friendly terms with them. Allow me also to draw the attention of the House to the fact that England is one of the most peace-loving nations on earth. She advocates peace. She never advocates war, but after all there is not a nation on earth that makes such preparations for war as England does. She keeps the largest navy, larger than any other two nations in the world. She does not keep the largest standing army, but she undoubtedly has a well equipped, thoroughly efficient up-to-date army, notwithstanding the fact that she is the strongest and foremost advocate of peace the world knows. While we advocate peace, and hope it will continue, after all we are justified in looking into the future and in doing so we must come to the conclusion that if any difficulty were to arise between us and the United States—and as I said, and I cannot repeat it too often, we hope that is may never come—under present conditions a small steamer loaded with two or three guns could demolish the Canadian Pacific Railway for one hundred and nfty miles along the north shore of Lake Superior and cut our Dominion in two. The result would be that the population of the east would not be able to render any assistance to the west, and the population of tne west would not be able to render any assistance to the east. Again we know perfectly well that matters are very much disturbed in the far east at the present moment. We know that the United States has taken a very prominent part in questions of nationl defence, far more than she ever did previously ; we know that she is spending this year over $80,000,000 of money upon her navy. We know that she is coming to the front as a naval power as rapidly as she possibly can. We know that the United States have within the last year decided that they will deepen the Erie canal which runs from Buffalo to Albany. We know that they purpose cutting it to a depth of twenty-one feet, so that it will carry any ordinary boat from the Hudson through to the upper lakes. While she is doing that I dare say from a trades standpoint, to compete successfully with the Canadian water-ways, it is at the same time opening up an avenue by which they will be able to run gun-boats from New York or any point on the Atlantic straight up to the great lakes. There is no doubt about that. I do not say that that

will ever occur. We hope it never will. We hope there will be no necessity for it, but these things are being done. Now is it not wise on our part to construct a road at a respectable distance removed from danger, beyond the height of land, beyond the enormous rocky regions which in the case of trouble rising will form a protection to us. The region is very rough.

Hon. Mr. BOLDUC—What about the section between Quebec and Moncton ?

Hon. Mr. McMULLEN—I am drawing the attention of the House to that portion of the road between Quebec and Winnipeg. That portion of the road between Quebec and Moncton will have to run very close to the northeast corner of Maine. That is quite true, but when we get to Quebec we are fairly safe. We can take the eastern line and run down to tide water or we will have two lines. We will have the Intercolonial Railway which will be undoubtedly an advantage to us. If the first line should be interfered with, we will have a second line, and if they interfere with the second we will have our own eastern line on the north shore of the St. Lawrence which will carry us to tide water. The most dangerous point is that point along the north shore of Lake Superior. I contend that from that standpoint a second transcontinental road is an absolute necessity.

Hon. Mr. McMILLAN (Alexandria)—May I ask my hon. friend if the Grand Trunk Pacific did not give notice that they would build from North Bay so as to avoid that very point ?

Hon. Mr. McMULLEN—Yes. I might say in reply to my hon. friend that the Grand Trunk applied for a charter to build from North Bay west. There is no doubt about that ; but, after all, they would not give us the advantage of an interior line the whole distance. We might have from North Bay west, but there is a very important section both in Ontario and Quebec that would not benefit by the construction of a road of that kind, and, after all, we had better be honest with ourselves and admit that we are selfish, and we cannot blame any province, if it is selfish. We in Ontario would like to get that road and the people of Quebec would like to get that road. Can you condemn them for it ? The people of Nova Scotia are the parties who are largely, no doubt, at the back of the movement for the construction of the road from Quebec to Moncton. Can you blame them ?

Hon. Mr. FERGUSON—There is not one foot of it in Nova Scotia.

Hon. Mr. McMULLEN—They must have been a very strong element in the government advocating the construction of the section, or it would not have been adopted. There must have been a strong feeling in the province of Nova Scotia that the construction of that line would tend to bring the surplus produce of the Northwest down to the seaports of that province. There must have been a strong conviction that when they were spending a very large amount of money to secure as great a share of the traffic in western produce as possible the reason which made them advocate the construction of that line was to shorten the distance the produce would have to be hauled to reach Halifax or any other part in Nova Scotia. There is no doubt about that. From the Quebec standpoint, we all admit that the immigration policy that has been adopted and carried out in Canada for many years has been to get the people to settle in Manitoba and the Northwest. We have been spending four or five hundred thousand dollars a year on immigration, and I think it is well spent. I am glad to see that there has been a magnificent success attained in the bringing of people into this country, and it is settlers we want. There has been an enormous amount of money spent. In all the immigration pamphlets that have been issued, every effort that has been put forth has been largely on behalf of Manitoba and the Northwest. We are satisfied that that should be so, but after all the time has come when there is a section in the province of Quebec that our people believe should be opened up. There are large areas of cultivable land there to be settled. I cannot speak from personal knowledge, but reading the reports that have been published, and taking the opinions of men who have spoken apparently intelligently on that subject ; there must be sections of land in the province of Quebec, between Lake St. John and Lake Abitibi that could be developed and become suitable as homes for settlers.

I had a letter a short time ago from the state of Illinois. There are quite a number of Canadians who are settled in that state, and for some reason or other they have been speaking recently of migrating to Canada, and naturally they would like to go to the province of Quebec. They are French and speak the French language. Their instincts lead them to form associations with their own people and who can blame them.

They want to go to Quebec and I had a letter of inquiry from a friend of my own, if there were any sections there that those people could go and settle on. I wrote to the premier of Quebec and got information from him and wrote back. He thanked me kindly for the information I had afforded, and undertook to send it to those people as being the very information they required, and I do not know, but that it may be the means of bringing a large influx of people from that section to the district of Quebec, that will be opened up by this line. Would that not be a good thing? It is population we want. In New Ontario it is generally considered that there is a district of country through which this road will run that is equally as good as some sections in Manitoba and the Northwest. It is said we have a clay belt there that eventually will be utilized for agricultural pursuits, that will produce many things with which a considerable export trade can be carried on. We hope that is the case. I was talking to a man a few days ago who told me he had put in eight years exploring in that country. He has put in every summer and during that time three winters. He says there is a district of land which is capable of being utilized in agricultural pursuits quite as large as the settled portion of eastern Ontario. If that is the case it will be a good thing for the province to open that portion of the country. Besides agricultural land there is a very large amount of timber there, that can be taken out. There are no facilities for taking it out by the streams, because the streams run towards Hudson Bay, but by having a railway so that the timber can be marketed, there are large areas of forest which will be exceedingly valuable. If we can develop that part of Ontario, I think it will be a good think. Ontario is anxious for increase of population just the same as any other province, and the building of this road will contribute to the development and prosperity of every one of these provinces even through New Brunswick where I am rather disposed to think the road has not many friends, but after all I believe there is a district through which this road proposes to run that will be opened up and although it has a very sparce settlement now I have no doubt that towns will spring up there and population will increase. Take the northern portion of Ontario north of Lake Superior where the Canadian Pacific Railway runs, consider what has happened there. Look at the centres of trade that have been established where there is apparently nothing but rocks and nothing for the people to do unless at some landing or to work on the Canadian Pacific Railway line. After all, towns have grown up and some sections have been utilized for agricultural purposes and considerable has been accomplished. That is a good thing. If that is done in a region so rocky, rough and so undesirable from a settlers standpoint along the north shore, what will be the result if you open a section of country that is supposed to contain agricultural lands, that is supposed to contain a very large amount of timber, and also that I earnestly hope will prove to contain coa that will supply some portions of this Dominion. From an imperial standpoint thi line is a necessity. From a peace and defensive standpoint it is a necessity, and therefore I consider that the building of the road is beyond all question a patriotic act, and something which we should endeavour to carry out as rapidly as possible. Some of the advocates of imperial federation and the policy proposed by Mr. Chamberlain say that if a proper development takes place in Manitoba and the Northwest, we can supply England with her daily food from the beginning of the year to the end of it. Well, I should be glad indeed if we could do it. I have that faith in our country which enables me to say conscientiously that I believe that inside of ten years the population of this Dominion will be so increased that we will be enabled to supply the foodstuffs required by the mother country. There is another point to which I want to draw the attention of the House. We know that we have now a very large influx of population into Manitoba and the Northwest. We

hope it may continue, but should there be a failure of crops for a year or two, and we earnestly hope that no such catastrophe may overtake that country, it would give it a set back from which it would not recover for fifty years, if we had not public works under construction which would enable the people to earn a living, and to take up locations and make homes for themselves. We know that the construction of this railway will be a decided advantage in that regard. There is no immigration policy on earth in a new country equal to public works well and properly carried out. Take the history of this contenant. What did the United States do after the close of the war, when they obtained their independence? The first think they did was to spend money lavishly in building canals. They built no less than thirty-eight canals, some of them over three hundred miles long, at an enormous cost. They are valuless to-day, but they were the means of bringing population into the United States. People in the United States got to learn that where there were plenty of public works going on, and where there was an opportunity of earning money, immigrants would go there, and although the government spent some $200,000,000 in the construction of canals which are to-day, to a large extent, useless, what did they accomplish? They brought population into the states. It supplied the people who came into the states with plenty of work, and they earned money. What was the first start in Canada after the close of the United States war. Why, it was the building of the Welland canal upon which a very considerable amount of money was spent. There is no doubt about that—and very extravagantly spent. I do not know but there was, perhaps, more extravagance in connection with the construction of that work than with any work that was ever inaugurated in Canada; but, after all it was the means of creating employment for the people who came from the old country, and we can point to homes in Ontario to-day where the occupants of those homes earned the first dollar they ever made in the construction of the Welland canal. In the construction of that work and I believe the way they were paid was that they got part script and part money, and for that script they could go to any place in Ontario and draw land. In several sections of this province there are yet living the heirs of those who worked on that very work and drew land with their script. You have a similar experience in connection with the construction of this railway. All over the civilized world people will hear of the enormous public works and large expenditure of money in Canada, and will pour into the country to work on the road, and after working a year or two will become settlers and help to develop the country. From that standpoint this road will be a great benefit to Canada.

There is another point to which I would direct the attention of the House, and that is the value of this route for the exporting of cattle from Manitoba and the Northwest, which is becoming a large and important business. The cattle have to go out by rail; they cannot very well be shipped on boats. It is well, therefore, that there should be roads through the northern as well as through the southern parts of the Northwest Territories. These cattle will probably be shipped in the early part of the season before the opening of navigation. That is a point on which my hon. friends from the Northwest will be in a better position to speak than I am, but I have no doubt that the exportation of cattle will be largely over those lines, and the better, the straighter, the more complete this Grand Trunk Pacific line is the better will be the facilities to get those cattle to the sea-board.

There has been a great deal of cavalling with regard to the probable cost of the line north of Lake Superior from say one hundred miles west of Quebec until we come to the eastern border of Manitoba. There has been, and no doubt there is, a good deal of guess work as to what the probable cost of the line will be, and especially the portion through the Rocky mountains and westward to the coast. The reason is simply this; the cost of getting in supplies is a serious matter in building a road through an unsettled district where there are no roads. The Canadian Pacific Railway in building their line north of Lake Superior realized this. I have no doubt they would have liked very much to have gone north of the height of land, but when they came to realize the cost of getting supplies across the rocky ridges north of the lake to support those engaged in building the work they thought it better

to keep close to the shore where for one hundred and fifty miles along Lake Superior they could deliver supplies as they wished during the progress of construction. That was very great advantage. The Grand Trunk Railway has had its engineers over the line proposed from Edmonton to the Pacific. They have made a through investigation of it and have come to the conclusion that a guarantee of $30,000 a mile would not represent anything like three-fourths of the cost of constructing the section from the foot of the Rocky mountains to the Pacific coast. And I have no doubt they are correct when we come to consider the cost of getting supplies into that district. We have the history of the Canadian Pacific Railway and of all the transcontinental lines in the United States, and we know that it has been found impossible to construct the Rocky mountain section of any one of them for less than $60,000 a mile. I have no doubt that the Rocky mountain section of the Grand Trunk Pacific will cost as much, and one thing that will largely contribute to that cost will be the difficulty of getting supplies into that district. I have no doubt that the Manitoba section can be constructed for from $13,000 to $15,000 per mile, because that prairie section can be easily constructed and supplies are available along the road. Nearly everything that is needed can be procured, and that will tend to cheapen the cost of constructing that section. But when you come to the section extending from Winnipeg to within one hundred miles of Quebec you have a very different state of things, and it will unquestionably cost more. I do not object to the government guarantee of $13,000 per mile for the prairie section ; if they had gone as high as $15,000, although I believe that will more than build the road, there is no danger after all of that section of the line ever going back into the hands of the government. The only danger is in connection with the eastern section and the Rocky mountain section. I do not think there is much danger of either of them going back, because if the Rocky mountain section cost $60,000 a mile the Grand Trunk Railway would have to provide one-third of the cost. That would mean an expenditure, at the estimate I have given of $15,000 per mile for the prairie section, which would amount to a large sum, and the Grand Trunk Railway would be very careful about taking any risk of expending that much of their own money if there was danger of losing the road and having it fall into the hands of the government. I do not think there is any probability of that occurring ; I think it will be a successful undertaking.

Keewatin is an immense territory. We do not know as yet what it will develop into, but this line will pass through a portion of that district before it enters Manitoba. It will be the first line to touch Keewatin at all. I have heard some one say who has traversed the country west of Hudson bay, that there is nothing to prevent a portion of that district becoming a good grazing country, and we hope that the ultimate result of building this road will be to develop that section of the province. Then we have the opening up of Hudson bay itself. We earnestly hope that a great fishing industry will be developed in that bay, and that one of the first things done as the result of building this road will be to construct a branch line that will tap the waters of that magnificent inland sea. The Ontario government is now extending a line northward towards Hudson bay, and I have no doubt that very soon an important fishing industry will be developed there. Then as to minerals. I have seen excellent specimens of gold from the shore of Hudson bay, as good as I have ever seen from any part of the world. If gold should be discovered there in paying quantities we will have a very large mining industry and that also will furnish traffic. All these things will stimulate trade, attract population and increase the wealth of the country, and it is such increase that we want.

Now with regard to the two points that the Bill asks for, I think both of them are wise and prudent. In the first place I feel certain in my own mind that a guarantee of $30,000 a mile would not do much more than cover half the expenses from the foot of the Rocky mountains to the Pacific. It would require about double that amount per mile. In that view you could hardly consider a guarantee of $30,000 a mile on a road that would cost $60,000 a mile a serious risk. A mortgage for one-half its value could not be regarded as a very great concession to the company. You can generally mortgage pro-

perty for one-half its value. I have no doubt the bonds would bring nearly as much with the guarantee of $30,000 a mile as they will under the proposed guarantee, but the company want, and no doubt they are correct in their estimate, a guarantee for three-fourths of the cost of the road. Even with this change the government would be quite safe. I have no doubt they would look closely after the expenditure of the money upon that section of the road. In the interest of the country it is necessary they should do so. I am quite sure they will not allow the Grand Trunk Pacific to put in all manner of charges together with the actual cost of construction of the line. I hope the government will see, and I have confidence in them that they will see that the money for the construction of that line goes into the work itself and that proper supervision is had, so that full value will be given for every dollar.

The request for an extension of time, I think, is reasonable. Such extensions have been found necessary in connection with nearly every large undertaking. It was found necessary when the Canadian Pacific Railway was constructed; the time under the first contract was considered altogether too short. Then in the case of the Chignecto Ship Railway—although it was a work in which very few had confidence—the time was extended more than once, and prudently extended. In this case, no doubt, the company want to be in a position, when they undertake to finance this contract, to show that they have ample time to carry out the work, so I raise no objection to this paragraph. I have not myself carefully investigated the Bill. I have read it very hurridly and I hope that the government has guarded themselves at every point where there would be any risk of extravagance. I hope they have guarded themselves in the issuing of the bonds which they are guaranteeing, as to the amount to be issued, the interest they will bear, the denomination, and so on. If I remember right in the Act they have made provision for those things.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. McMULLEN—If they have done so, it is all right. I can easily conceive if the government had not made provision for that how easy it would be for an unscrupulous company to ask a guarantee for bonds issued for a very long time at a high rate of interest, which they could place on the market and pocket a very large sum by the selling of the bonds above par. I hope the rate of interest will be such that they will not be able to take advantage of the country.

There is another provision of the Bill which has been found fault with, and that is with regard of the company being in arrears for interest for some five years before the government can take over and control the line. The point was raised in the other House that possibly the company might be in arrears for four and one-half years interest and by paying a half year's interest they could go on six months more, and at the end of that time say another six months interest, and in that way keep out of the hands of the Dominion treasurer some six or six and one-half years of accrued interest. I hope that this measure will not permit anything of that kind to be done. I do not believe that the government would sanction a Bill that would tolerate anything of the sort, and that they will provide against such a position, and that if the company run in arrears they will have to pay up the interest. Another provision should be made, that if they are in arrears, a certain amount of the receipts of the line should be set aside to meet over due interest until the amount is wiped out. I earnestly hope that all these conditions and stipulations will be provided for. Possibly they are already provided for.

I have about covered the different points that I did not touch upon last night. I have endeavoured to point out as best I could why we should support the construction of this road. I believe the government is sincere and truly patriotic, and are doing the best they can for the country in undertaking the construction of this line. They will endeavour to show the people when it is built that it is a decided advantage to the Dominion. I believe this great work will be constructed without any extravagance. I earnestly hope that the commission which has been appointed to look after the eastern section of the road will discharge their duties faithfully and fearlessly.

Hon. Mr. LANDRY—Has that commission been appointed?

Hon. Mr. McMULLEN—I do not think it has, but the government have intimated their

intention to appoint a commission to overlook and supervise the expenditure in connection with the construction of the Transcontinental Railway. I do not know exactly how it is to be done, but I am sure they will take steps to guard the interests of the country at every point. The sooner we get that road the better. The future of Canada points very strongly to its being a necessity. With the enormous influx of settlers, it is the very best safeguard against conditions which might prove very serious to us as a people and a country. I think public works are the very best protection against disastrous conditions which might otherwise overtake us, and I have no doubt by the time the road is built Canada may contain seven or eight millions of people. We know that when the construction of the Grand Trunk Railway was being carried on, there was a very large influx of population into the country and many parts of old Canada were settled then which would not otherwise have been settled for years. It was so with the Canadian Pacific Railway and other roads. We know also the enormous advantage railway building was to the United States; I question very much if that country would contain the enormous population it has to-day if it had not been for the enormous expenditure on railways. They have grid ironed their country with roads and large towns have sprung up in districts which would have been unknown to-day had those lines not been built. There is nothing like a railway to open up a country, nothing that can contribute more to the settlement and welfare of the people. By the construction of this National Transcontinental Railway through Ontario and Quebec, Keewatin and Manitoba—which is now fairly well accommodated—and through the western territories and out to Port Simpson great facilities for exporting will be opened up, population will flow in, and in ten years what is now looked upon as the tail end of this Dominion may become the head and chief portion of it. Manitoba and the Northwest Territories may have a larger population in twenty years than the eastern provinces. If that should be the case, I hope they will use their powers prudently and well. I have been amazed at the enormous growth and prosperity of Winnipeg. It is a marvel in itself. No other city in the Dominion has made such strides. I hope when this road is built other Winnipegs will spring into existence. There is plenty of room for them, but Winnipeg will be the great commercial centre and the Grand Trunk Pacific will connect with it. Looking at it from an imperial standpoint, from a Dominion standpoint, from a provincial standpoint, or from the standpoint of the safety of our homes and the people who are to follow us we should have transcontinental line which will afford the means, if England chooses to assist us in the hour of danger, by which the provinces of the Dominion and every portion of the empire can co-operate in defence of the country. The road is a necessity, and I hope we will live to see it in operation. I hope many who hear my voice to-day will have the pleasure of travelling by this great highway from the city of Quebec right through to Port Simpson and behold the development that will surely take place, and realize the advantages to Canada of the construction of that great line.

Hon. Mr. McMILLAN—I must confess that for one who has admitted that he has not read the Bill before us, my hon. friend from Wellington has made an able speech on the subject. Nothing was left unsaid that he had already said last year and this year on the subject with the exception of the bonding privileges. He made an admirable speech I must admit, but I am sure he has failed to convince others as well as myself that this road is a necessity.

I must now turn my attention a little to my hon. friend from West Elgin (Hon. Mr. Wilson), a gentleman I have known for many years, and whom I intended to follow last evening, but was prevented from doing so by a little circumstance. He delivered a lecture to the Conservative party on the subject of their sudden conversion to government ownership. Had he been just, my hon. friend should have gone into the question of conversions generally. He ought to have told this House how Sir Richard Cartwright had become a convert from free trade to protection. He could have shown how Sir Richard Cartwright has been converted from thinking that the extraction as he used to call it, of $35,000,000 from the pockets of the people, which was being spent by the Tory government was extravagant and wrong, to defending to-day the extracting of $65,000,000 from the tax-payers

of the country. He might have touched on another subject with regard to Sir Richard Cartwright. He might have searched the Commons 'Hansard' of 32 or 33 years ago and found there that Sir Richard Cartwright had stated that they might just as well throw the millions of dollars that this country was expending on the construction of the Canadian Pacific Railway into the sea, as put it into such an unwise project. He might have looked at the speech of Sir Wilfrid Laurier, who is so enthusiastic to-day over the idea of building a second transcontinental line, and found where he advocated the idea that the Northwest could never be approached except through United States territory. He might have quoted Mr. Blake as saying that the wonderful province of British Columbia of which they speak now in such glowing terms, was only a sea of mountains and not worth the cost of building a road through it.

Hon. Mr. WILSON—Mr. Blake's remark was a quotation from a remark by a Professor of Queen's University.

Hon. Mr. McMILLAN—He quoted it because he approved of it. My hon. friend might have gone a little further and shown that the whole party was opposed to the building of the Canadian Pacific Railway, particularly north of Lake Huron, and that they offered as a substitute at the general elections in 1874, what ?

The water stretches route where they sunk ninety thousand or one hundred thousand dollars, on works which to-day are inhabited by bullfrogs and muskrats. The whole party supported that, so that he should have read a lecture to his reform friends and say that they had suddenly become converted from the opinions they held then. They opposed the building of the Canadian Pacific Railway. They opposed even the purchase of the Northwest Territories that they now value so highly, and they thought the Tories were paying too much for it when they bought it from the Hudson Bay Company. They were wrong in opposing the building of the Canadian Pacific Railway, and unless they are in a position to show that they have received some supernatural inspiration since then, they are bound to be wrong now. I cannot see it in any other light. That is precisely the stand that they ought to assume, unless they can show some more tangible reason, some better ground for their conversion and show that we are now wrong although we were right thirty years ago. So much for my hon. friend from west Elgin. Now the hon. gentleman from de Lanaudière, in the opening remarks of his speech, said that this was the most important Bill that had been presented to parliament since confederation. I certainly agree with him that it is a most important Bill, but the importance of the project is one strong reason why we should be careful not to take a leap in the dark. For that reason we ought to proceed slowly ; we ought to proceed carefully with full knowledge of where we are going to build the road, and ascertain whether it is prematurely forced on the country or not. Let us look at the question from a business standpoint. Who has asked for this road ? Has any body of business men asked for the road ? Have the farmers of the west asked for the road or have the merchants or manufacturers of the east asked for the road ? The Grand Trunk Railway Company itself, which is really and virtually the Grand Trunk Pacific, never asked for the transcontinental railway ? They asked for power to build a road from North Bay to Winnipeg, and from Winnipeg to the Pacific ocean, and we must remember that no one can have a better eye for fields anew than the Grand Trunk Railway if they felt there was money in it, and that it was necessary to extend their lines into new territory. They saw where the profit was, and for that field they made an application to parliament. They asked for the road then from North Bay to Winnipeg and from Winnipeg to the Pacific coast. They asked in that admirable, wonderful and confidential letter which was subsequently submitted to the House, for a subsidy of six thousand dollars in cash and four thousand acres of land per mile. Now there is something peculiar, something very hard for people who are outside and cannot possibly see into the details, to be able to follow the history of this matter. In 1902 the Hon. Mr. Tarte resigned his portfolio in Sir Wilfrid Laurier's administration, and after he had done so he toured this country from east to west and addressed large meetings at many important centres advocating the importance of deepening our canals and the importance

of the transportation question generally. He pointed out clearly that if we did not make a move in that direction, the traffic that virtually and really belonged to us would find its way through the channels of the United States to the sea-board. We also find that in 1902 Mr. Blair made a speech at Vancouver or Victoria, I do not remember which, in which he promised, or, rather, stated, that he was seriously considering the advisability of having a government transcontinental railway built across this country, and he mentioned the extension of the Intercolonial Railway to Georgian Bay. We find also that in 1902 an application was made to parliament by the Grand Trunk Pacific for a charter, in November I think ; and in December 1902, if I am not mistaken, a letter asking for aid was sent confidentially to the premier, stating upon what terms the company would be willing to build this road. All these propositions were before the government in the latter part of 1902. Parliament met in 1903, and as a blind—for we can see nothing of it now—as a blind, a paragraph was placed in the speech from the Throne stating that a commission would be issued to investigate this very important question of transportation. It would never do to allow Hon. Mr. Tarte to get the credit of having forced upon the government the idea of deepening our canals. It would never do to allow Mr. Blair, who had evidently taken the bit in his teeth in the cabinet when he advocated the building of a transcontinental railway owned by the government ; it would never do to allow him to have his way ; so in order to get rid of both of these gentlemen—and it happened that it was not very long until they got rid of Mr. Blair—this paragraph was inserted in the speech from the Throne, but they kept in view all the time, evidently, the fact that the Grand Trunk Pacific, an important corporation, had made an application, and that they would seriously consider what to do with reference to the deal that was to be placed with that company. It was evident at this time that the period of incubation had begun. This incubation began suddenly without appointing the commission, remember ; but as a matter of shame the commission was subsequently appointed, and are perambulating the country to-day, for what purpose ? The Lord only knows, for their report cannot possibly be used for years and years to come, even if it should be in favour of the building of the canal. But suddenly, while this period of incubation was going on, a resolution was presented to the House by the Right Hon. Sir Wilfrid Laurier, asking that the Act which he intended to introduce, ratifying the contract that had already been made with the Grand Trunk Pacific Railway Company, should be passed by the Dominion parliament, confirming the contract as he and his friends had made it. That contract, of course, was, as hon. gentlemen know, with the Grand Trunk Railway Company to build a road from Winnipeg to the Pacific ocean, and the building by the government of the eastern section and leasing of it to the company for fifty years. The failure to comply with the terms of that contract on the part of the Grand Trunk took place. Whether that failure was accidental or not, we cannot say, but there is one thing quite evident that as a result of that failure the Grand Trunk Pacific Company will evidently pocket many millions. Moreover it looks almost as if that scheme had been contemplated, because our government, extravagant as they are, anxious as they are to precipitate everything on the country in the way of expenditures, they even were afraid to present it in one Bill, and had to make two bites of it. The result of that failure, however, was that a new Bill had to be presented to parliament, and that is the Bill we have before us to-day. Let us compare some of the clauses that are contained in the present Bill with the clauses of the former Bill. In the eastern section the road is to be leased to the company for a period of fifty years, and an extraordinary feature of the Bill is that instead of giving the company the option of continuing the lease for the next fifty years, the tenth paragraph is amended by adding thereto the following clause :

Provided further that in the event of the government determining to undertake the operation of the said eastern division, the company shall be entitled for a further period of fifty years to such running powers and hauling rates as may be necessary.

The option is not with the government. The company have the power to continue, and even if the government should put an end to the contract at the end of fifty years, according to the reading of this clause, the

company have the right to say: 'We will not accept the position; we have the road and want to continue it for another term.'

Hon. Sir MACKENZIE BOWELL—Hear, hear.

Hon. Mr. McMILLAN—Another extraordinary feature in the contract is that the company is to have the road free for a period of ten years instead of seven as in the former Bill. That is a very important matter, and a matter that involves many million dollars. Of course we are dealing in millions to such an extent that we do not really follow the figures. There are many other things I could say with reference to these two sections. For instance there is a clause in the contract which obliges the government, at the end of the lease, whenever it may be—the chances are if it is a hundred years we will not live to see it——

Hon. Mr. SULLIVAN—Not likely.

Hon. Mr. McMILLAN—There is a clause in the contract which says the government is obliged to take over such branch lines as the railway company may not require. Those who are in opposition to government ownership of railways will have an opportunity of perhaps having a few little lines of government railways on their hands at the expiration of that time. Now let us consider the mountain section. The government guarantees three-quarters of the cost of construction, and when my hon. friend from Wellington spoke of the change as a beneficial one he admitted that it might cost sixty thousand dollars per mile. In the former contract they were only bound to guarantee $30,000 per mile. Their obligation was to be held at $30,000 a mile, while under this amended contract there is no limit to it. It is to be three-quarters of the cost, whatever that cost may be. That means a great advantage to the company. There is also an extension of the period for which they were to have the interest free. It is extended from seven years to ten years. Then we come to the clause referring to the prairie section, and what does that say? The saddle is put on the other horse then. The limit to which the company will hold the government down is, that they will become responsible to the extent of $13,000 a mile not three-quarters of the cost Why? For the reason that it will simply cost somewhere about eight or ten thousand dollars per mile only to construct a great many miles of that section. Some hon. gentleman said 'humph,' whatever that means. I can tell the hon. gentleman that I have an estimate from as good a man as there is in Canada, who has built railways, and he told me that $8,220 per mile will build a great many miles there, what number of miles he could not tell me for the reason that he did not know the territory or district; but from eight to ten thousand dollars we are safe in saying will build a large portion of that prairie section. He has even given me the cost of grading and cost of track laying, the cost of the ballast and ties and the cost of steel and fastenings, and they amount to $8,000 a mile.

Hon. Mr. WILSON—How much does the hon. gentleman allow for the right of way?

Hon. Mr. McMILLAN—It cannot cost very much there, but supposing it was $1,000 per mile, that would be only $9,200. Now with all these advantages in favour of the company hon. gentlemen we can clearly see why this second Bill is before us. It is as apparent as noonday. There is money in it to the Grand Trunk Pacific.

I have already referred to the period of incubation. It was short for so vast a scheme, and when the egg was broken to the House the product was minus the feathers, no surveys, no plans, no information could be given as to the nature of the country through which the road was to pass was given to the House, and without this information, of course no estimate of the cost could be given. It might be $150,000,000, $170,000,000 or $200,000,000; no one yet knows, and the only reason the government could offer in such precipitation was that the bonding privilege with the United States was in danger. Now, I will come to the point at which I maintain this honourable House should show its usefulness—it is co-equal in power and authority with the House of Lords in England, and Todd in his book on parliamentary work says in vol. 1, page 36:

> As an independent branch of the legislation, they are therefore entitled to exercise a very substantial power, which should serve as a positive check upon the lower House where it may have been induced to act with unwise precipitation.

If even there was a case of unwise precipitation it is here—no mandate power or authority was given by the people of this Dominion at the last election to embark on such a vast project as this, creating a burden on the revenues of the country, the extent of which has yet to be ascertained. The only petition that came from the people in reference to this project since the election, was cartloads of petitions against it, but no notice was taken of them. What does all this mean? It means the creation of an enormous debt. Our debt now is nearly $50 per head of the population, and it means a doubling of that debt for the building of this new transcontinental railway. The scheme, I repeat, is unasked for, is at present unnecessary and is therefore prematurely an indefensible expenditure.

For these reasons and for many more forcible reasons given by hon. gentlemen in the Senate, and for the very able and powerful arguments advanced by the opponents of this Bill in the lower House which were not answered by the government when under discussion to which we could not be indifferent as it proceeded, I shall vote against this Bill.

Some hon. GENTLEMAN—Question, question.

Hon. Sir MACKENZIE BOWELL—Are we to understand that the government have no one on their side to defend the Bill? If that be the case, I ask permission to make an explanation. My hon. friend from de Lanaudière (Hon. Mr. Casgrain) said he felt very much flattered when he was asked to reply to the remarks I made upon this Bill. He raised a laugh at my expense——

Hon. Mr. CASGRAIN—Oh, no.

Hon. Sir MACKENZIE BOWELL—Oh, yes; the House laughed at his quotation from a speech of mine in opposition to government ownership and operation of railways. I think he left the impression on the minds of hon. gentlemen that in my speech last year I had opposed government ownership of railways. I have read the speech to which he refers, and I find there is not a word in it that could by any enforcible construction be interpreted to refer to government ownership of railways. What I did say was that opposed as I was to the government running a railway, I would prefer this proposition made by the leader of the oposition in the other House to accept the measure then before the Senate. I also called attention at that time to what I had seen when in Australia as to the running of railways by the government, not government ownership of railways. What I said was this:

> I do not propose to compare it with the scheme or discuss it in any way. (That is the proposition made by the leader of the opposition in the other House.) But this I will say, speaking for myself, I am opposed to the government running railways, and if we are to take the Intercolonial Railway as a sample to guide us in future, all I have to say is God protect us from the financial results that must follow if the government are to own and run the railways.

Then I referred to the Australian railway system. I pointed out the other day that since the Australian railways had been placed in the hands of a practical Canadian railway manager, and removed from the government influence that formerly prevailed, he has made them pay, not only interest on the investment, but also running expenses. My hon. friend from St. Thomas made the same statement, and it seemed to be relished by those who listened to him. If we are to have a vote now, I think it would perhaps be taking advantage of the absence of a great many members, although I am afraid that those who support the government from party motives will object to my just and sensible amendment. I would suggest that to-morrow or the day following be fixed for taking a vote, and then every member of the Senate who desires to record his vote on this question can do so.

Hon. Mr. DANDURAND—We can take the vote on the third reading.

Hon. Mr. BERNIER moved the adjournment of the debate until to-morrow.

The SPEAKER—I am afraid the motion is lost.

Hon. Mr. FERGUSON—I intended to address some observations to the House before a vote was taken on this motion, but I do not feel well to-day, and would be very much obliged to the House if they would adjourn the debate and give me an opportunity to speak to-morrow.

Hon. Mr. SCOTT—I am quite willing that the debate should be adjourned until to-morrow, on the understanding that the vote will be taken to-morrow.

The SPEAKER—I understand the leader of the House assents to the adjournment of the debate, on the understanding that a vote shall be taken to-morrow.

Hon. Mr. WATSON—It is impossible to make an arrangement of that kind since the motion of the hon. member from St. Boniface has been declared lost. It is suggested that the debate end to-morrow. I do not see how that can be arranged. The hon. gentleman might make such extended remarks that he would occupy the whole sitting to-morrow, and there would be no opportunity to answer him before a division. The question now is on the second reading of the Bill.

The SPEAKER—The only way is to come to some understanding. The motion of the hon. gentleman from St. Boniface having been rejected, it cannot be renewed.

Hon. Mr. YOUNG—Unfortunately, it is impossible for the Secretary of State or anybody to bind the House to end this debate to-morrow or at any time. There is no rule which governs that. It is useless to undertake a contract which we may not be able to enforce.

Hon. Mr. DeBOUCHERVILLE—If the leader of the House consents, as I think he did consent just now, to an adjournment of the debate until to-morrow, unless there is a revolt among the friends of the government the arrangement can be accepted unanimously. The fidelity of the government supporters should show itself in that way.

Hon. Sir MACKENZIE BOWELL—There can be no question as to the correctness of the remarks made by the hon. senator from Killarney, but the practice has been in both Houses that when the leader of the House makes a proposition of that kind, and it is acquiesced in by the opposition, it is always acceded to. If, however, the hon. gentleman from Killarney wishes to take the leadership out of the hands of the hon. Secretary of State, I have no objection. If the hon. gentleman thinks there will not be time enough to complete the debate to-morrow it can be arranged to take the vote the following day, but as the hon. gentleman says neither the leader of the House nor any one else can bind the House, every one is free to take the position he thinks proper. I am glad to see that my hon. friend is so independent. As a matter of courtesy to the leader of the House, his suggestion should be acceded to by his followers.

Hon. Mr. WATSON—I have never seen such a suggestion as the hon. gentleman has made just now carried out under the circumstances. The suggestion is that an hon. member shall have the right to speak to-morrow and possibly keep the House for three or four hours until the very close of the debate. Such a proposition has never been acceded to, and I have never heard of such a suggestion being made.

Hon. Sir MACKENZIE BOWELL—The suggestion did not come from this side of the House. It was made by the leader of the House.

Hon. Mr. FERGUSON—I understand the only objection is that my remarks might be extended, and it is not desirable that the House should be tied to taking a vote to-morrow night. Why not arrange to take the vote Thursday night.

Hon. Mr. DANDURAND—I should not like the hon. gentleman to limit his remarks to a certain time, but can he tell us how long his speech will be.

Hon. Mr. SULLIVAN—We would all like to hear a carefully thought out exposition of the whole subject, and unless those who are going to vote against the amendment are afraid they will be converted, there seems to be no reason for their objection to the suggestion of their leader. I hope they will be converted sometime to what is good—that they will change from the evil course they are pursuing in this debate. The leaders on both sides having agreed upon this, I cannot see what objection anybody can have to adjourning the debate.

Hon. Sir MACKENZIE BOWELL—Suppose we compromise by saying that the vote will be taken Thursday.

The SPEAKER—By consent of the House the hon. gentleman from Marshfield can move the adjournment of the debate without any stipulation at all.

Hon. Sir MACKENZIE BOWELL—The suggestion of the Speaker is a good one, but the rule is distinct that you cannot make a motion of that kind without something intervening. In order to accomplish that, I move that the House do now adjourn. The

intervening motion made by the hon. gentleman from St. Boniface, it can be defeated and my hon. friend can then move to adjourn the debate.

The motion to adjourn the House was rejected.

Hon. Mr. FERGUSON moved the adjournment of the debate.

The motion was agreed to.

BILLS INTRODUCED.

Bill (123) An Act to incorporate the Kingston and Dominion Central Railway Company.—(Hon. Mr. Sullivan.)

Bill (126) An Act respecting certain patents of Siegfried Gironcoli.—(Hon. Mr. Poirier.)

Bill (129) An Act respecting certain patents of Edwin R. Cahoone.—(Hon. Mr. Kerr, Cobourg.)

Bill (130) An Act respecting the Huron and Ontario Railway Company. —(Hon. Mr Kerr, Cobourg.)

MUTUAL RESERVE FUND ASSOCIATION COMMITTEE.

Hon. Mr. CLORAN—I call attention to the fact that the evidence given before the select committee appointed to investigate the standing of the Mutual Reserve in Canada has not been printed and distributed. Parties have asked me for it.

Hon. Mr. SCOTT—I gave orders to have it printed promptly. They sent up some copies of it, and Dr. Dawson says they were sent back. They did not want them until they were all in. I do not know who gave the order to have them sent back. I gave orders to send them up promptly as they were printed.

Hon. Mr. LANDRY—Could not Dr. Dawson tell us who gave him that order ?

Hon. Mr. SCOTT—He is out of town today attending a meeting of some society, of which he is a member.

Hon. Mr. LANDRY—In the meantime, could an order be given to have those copies sent back to us ?

Hon. Mr. SCOTT—I shall try to have it done.

NAVIGATION OF CANADIAN WATERS ACT AMENDMENT BILL.

THIRD READING.

The House resolved itself into Committee of the Whole on Bill (112) An Act respecting Navigation of Canadian Waters.

(In the Committee.)

On clause 1,

Hon. Mr. POWER—That is a very sweeping clause.

Hon. Mr. SCOTT—Yes ; the object is to have our rules conform to the rules adopted in the United States. Their vessels navigate the inland waters. This applies only to inland waters, and from time to time we have evidence of the necessity of rules of this kind, and therefore we thought it right to give to the Governor in Council the right to make the regulations. The regulations are those which are now existing in the United States. The memorandum furnished me by the department reads as follows :

> The rules adopted by Canada for Canadian vessels in Canadian waters are the international rules adopted by the great civilized nations, including the United States, for vessels passing in regard to lights and signals on the great sea highways of the world.
>
> These rules were years ago adopted by the United States government for their vessels on the great lakes, but later on they changed them and adopted rules which they thought were more fitting for inland navigation.
>
> The Department of Marine and Fisheries for some years have been considering the advisability of abandoning the international rules on the great lakes for Canadian vessels, and adopting rules to accord with the rules adopted by the United States on the lakes, so as to have on the great lakes uniformity in lights and signals for steamships passing each other, and also for sailing ships.
>
> The department has now come to the conclusion that it will be advisable to adopt the United States rules, but the present law does not give the Governor in Council power to abandon the international rules on the great lakes and adopt new rules, and the Department of Justice, which was consulted in the matter, has decided that legislation is necessary to give the Governor in Council power to repeal the International rules on the inland waters and formulate new regulations for the great lakes. Until legislation is effected to give the Governor the power, matters must remain as they are, but as soon as parliament gives the Governor in Council power a report to council will be made repealing the old rules and bringing in new ones as far as the great lakes are concerned, and the River St. Lawrence seaward as far as Montreal.

Hon. Sir MACKENZIE BOWELL—There is no restriction in the power given to con-

fine the changes which are to be made in the signals to the great lakes. How far would the government be empowered to make regulations to make signals that are given, say on the St. Lawrence, where the the sea-going vessels come up to Quebec and Montreal? I suppose for the safety of ships the intention is to have the rules and regulations governing navigation in the lakes, and Lake Ontario and the upper lakes conform with the United States rules.

Hon. Mr. SCOTT—As far east as Montreal. It refers to inland waters.

Hon. Sir MACKENZIE BOWELL—The St. Lawrence is an inland water, and so is Hudson bay. The official would have to be careful in applying it.

Hon. Mr. SCOTT—Care will be taken that it is limited to inland waters strictly speaking. It should not extend east of Montreal. I do not know whether the United States conform to the international rules when the vessels get beyond their lines or not. The United States are within the international rules so far as sea-going vessels are concerned, and there is no embarrassment there; but hon. gentlemen will quite recognize that on the lakes, where United States vessels navigate, it is highly important that we should both have the same signals.

Hon. Sir MACKENZIE BOWELL—It is left in the hands of the minister I suppose, and he would not extend it outside of inland waters.

Hon. Mr. WATSON from the committee reported the Bill without amendment.

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

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

TIMIGAMI RAILWAY BILL.

CONSIDERATION OF AMENDMENTS POSTPONED.

The Order of the Day being called:

Consideration of the amendments made by the Standing Committee on Railways, Telegraphs and Harbours to (Bill 94) An Act respecting the Timigami Railway Company.—(Hon. Mr. Edwards.

Hon Mr. SULLIVAN—In the absence of the hon. gentleman from Russell, and as a matter of humanity, I move that this Bill be referred back to committee. It would take too long to give the whole history of the matter, but it is something that should be considered by the committee. As the matter was explained to me, the committee would be wanting in ordinary humanity if they hesitated to consider. A gentleman spoke to me about it.

Hon. Mr. WATSON—It was considered very fully by the Railway Committee. It occupied about one hour and one-half and I can assure the hon. gentleman that the matter was carefully considered.

Hon. Mr. SULLIVAN—I was not aware of that, but there seems to be something very strange in the Bill; a gentleman's name is mentioned as director and then it is struck out. The gentleman informed me that the committee struck his name out and substituted another name very unjustly. That would seem to be a very unusual thing to do unless the name were put there through fraud.

Hon. Mr. WATSON—As far as that point is concerned, the name was struck out of clause 1. In clause 2 the board of provisional directors is named without the name which appeared in the first clause. The person who owned the charter, Father Paradis, was the gentleman referred to. The people who bought the charter produced a receipt and a power of attorney by which Father Paradis had transferred to a Mr. Bremner his whole interest in this charter, agreeing himself to withdraw from the directors.

Hon. Mr. SULLIVAN—Except one-thirtieth.

Hon. Mr. WATSON—In that transfer to Bremner there was an understanding that Father Paradis was to receive a portion of the proceeds of the sale of that charter. The people who bought the charter had nothing to do with that whatever, and another gentleman, Mr. Armstrong, appeared there.

Hon. Mr. SULLIVAN—Those are the conditions on which he sold to Bremner.

Hon. Mr. WATSON—But his agreement was that he was to receive an interest in the sale of the charter. He sold his right to the charter.

Hon. Mr. SULLIVAN—Except one-thirtieth.

Hon. Mr. WATSON—No, no. The receipt was produced and the only claim he could have is against the Bremner estate, Armstrong also appeared before the committee as one of the original promoters. He also sold his interest in this charter, and at the present time he is not looking to have his name attached to this Bill or to have anything to do with the people who now own the charter. He is suing the Bremner estate for his share, and the committee decided if Father Paradis had any claim at all, it was against the Bremner estate, and he could take action against them.

Hon. Mr. SULLIVAN—The committee constituted themselves judges, and tried the case.

Hon. Mr. WATSON—No, we decided on the evidence before us and the gentlemen who owned the charter appeared before the committee and stated he did not want the name of this Father Paradis on the board. He had no interest in the company, and he did not want his name there.

Hon. Sir MACKENZIE BOWELL—If Father Paradis sold his interest to Bremner, and certain conditions and rights were to be reserved for Father Paradis.

Hon. Mr. WATSON. In the charter.

Hon. Sir MACKENZIE BOWELL—I am not talking of the charter, I am talking of the sale. If the sale was made by Father Paradis, and Bremner bought his interest in this railway with a proviso that he was to retain a thirtieth interest in it, surely Bremner could not sell to another company any more than he owned in this company. If he bought it with a restriction, he could only sell the rights and privileges that were reserved under the bargain he made with Fathr Paradis.

Hon. Mr. WATSON. That is right.

Hon. Sir MACKENZIE BOWELL—If that be the case, then Father Paradis retains the right that he had originally, because Bremner could not dispose of it. He has no right to dispose of what belonged to another man. Had I been present at the committee, I should have advocated that there ought to have been a provision reserving the rights of the parties who had the original charter for the construction of that work, and if he disposed of it there should be a clause indemnifying him to the extent of whatever right he might have. That is constantly done in disputes of that kind. The same thing was done in the Brockville and Westport Railway case last session, after it was discussed two or three days. It has occurred in scores of cases where the originators or promoters of a scheme of this kind have obtained a charter to build a road and then having given time and expended money in explorations and surveys, their rights should be protected. I heard a portion of this discussion and it does seem to me that Father Paradis had some rights and they should be protected. If there is a clause in the Bill protecting those rights, the courts can decide that.

Hon. Mr. WATSON—If the proposition stated by the hon. gentleman were correct, it would be perfectly right to insert such a clause in the Bill, but the circumstances are not as he has stated them. The fact is that Father Paradis sold his interest in that charter for a consideration of $100 and gave a receipt for it which was produced. Father Paradis admits that he got the money, but to remove any possible chance of Father Paradis having any claim for legislation to protect his interest, he gave to Bremner a power of attorney to deal with his interests in the charter.

Hon. Mr. SULLIVAN—Subject to conditions.

Hon. Mr. WATSON—Then there was another agreement by which Bremner was to account to Father Paradis for a certain interest in the proceeds of the sale of the charter. The people who bought the charter, knowing that Father Paradis had sold his interest and had given a receipt for it, and also a power of attorney to act for him, left him out of it.

Hon. Mr. SULLIVAN—This man showed me a document under which he retained one-thirtieth interest, and he told me that he had been cheated, and showed me the document to prove it. I told him the Bill would not come up to-day and he went home.

Hon. Mr. WATSON—The committee examined all those books.

Hon. Mr. SULLIVAN—Then I do not care. I simply put in the protest for him in the name of humanity. I do not know the man, but I saw by the document he showed me that he retained one-thirtieth interest in this charter, whatever it was.

Hon. Mr. KERR (Toronto)—Father Paradis has no interest in this as a property at all. He was named as a provisional director and as one of the incorporators, but he had not subscribed for a share. In order to have the charter placed into hands where it would be developed, Mr. Bremner bought out the interest of all those who were provisional directors, and he agreed with Father Paradis and gave him $100, which was delivered over and receipted for. He also agreed that he would give him a certain proportion of whatever consideration he received on the sale of the charter. That is Bremner's personal obligation. There is no interest that should be put in and safeguarded by the clause in the Bill. It was the profit that Bremner would make on turning over that charter, whatever it would be, that he has a right to now. Bremner died, and his estate is being administered by the National Trust Company of Toronto, and Father Paradis has filed his claim against the estate. He got an adjournment of the committee in order to get Armstrong as a witness. Armstrong appeared and stated that the agreement was that Paradis should retire from the board altogether, in addition to having sold out his interest. It is only justice that these English capitalists who are going to build the road should have it free from any such encumbrance.

Hon. Mr. TESSIER—I was present part of the time before the committee and it strikes me this is special legislation, and I am very doubtful whether it is good legislation. It is simply passing a law by which we shall say that a man shall be put out of a company. I should like to know if this is good law. Is there not a means of putting him out? Why do they not have a meeting of shareholders and refuse to elect him as a director. Why do they not apply to the courts of justice to have him put out? Are we going to decide private quarrels between individuals when it is not at all necessary for parliament to interfere? To my mind, this legislation would be bad law if it were passed. It strikes me that there are reasons why we ought to send it back to the committee because there has been a misunderstanding. There are two clauses to the Bill. The first clause strikes out the name of Charles Alfred Marie Paradis and James Holdatch. Paradis was present in the committee at the time I was there, and I understood it was decided that this clause was abandoned. He gave explanations that satisfied a great many members of the committee, which satisfied me at any rate, and I understood it was decided that this clause should be abandoned, and that the name of Father Paradis would remain. I left the committee with a great many others. My hon. friend to my left was there. It was clearly understood then that the committee had abandoned this clause and that the name of Father Paradis would remain in the Bill. After this clause was struck out, the second clause was adopted in my absence, and in the absence of a great many members of the committee. By the second clause the provisional directors were appointed, and the name of Father Paradis was left out, although when there was a large attendance of members of the committee the principle that Father Paradis' name should remain in the Bill was adopted. It was after a number of members had left the committee the change was made. This ought to be a sufficient reason for referring it back. There certainly has been a misunderstanding, and I think the matter should be discussed again in committee.

Hon. Mr. GIBSON—A witness whom Father Paradis brought to Ottawa appeared before the committee, and it was shown by him that Father Paradis' action had been adverse to the building of the railway from its very inception, and, it was felt by Mr. Bremner, before he went to England to dispose of the charter, that he could not sell it with Father Paradis' name in it as one of the incorporators. Father Paradis therefore agreed, upon the payment of $100 to allow his name to be removed from the list of provisional directors. the proof that he did so was in the document in the custody of the committee, Father Paradis himself admitted having received the money, and having retained it. That was admitted also by Mr. Armstrong. The only remaining feature of the whole transaction is simply that on the arrival

of Mr. Bremner in England he was enabled to dispose of the charter, and in doing so Bremner was liable to Father Paradis for a division of the proceeds of the sale. One of the conditions of the sale was that Father Paradis was not to be one of the directors, and the gentlemen who composed the board distinctly stated, as Father Paradis never put a dollar into it, and the company had settled with Bremner in full for what they considered the value of the charter, paying him the amount they agreed upon, any claim Father Paradis had, was entirely against the estate which they are now settling with the National Trust Corporation in Toronto. The men who bought the charter, and are going on with the railway, distinctly say that they object to Father Paradis' name being placed on the provisional board. It is true he could be out voted at the first meeting, but the incorporators of the company felt that in order to strengthen the hands of the directors that it would be better for the financing of the road and the conduct of matters that Father Paradis' name should not be in the Bill at all—that he had shown himself hostile to the road from its inception. Therefore I think this House should proceed slowly in the face of what the English owners of the road have said, that they did not want Father Paradis on the board, Father Paradis having sold his interest, and having agreed to withdraw from the board, I think it would be bad legislation on the part of this House to revoke the decision of the committee and put his name back on the board.

Hon. Mr. McHUGH—This Bill is nothing new in this House. The matter in question has been discussed before. I should like, for the information of the hon. gentleman from Kingston, to say that the one-thirtieth which Paradis was to receive when Bremner made the purchase from the provisional directors, he gave them each $100. He was to retain 70 per cent of whatever the charter sold for, and divide the balance of 30 per cent with the other directors. The other directors that were on the board with Father Paradis have a claim for that 30 per cent. It does not go to Father Paradis. It is to be divided amongst all the other directors that were on the board.

Hon. Mr. GIBSON.

Hon. Mr. SULLIVAN—That is not in the document.

Hon. Mr. KERR (Toronto)—Yes.

Hon. Mr. McHUGH—This Bill was up before, and the solicitors were here and threshed it out, and it was up in the other House; and as far as that legislation was concerned, the Hon. Mr. Tessier, when similar legislation was given in this House to that which is asked to be given now for Father Paradis, came here at that time and had a director put on the board by the Senate in 1898, after the solicitors of the company had gone home, and when they thought the whole matter was settled. True, he was afterwards removed, because when the Bill was sent over to the other House it was sent back for reconsideration, and the Senate struck off the name.

Hon. Mr. LANDRY—Father Paradis and the other gentlemen were the provisional directors of that company. Father Paradis and the whole of them sold their rights. All the others were taken back except Father Paradis.

Hon. Mr. WATSON—No.

Hon. Mr. LANDRY—Except Father Paradis and Holdatch. But there is another agreement that is not spoken of besides that paper which was signed by Father Paradis. Mr. Bremner signed another agreement out of that sale, signed by Father Paradis, and by that paper Bremner says that the other conditions of the sale will be settled to the satisfaction of Mr. Armstrong. That is the paper that has been alluded to. That part of the sale was never acted upon. Mr. Armstrong never gave a decision. So that we are called upon to-day to pass a law that Father Paradis has no claim at all. I move the adjournment of the debate.

The motion was agreed to.

The Senate adjourned.

THE SENATE.

Ottawa, Wednesday, June 22, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

UNITED STATES COASTING REGULATIONS.

Hon. Mr. MACDONALD (B.C.)—Before the Orders of the Day are called, I should like to ask the hon. Secretary of State if his attention has been called to a fine imposed by United States customs authorities on a British vessel? A Canadian Pacific Railway vessel recently left Skagway for Victoria and carried a number of passengers and landed them at Victoria, from which port they took another steamer to Seattle. The voyage of the Canadian Pacific Railway steamer was not continued to Seattle. On going back the next trip, the steamer had to call at Katchikan to get a clearance at the customs-house, and on going back the second trip the company were fined $2,800—or $200 for each passenger carried by the steamer to Victoria. It is a matter which must come before the Foreign Office, because the government here cannot settle it. The vessel did not call at two United States ports.

Hon. Mr. SCOTT—I have not heard of the incident. My colleague (Hon. Mr. Templeman) is aware of the fact. He thinks an appeal has been made to Washington. No report has been sent to the government at Ottawa yet.

THIRD READING.

Bill (42) An Act respecting the Sprague's Falls Manufacturing Company.—(Mr. Wood, in the absence of Hon. Mr. Baird.)

NATIONAL TRANSCONTINENTAL RAILWAY ACT AMENDMENT BILL.

DEBATE CONTINUED.

The Order of the Day being called:

Resuming the further adjourned debate on motion for second reading (Bill 72) An Act to amend the National Transcontinental Railway Act, and the resolution of the Hon. Sir Mackenzie Bowell in amendment thereto.—(Hon. Mr. Ferguson.)

Hon. Mr. FERGUSON said: Before proceeding with the observations which I propose to make on this measure, I desire to thank the House and especially the hon. leader of the House, the Secretary of State, for the courtesy shown to me last evening in permitting me to move the adjournment of the debate under somewhat unusual circumstances. I have heard that anxiety has been expressed on the part of some hon. gentlemen least I should make too long a speech on this question. While I am always anxious to make my actions such as will meet the convenience of hon. gentlemen, yet having given some study and consideration to the subject before the House and having due regard to its magnitude, much as I should like to meet the convenience of hon. gentlemen, I feel that I have a duty to discharge, and in the discharge of that duty it may be necessary for me to take up some considerable time. I may say further in explanation, I have had nothing whatever to do with the suggestion—though some hon. gentlemen may have thought so—of an arrangement to have a division of the House to-day. It is not my desire in any way to shut out any hon. gentleman from giving his views, and, as far as I am concerned, I should like the subject to remain open for discussion as long as any hon. gentleman in this House wished to put his views before the Senate and the country upon it. At the outset, I wish to notice a point referred to by the hon. member from Queen's, N.B., who, I am sorry to see, is not in his seat and who delivered a very able address, from his point of view, in the discussion of this question. He made this observation, that all parties in Canada were now in most entire accord with regard to the construction of this National Transcontinental Railway—the only question between them being just whether it was to be owned by the government or by the Grand Trunk Pacific Company. I must dissent emphatically from that position taken by the hon. gentleman. When the question took particular form, about the early part of March, 1903, in consequence of the government having announced in the speech from the Throne, that it was their intention to refer the transportation question to a commission of experts. There was then perfect accord between the political parties in this country with regard to that action of the government. There were at that time, and since, many propositions before the country with regard to the bettering of our inland transportation. We had the Georgian Bay canal proposal; the Mackenzie and Mann scheme; the Trans-Canada scheme; propositions for deepening the St. Lawrence canals, all for the purpose of improving transportation facilities in Canada. There was at that

time, and I believe still is, a perfect accord between the different parties in Canada that the time had arrived for a forward movement in the matter of transportation. But that that forward movement should be on the lines of the Bill before us, of a railway covering the same route and of the same character as the one now proposed—that there is any accord on that point I deny from most emphatically. I have said that when the notice was given by the government of their intention to appoint a commission, there was an accord, and that was the policy of the government as late as the 11th of March, 1903. It was their policy much later than that, for at the end of May in that year, Mr. Sutherland, a member of the government, brought down to the House of Commons, an Order in Council which had been passed for the submission of the transportation question to a commission and I may say that was a very carefully worded and able document. It covered the ground admirably, and there was no fault found with that proposition. A few weeks later, we learned that promoters had approached the government with a proposal which would render the appointment of that commission a mere farce. We learned that a ministerial crisis had come about, and that one of the members of the government, the Minister of Railways and Canals, had resigned, because he would not agree upon a policy settled by his colleagues, of at once committing the country, in advance of an inquiry to a fixed scheme of transportation, one which would impair the power of Canada to deal with any other scheme of transportation for years to come. It was then that a distinct cleavage arose between the two parties of this country on the transportation question. The Conservative party took the ground that there should be an expert investigation of this subject, and on the report of experts a measure best adapted to our needs should be framed. The government decided to go on, without that information, with the scheme they had before them, and which must have been pressed upon them with a great deal of skill and influence for they adopted it in the face of their own announcement of a policy act only upon the report of the committee of experts who should go into the subject from beginning to end. With

regard to the discussions on this Bill, I have been a student of parliamentary literature since confederation. I followed the debates in the House of Commons last year and this year upon this scheme. When I speak of the scheme I speak of the Bill of last year, with the modifications of this year, and I am free to say that never in the history of Canada was there so able, so thorough and so fair a discussion of a great public measure as that which was made in the House of Commons by the Opposition both last year and this year. There was no talking against time or criticism for the sake of criticism. There was clear, close discussion of the scheme on lines which would commend themselves to reasonable men differing in their political views. On the part of the government there has not been a defence of this Bill, put up in either House, at all equal to answering the arraignment of measure by the opposition. Hon. gentlemen may differ from me on that point.

Hon. Mr. TEMPLEMAN—Hear, hear.

Hon. Mr. FERGUSON—My opinion is that this Bill has not been defended against the attacks upon it, and it has not been successfully defended because I believe a great many of the objections to it are simply unanswerable. What do we find when this Bill is taken up in the Senate? The Secretary of State opens the discussion on it in a somewhat protracted speech. I do not want to be unfair to my hon. friend the leader of the House. He has my sympathy in this respect. That considering the important duties that devolve upon him in this House, and the management of his department, I do not think he receives that support from his friends in the government, and, perhaps, I might add, in this House, in the discharge of these very arduous duties to which he is entitled. It is absolutely impossible for any one like the hon. Secretary of State to assume the responsibility of all the work which comes up in the Senate and then to address himself to the defence and the examination of a measure such as this without such assistance as I think his colleagues in the government should give him. In the disorganized state of the government for the last year or so with reference to this particular measure, the

resignation of the Minister of Railways, the vacancy remaining open during the whole discussion of the subject last year in parliament and the silence of the present Minister of Railways my hon. friend in addressing the House evidently had not that information which should have been furnished him to make an adequate explanation of the Bill to this House. My hon. friend has my entire sympathy, because I know it would be next to impossible for any hon. gentleman to perform that duty in the way I know he would like to discharge it, My hon. friend, the minister without portfolio (Hon. Mr. Templeman) laughs derisively at my statement. If my hon. friend would assist his colleague with something more than brilliant flashes of silence, he would find more useful occupation than laughing in derision at something which must be patent to every member of the Senate. While my hon. friend was evidently not supplied by his colleagues in the government and the Department of Railways with information to submit to this House it was apparently given to another hon. gentleman who informed us that he was entrusted with the high honour of replying to the hon. leader of the opposition. By whom he was so entrusted he did not say, but he left it to be inferred that he was entrusted with the duty by the government. It is the first time I have heard a declaration of that kind in parliament, and it sounded novel to me. I think the part undertaken by the hon. gentleman from De Lanaudière, with regard to this discussion, has not been in keeping with what we have a right to expect in the treatment of this important subject. The information which that hon. gentleman undertook to give to this House should have come to us in some other way than through that hon. senator, obtained, as he says, from some of the officials of the Grand Trunk Railway in Montreal. I think I am right in holding the hon. gentleman from de Lanaudière responsible for some extraordinary statements which were filtered through my hon. friend the Secretary of State. Some of these statements have reference to the cost and length of this road, I think I am right in that view, from the fact that when the hon. gentleman from de Lanaudière took the floor a little later he repeated some of the figures and statements which had previously been submitted by the Secretary of State. And we had also the spectacle while the Secretary of State was speaking, of the hon. gentleman from de Lanaudière advancing to the minister's seat and presuming to coach him with regard to some of the observations he was addressing to the House. Now, I find that these gentlemen agree in stating that the mountain section is 766 miles in length, and that the length of the prairie section is 1,100 miles. We have had no such figures as these given to us in either branch of parliament up to the time the Secretary of State addressed the House. He himself gave the figures of the mountain section last year at 480 miles. His colleague, the Finance Minister, speaking on the third reading of the Bill in the House of Commons, makes the distance from Winnipeg to the Pacific 1,480 miles—480 miles for the mountain section and 1,000 miles for the prairie section, and yet we are gravely told this year by the leader of the government in this House that the length of the prairie section is to be 1,100 and the mountain section 766 miles—in other words that the mountain section of the Transcontinental Railway is to be 124 miles longer than the mountain section of the Canadian Pacific Railway, counting that road from Calgary to Vancouver, which is only 642 miles. The distance stretches out since we were discussing the question last year, and after the Minister of Finance had said the last word on the third reading of the Bill in the House of Commons until it got into the hands of the hon. gentleman from de Lanaudière, the length of the mountain section stretched from 480 to 766 miles while the length of the prairie section also increased by 100 miles—from 1,000 to 1,100 miles. It has been said officially to the Senate that the length of the western division is to be 1,866 miles instead of 1,480 miles as stated in the House of Commons. I confess I am not able to understand this, nor is anybody else. If some 300 miles had been added to the mountain section and a corresponding mileage had been deducted from the prairie section, I could have understood it; then it would have resolved itself into this, as to whether the hon. gentleman from de Lanaudière had been simply trifling with the House in regard to the question, or whether his language is evidence of a new

effort on the part of the Grand Trunk Railway to take advantage of the government in some other way. If it is intended to work out the matter in this way that the mountain section is to be 766 miles, it can only be done by adding some 30 per cent of the prairie section to the mountain section, and in that way the Grand Trunk would obtain a decided advantage, because they would get a guarantee of bonds unlimited except by the cost of the road, on 300 miles of very rolling prairie, instead of $13,000 per mile, and they would also have interest on the bonds for this 300 miles charged to the government for seven years, and capitalized for three years more. If that is an intimation to the people and to parliament, that the mountain section is going to be stretched out with this result, it means the addition of several millions to the cash outlay and the obligations the government will have to assume with reference to this road. But these are not the only mixing and muddling of figures. The hon. gentleman from de Lanaudière informed the House, that the figures hitherto supplied as to the length of the line between Quebec and Winnipeg, were all erroneous. With the superior knowledge, that he claimed to possess, he said the distance would be only 1,350 miles as against 1,475 miles given everywhere else until the discussion was opened in this House. Here again we have another instance of mixing and muddling which the hon. gentleman from de Lanaudière has done. And when my hon. friend from Westmorland interrupted the hon. gentleman and told him the figures which he was giving to the House were entirely different from those given by the members of the government elsewhere, he said: 'I am sorry for the government, why did they not ask me.' Was there ever in the history of this parliament such an arraignment of the government as when that hon. gentleman said he was sorry for their ignorance of the scheme, which they were endeavouring to push through parliament, neglecting the all-important matter of consulting the hon. gentleman. Notwithstanding the superior knowledge which the hon. gentleman claims to possess in the matter, I was inclined to compare him, when he came to deal with the subject in this House, to that hot impetuous youth who implored Jupiter to give him permission to run the chariot of the Sun for one day. We know what was the result. The steeds ran away, the chariot was overturned, and the King of Heaven in his wrath smote the presumptuous youth with a thunderbolt, precipitating him into the sea. If there were any firm ruler in this government, a similar fate would surely overtake the hon. member for de Lanaudière. Then we had another mixing and muddling of figures by the Secretary of State, and that was in putting the cost of the prairie section at $25.000 a mile. In all my reading on the question—and I do not think there has been anything of importance said upon it in parliamentary records that I have not looked at, yet this was the first time that I ever saw any statement made that the cost of the prairie section would reach the amount of $25,000 per mile. Indeed, the hon. gentleman from Wellington, who addressed the House, after hearing the hon. Secretary of State, shows what his opinion of that estimate was by telling us he believed the road can be built on the prairie for from $13,000 to $15,000 per mile, and my hon. friend from Glengarry, a practical man puts the cost at a much smaller sum. However, we had members of the government in the other House, and leaders of the opposition, concurring in placing the cost of the prairie section at $20,000 per mile and that is also the estimate of Sir Charles Rivers-Wilson, speaking at meetings in London, with Mr. Hays by his side, who certainly knew as much about it as the hon. Secretary of State or the hon. gentleman from de Lanaudière. Let me say further that Sir Charles Rivers-Wilson, in addressing the shareholders of the Grand Trunk, with all the responsibility it involved, and we know it involved a great deal, gave the distance precisely as it is given by the Finance Minister on the third reading of the Bill in the House of Commons that is altogether 1,480 miles from Winnipeg to Port Simpson, and we have all those parties agreeing, while this House has been supplied with information entirely at variance with that supplied to the House of Commons and entirely different from what is believed to be accurate by hon. gentlemen on both sides of this House. My view is that the government drifted into the position they took with regard to this Bill. They had a policy dis-

tinctly announced to parliament, and nothing could be more distinctly announced of obtaining expert opinion upon it. From the time Mr. Sutherland submitted that Order in Council until the end of June, Celebs was never more deligent in search of a wife than the government were in searching for suitable gentlemen to appoint on this commission. Everything indicated a reference to a commission, and I am free to say, there is every evidence that the leader of the government drifted into this policy, and drifted very suddenly and greatly to the surprise of his friends in parliament. I heard the expression of surprise myself from those high in this House. They could not refrain from expressing their amazement at the announcement of such a measure as this, considering the previous action of the government and the suddenness with which it was sprung on the country. But what do we find ? We find that the gentlemen who were active in protesting, who told us they were writing letters to the premier protesting against what he was proposing to do, gentlemen who expressed a desire that the Conservatives were in the majority in the Senate in order that they might throw out this Bill—we find all these gentlemen now singing praises to the premier for his statemanship in bringing forward this great measure. Such praises sound to my ears as ludicrous as if Defoe had in his history of Robinson Crusoe presented that famous mariner and his man Friday on the lonely island after that memorable shipwreck as expatiating on the great and wonderful seamanship by which Robinson Crusoe had discovered the island. The position of the premier and the friends who laud him to the skies for the position he has taken on this Bill, which is merely a position which he drifted into evidently very much against his own intentions, is quite as ludicrous as the idea I have described if Defoe had put it on paper and applied it to his hero Robinson Crusoe and his man Friday. My main objection to this scheme, apart from the route, is to the Grand Trunk Railway being the party with which the government has made this contract. That lies at the very root of the question. True, the Grand Trunk Railway is a powerful and well-managed company, having at its head a gentleman recognized as a very able railway man all over this continent. That would be an advantage if other things were equal, but the great disadvantage of dealing with that company is that it has connections in the United States. The people of Canada were not so fully alive to that objection when the Grand Trunk Railway was assisted by the government of the old province of Canada. At that time the provinces were not confederated and the first aim and object of the legislature appeared to be to get an outlet to the ocean somewhere. The Grand Trunk Company as it exists to-day, is not to blame for that any more than the people of Canada ; but nevertheless the Grand Trunk has that connection and has an interest in diverting the trade of Canada to United States ports, and I entirely disagree with the hon. gentlemen who claim, rather timidly, that there are ample provisions in this Bill against injury to our trade resulting from the control of the Grand Trunk Pacific Company by the Grand Trunk. I have only to point to the words of the premier last year, when he introduced this measure to parliament. He said frankly and freely that shape legislation as we would, with all the skill that lawyers possess, to secure Canadian trade for Canadian ports, we could not do it, and the only way to secure that trade was to make the company interested in Canadian ports, which he claimed could be done by compelling this company to operate a line to Moncton. I do not agree with that at all, because the Grand Trunk Railway still retains an overwhelming interest in their Portland extension, an interest which to them must remain paramount, and which would always influence them in this matter. I agreed with the premier's statements made last year, that we could not frame an effective provision in the law even if we did our best, but I fail to find any provision in this Bill to bind the Grand Trunk Railway to carry its freight to Canadian ports. The government resisted every attempt last year and this year to insert a clause in the Bill to compel the Grand Trunk to use its influence to secure the carrying of the Canadian trade to Canadian ports. We have other evidence of what the interest of the old Grand Trunk Company is, and what they really propose and intend to do, and I have only to refer, in proof of that, to the words of Mr. Hays in London, when

addressing a meeting of shareholders of the Grand Trunk Company in March last:

> The Grand Trunk to-day is drawing from this country that we are now seeking to enter, and seeking to tie up to the system, a very large portion of its traffic which we stand to lose if we do not embrace this enterprise.

Could any words be stronger than that? That they stand to lose this trade unless it is tied up in their system. He says:

> We cannot hold it. We are to-day handling from fifteen to twenty million—last year it reached 24,000,000—bushels of grain, which came across the lake from Lake Superior down to our ports, feeding the whole Grand Trunk system locally throughout Ontario, and this gives us the whole of the way from Montreal, thus contributing a very large portion of our earnings. We cannot hold that to our system if we do not take some means of fastening it to us.

Could any words be plainer than that this trade will go to other channels and not to Portland unless these means were adopted of tying up the trade to the Grand Trunk. He goes on to say:

> Now, we have another rival in that same territory which is competing with us to a certain extent now, that brings the grain down to the lake and conveys it by water across from Port Arthur and Fort William to these Ontario ports of ours. That line we do not control, and there is no likelihood or possibility of our controlling it in the near future; and that railway is making its connection with the United States lines to the south of St. Paul and Minneapolis up to Winnipeg, and drawing this grain and traffic, which is not only to-day feeding the Grand Trunk very largely, but is the only direction in which we can look for an increasing traffic. That traffic will be lost to us if we do not tie it up.

As I have already remarked no attempt has been made to bind the Grand Trunk Company at all. One would have thought that some provision might have been inserted that would more effectually bind the Grand Trunk Pacific. In the other branch of this parliament an amendment was proposed and voted down by the government, to provide that the Grand Trunk Pacific should submit to an investigation at any time when a complaint might be made to the government with regard to the diversion of the Canadian trade to United States ports, and that whenever such complaint was made the Railway Commission would have power to come in and make a thorough investigation, summoning all the parties before them, examining the books and records of the company, going to the very fountain head of trade and finding whether there was any foundation for those complaints, and report to parliament. That was the amendment proposed, in order that parliament would be seized of the fact whether this contract was being faithfully carried out. Any hon. gentleman will see that if that were in the law, the people would come to know, not through the grumbling of the press and of rival companies attacking them and perhaps attacking them unfairly, but there would be an investigation by an impartial tribunal, and information would be laid before parliament as to whether there was anything done to divert trade from our own ports. But that amendment, as I have said, was voted down by the government. My hon. friend from Queen's, New Brunswick (Hon. Mr. King) in addressing the House undertook to find some penal consequences which he thought would result to the Grand Trunk Pacific if they did not live up to this obligation. He said the government could take possession of the road. A provision to investigate the fact and ascertain how the contract was being carried out having been voted down by the government majority in the House of Commons, how could the government come in and take possession of the road without an investigation of the facts, and without a proper process, I fail for my part to understand.

Another suggestion that he made was that we might make the preference applicable only to goods that were imported over a Canadian railway and through our own ports. Well, the House of Commons have passed a resolution in that respect but the government have shown that they are only trifling with it. It was passed for spectacular purposes, because they have not announced their determination to put that provision in the tariff law and bring it into force. It is only put there for spectacular purposes, and the premier himself expressed his grave doubts as to the propriety of the step, although it was allowed to pass without opposition. As far as the other end of the preference is concerned, and that is the one the hon. gentleman from Queen's placed the greatest amount of reliance upon, that the British government may be induced to limit a preference to such of our exports as go out of our own country and reach the British market over our own railroads and in our own ships. I imagine that Mr. Cham-

berlain has a big enough task before him in persuading the British people to give us a preference at all without attempting to throw entirely out of joint all commercial treaties with foreign countries with regard to freedom of trade, between British and other ports of the world, and the very mention of such a proposition as being a possible remedy, at all events at the present time, is absurdity complete. Before I leave this point, I may say that I fully agree with the hon. gentleman from Queen's (Hon. Mr. King) when he says that Canada should place a great value upon the possession of our own ports. I say it is impossible to put a value in money on the importance of our open ports on the Atlantic and the Pacific. As remarked by the hon. gentleman from Queen's, Russia is spending her blood and treasure to secure an open port on the Pacific. Russia's commercial disadvantage is her exclusion from the seas of the world. She has no open ports, except in the Black Sea, and she is not allowed to pass her warships through the Dardenelles. The Baltic is frozen up for a great part of the year, and so is the Arctic ocean, and Vladivostock, and Russia is spending her blood and treasure to endeavour to keep possession of an open port on the Pacific. We have not only one open port; we have many open ports, both on the Pacific and on the Atlantic, and those open ports constitute a valuable portion of our assets as a people. How long could we preserve our autonomy if we had not these open ports? And a great deal will depend upon our future—I was going to say everything will depend upon whether the people of Canada east and west and in the centre and everywhere are true to our own seaports. It was Ralph Waldo Emmerson who said that England's great commercial position in the world was due to the fact that she had the best business stand in the world and it is a good thing for us in Canada that we have such an excellent business stand. We will commit a fatal mistake, a mistake which our children will lament after we pass off the stage of action, if we do anything at this time which will impair the usefulness of these ports, and divert from them to the ports of a foreign country, a trade which should belong to them. There is another question in connection with this subject upon which a good deal has been said by hon. gentlemen, and that is with respect to the government ownership of railways. That question is not necessarily involved in the discussion of this Bill. The whole question of government ownership is not involved in the consideration of this Bill and in the resolutions submitted by the opposition in the House of Commons, and by my hon. friend here, any more than it has been involved in some other things that Canada has done for many years past. In fact, it is not more seriously involved in this question by the attitude of the opposition than it is in the Bill we have before us. We have in this measure a proposition of government ownership for 1,900 miles of this transcontinental railway. A few years ago the government extended the Intercolonial Railway from Quebec to Montreal. Was that not acknowledging the principle of government ownership, as far as that particular case was concerned? I will not be unfair, I shall not say it was committing us to the principle of government ownership beyond this that under the circumstances that existed then and there, the government came to the decision that it was important in the interests of Canada, and of the Intercolonial Railway that we should extend it into the city of Montreal. Another proposition is before parliament just at the present time—at least we know it is coming. It has been announced that the government is to buy a railway in New Brunswick called the Canada Eastern Railway. Passing no opinion upon the wisdom of that purchase at the present moment, why is there not the cry raised: 'Oh, you are committing the country to government ownership? No such cry has been raised, and still it is a partial acknowledgment of the principle of government ownership. Our position is that the government having introduced a Bill which provides for government ownership for about 1,900 miles of railway, and after building and paying for it we are giving this railway practically away to a private company, and we are not retaining that control, which we ought to retain over the rates. I do not propose, and hon. gentlemen of the opposition do not suggest, that we should maintain that control in the way in which the present Intercolonial Railway is controlled and managed by the govern-

ment. We make no such proposition, but we do say that when we are practically paying for nine-tenths of it, assuming obligations for more than nine-tenths of the entire road from the Atlantic to the Pacific, and owning half of it, that we should own the whole of it and place it under the management and control of an able commission of experts, that would be as free from political influence as the Auditor General is free to-day from political control; and if we so place it, the government would exercise public control through the board of commissioners, and whatever money there was in the enterprise, run as it would be on the highest plane of business principles, would belong to the people of Canada, and there would remain with the people's representatives opportunity of controlling rates and giving transportation at actual cost, instead of making millionaires of any number of men. Now, just as the government took the position in 1897, that it was necessary in the interests of the Intercolonial Railway that it should be extended to Montreal, we say now that it should go further west. I may say for myself that I always viewed with favour the extension of the Intercolonial Railway to Montreal, and my opposition to the Bill of 1897 was entirely grounded on the terms and condition on which that extension was made. I held with my hon. friends on this side of the House that the terms were too favourable to the Drummond County Railway people and unfavourable to the people of Canada. We took that position, and time has shown that we were right, for a Bill which was $1,000,000 better for the ratepayers of Canada came back to us again and we passed it. That was my own position, and I voted against the scheme until such substantial amendments were made to the measure as made it in the public interest, and I then voted for it. There are to my mind infinitely stronger reasons to-day why the Intercolonial Railway should go further. Extending that railway to Montreal, has made it necessary to go further. What is the position of the Intercolonial Railway at this moment? What was its position before it came to Montreal, and what has it been since. There are various transportation agencies employed in bringing the trade of the west, including that of the great province of Ontario, to the east for export and also for the trade of the east itself. All these agencies and channels are employed, I may say, in bringing that trade as far as the city of Montreal. When it reaches there the Intercolonial Railway is in no position to compete for the carrying of that trade to a Canadian seaport. But it is placed in this position: that for export it can only get for carrying the produce of the west from Montreal to Halifax or St. John precisely the same rate as the Grand Trunk charges for carrying that produce from Montreal to Portland or the Canadian Pacific Railway receives for carrying it to St. John. That is, the geographical position is against the Intercolonial Railway, and I cannot blame the competing companies for this. The only condition on which the Intercolonial Railway can get export trade is by carrying it at the same rate to Halifax, seven hundred and fifty-seven miles, as the Grand Trunk carries it to Portland, a distance of 297 miles. This is the difficulty we have to deal with. How are you going to get over that? How is the Intercolonial Railway to get a reasonable share of the business, how are our ports to get a fair share of the trade of the west? I answer by extending our own system into the west and getting hold of the trade at the point of origination. If you get hold of it there you will have the carrying of it to Montreal which is the fat end of the carriage, and having had the fat end, you can carry it over the lean end to Halifax and St. John, which you can never do if you get only the lean end of the business and you will not get much of it even on these terms because the companies have the origination of the freight, and can influence shippers as to the routing of it so that they will bring it through their own channels and the Intercolonial Railway has no means of preventing it. If you want the Intercolonial Railway to become a paying road extend it to the Georgian bay, and thence into the Northwest, so that it will gather the freight at the point of origination and when that is done, it will not only carry it to Montreal but carry it to Halifax and St. John and make some money out of it, not so much as a competing road will do in carrying it to Portland, but there will be some fair and reasonable competition and in addition to that, by extending our own railway to the west, instead of sending the fox to guard the

geese, every man connected with that railway and every influence it possesses will be used to bring the trade to our own ports.

I come now to a point which has been discussed fully in both branches of parliament, and I do not propose to utilize all the information I have collected with regard to it. It is not necessary I should do so, but my hon. friend the Secretary of State summed up not what were the total obligations of the government in connection with the scheme but he summed up what he says were the obligations of the Grand Trunk Railway Company, and he made it up in this way: He estimated the mountain section at 766 miles, which makes a wonderful difference as to the obligations of the Grand Trunk Railway, and the government as compared with 480 miles. He estimated the paririe section at 1,100 miles. He was only looking at one side of the contract. By increasing the mileage he managed to add to the obligations the Grand Trunk Railway were to undertake and putting them all together, and, adding the cost of rolling stock which is to be supplied for the use of the railway from another source, he brought the obligations of the Grand Trunk in connection with the scheme up to $35,000,000 or $36,000,000. I submit my hon. friend has no justification for the position he has taken from the Bill before the House this year or last year. I have here Sir Charles Rivers-Wilson's statement, made at the meeting of the Grand Trunk Railway Company, on the 8th March, where he estimated the Grand Trunk obligations as being one-quarter the cost of construction of the mountain section at $50,000 a mile or one million two hundred and fifty thousand pounds. The interest for four years at three per cent—that is during the period of construction—£150,000. Added to this assuming the cost of the prairie section to be $20,000 a mile, the Grand Trunk share would be £1,400,000, interest during construction, £168,000, total, £2,969,000, or fourteen million nine hundred thousand dollars.

That was Sir Charles Rivers-Wilson's estimate, and he went on to say :

> As regards the three millions of guarantee, that, as I stated to you, will undoubtedly be a liability, and, as I stated to you also, will swell the liability of the Grand Trunk Company. As regards the five millions for rolling stock it is not five millions—it is estimated at three millions. With that the Grand Trunk has nothing to do. That rolling stock will be provided by the Grand Trunk Pacific Company, and, as the general manager will tell you, they have laid their plans for providing that rolling stock by a trust fund. Therefore, you may wipe it out and call it four millions. And as regards the one million deposit, that deposit will not cost you one single halfpenny. Therefore, the liability comes back to the sum which I have just mentioned—namely, about three millions, and I have stated distinctly and clearly that that is what we estimate the liability of the Grand Trunk to be—evenually a possibility of three millions of capital and, under any circumstances, not more than £118,000 of interest per year.

This was the statement, that instead of $35,000,000 or $36,000,000, as stated by the hon. Secretary of State, being the obligation assumed by the Grand Trunk Railway, it is only $14,900,000. An examination of the legislation of last year and this year proves conclusively that the Grand Trunk Railway Company intend, and I think very properly from their point of view, to provide the rolling stock through a rolling stock trust, and have it charged up against the earnings of the road ; and therefore, there is only $14,900,000 as the capital supplied by the Grand Trunk Railway instead of the amount stated by the hon. Secretary of State.

Now, we come to the obligations which Canada is assuming with regard to that subject. I may not go through these details, but after examining them carefully, I have come to the conclusion that the total obligations of the government in cash and in guarantees for the construction of the railway, the western division and the eastern division and the Quebec bridge, will amount if our bonds sell at par to $152,065,719, or. if the bonds guaranteed by the government are not floated at par, but are sold, as is much more likely to happen, at 90 per cent, our obligations would be swelled to $174,017,000.

Hon. Mr. McGREGOR—If the company continue to operate the road, our obligations will not amount to that.

Hon. Mr. FERGUSON—If it works out as the government intend it shall, that will be the extent of our obligations. If everything turns out well, I do not say the government will ultimately have to pay that amount. On the other hand, the obligations which the Grand Trunk Railway assume are obligations which I believe if the whole undertaking is prosperous, they will not have to provide for. If everything works out well

and payments are made promptly, the obligations will not have turned out to be so great; but at present we are assuming these enormous obligations, and we have to weigh them with the obligations the Grand Trunk Railway Company are assuming, and when we do that and find that our proportion is so enormously greater than that of the company the conclusion is irresistibly forced upon us that for the paltry contributions thrown in by the Grand Trunk Railway Company it is absurd to give the whole enterprise away, for them to control it in their own interest and not in the interest of the people of Canada. Another point was raised in the House of Commons by a gentleman whose name is a guarante for the correctness and importance of any statement he may make on a financial question. I refer to Mr. Osler, one of the members for Toronto.

Hon. Mr. WATSON—Oh, oh.

Hon. Mr. FERGUSON—Perhaps my hon. friend from Portage la Prairie is a greater authority than Mr. Osler, but whatever my hon. friend may think or say, there are on both sides of this House, gentlemen who have a very great respect for Mr. Osler's opinion on a financial question. Mr. Osler made a point in connection with the point I am now considering, and it is this : we are doing all this on a basis of three per cent. Should the rate of interest go higher within the next fifty years, what will be our loss ? He went further, and said he was expressing the opinion of the financial world to-day, that interest is going up. There has been a swing of the pendulum for nearly fifty years downward, and the experience of the world is that the pendulum will not always swing in the one direction, and that when it swings upward it is likely to go nearly as far as it came down. Mr. Osler gave it as his opinion that the rate of interest will go up, and that before ten years even, for the very best securities, such as those of the government of Canada, the rate will more likely be four per cent than three per cent. If that should happen, what would be the consequence ? He said the difference between our furnishing money at three per cent to the Grand Trunk Railway Company, and borrowing at four per cent would amount at the end of fifty years to $118,000,000. This had reference to the cost of the eastern section at $40,000 per mile, namely, $76,000,000. I know Mr. Osler was ridiculed by some of the less informed members of the House of Commons for having made that statement. I notice one gentleman who thought himself a great authority on finance, questioned the accuracy of Mr. Osler's statement. In order to satisfy myself that the statement was correct, I wrote to Mr. Fitzgerald, the Superintendent of Insurance, who is an actuary of high standing, asking him to state for my information in connection with the discussion of this Bill, what would be the difference between three per cent and four per cent on $76,000,000 for fifty years, computing the interest on the difference at 3 and 4 per cent and compounding annually. His answer is as follows :—

Office of the Superintendent of Insurance,
Ottawa, June 17th, 1904.

Dear Senator Ferguson,—In reply to your letter of 16th instant, I beg to say that the difference in interest between a 3 per cent rate and one of 4 per cent upon the sum named would be $760,000 per year. The amount of $760.000 annually at the end of 50 years would be at 3 per cent $85,725,621, and at a 4 per cent, $116,026,981. Interest in all cases compounded annually.

Faithfully yours,
W. FITZGERALD,
Superintendent of Insurance.

Hon. Senator Ferguson,
The Senate, Ottawa.

I found on comparison there is a difference of two millions between the two statements and it arises from the fact that in Mr. Osler's calculation the interest was compounded semi-annually, while in this instance the interest is compounded annually. Now this may not happen. The prevailing rate of interest may not be so high as four per cent during the next fifty years, but there are strong reasons for believing that it will be higher than three per cent. The fact is the occasions when it has dropped below three per cent are so unimportant and few, that they are not worth taking into the calculation. It is more than probable that the rate of interest on money that the government will borrow to do all these things for the Grand Trunk Railway, will be higher than three per cent. It will involve a very heavy strain and loss on the people of Canada. Before leaving this subject, I wish to point out there is just one change in the contract which may appear very simple, which works out a very great

deal to the people of Canada. Hon. gentlemen opposite have told us that these changes are unimportant, but it is possible by the use of a very few words to make serious changes in a contract or in a law. I find by carefully going over the agreement of last year, that with regard to the guarantee on the cost of construction of the mountain section—working it out on the estimate of Sir Charles Rivers-Wilson at a cost of $50,000 a mile, and $6,000 per mile for interest during construction. The amount of our obligations under the old agreement would be $21,300,000. In other words, we could only be called upon for thirty thousand dollars per mile under the old contract, an obligation amounting to $15,000,000. Interest for seven years would amount to $3,150,000, and three years further interest capitalized at $1,350,000. Just one criticism might be offered to this—that we might not be ultimately called upon to pay all that three years' interest. But I am putting in the full extent of our obligations, and I have no hesitation in saying that the Grand Trunk Railway Company would not be such fools as to show any earnings that would be applied to the bonds for those three years. What the hon. gentleman from Wellington calls 'second construction' would be on about that time, and the company could easily apply a very large proportion of their earnings to improving the road, and when they could get that money on such very easy terms as three per cent, and repayment extending over forty years, they would find a useful way of expending it on their road. They would not be such fools as to show a surplus for those three years, and the government is sure to be called upon for that. As I have said, under the old agreement the liability is $21,300,000. In considering the new agreement, we will first proceed on the assumption that the bonds will sell at par. I assume the cost of the mountain section, 500 miles at $50,000 per mile and $6,000 per mile for interest during construction; three-fourths of this would be our proportion, which would amount to $21,000,000. Then there is the interest for seven years at three per cent on this sum, amounting to $4,410,000. That we are certainly bound to provide. Then comes interest for three years, capitalized. That also is positively certain. There is another item imposed on us by the amendment to the contract referred to by the hon. member from Wellington, and I am glad to see he showed more care and caution than most of his political friends, inasmuch as he realized the importance of this question, and expressed a hope that the matter had been provided against. I am sorry to say the hon. gentleman's hope is to be disappointed, because no provision is made in the Bill against the danger which he apprehended. There is a provision in this Bill that at the end of the period of construction and the seven years and three years—eighteen years from this time—if there is default in the payment of interest equal to five years, then the government could come in, not to foreclose as ordinary bond-holders would be able to do, but to take control by the appointment of a manager who would distribute the receipts between the government and the Grand Trunk Railway. Under this provision, as it stands, there is not the slightest doubt that the government has no power to assume the management of the road until there is a default equal to five full and complete years, and it is quite possible for the company to allow the default to go for four and three-quarter years, pay a quarter-year's interest or a half-year's interest, and then the condition has not arisen and may never arise under which the government could come in and enforce the collection of arrears. They can go on until their default reaches the full five years, and the government cannot collect. As the Bill stands, it is perfectly reasonable to charge against the new agreement interest for four and a half years, which cannot be collected, and that would amount to $2,835,000. Assuming, therefore, that the bonds would sell at par, the difference between the agreement of last year and the agreement of the present year is $8,835,000. It made no difference to us last year, with regard to our obligation, whether the bonds sold at par or not. We only had to guarantee bonds of a certain face value, and our obligation ended. Now it is altogether different. We have not only to issue bonds of a certain value, but, if those bonds do not realize an amount equal to their face value, we have to issue further bonds to make up the difference, and assuming that the bonds would sell at

ninety per cent, this would be the state of the calculation : The obligations we would assume, and the cash payment we would have to make, would amount to $33,363,750, under the new agreement, while under the old agreement it would be $21,330,000, making a difference of $12,063,750 as between last year's agreement and the present one ; and still hon. gentlemen in the House of Commons and some members of this House have treated these amendments as though they were trifling in character, and did not call for serious consideration.

In addition to the remarks I have already made with regard to the singular course pursued by the government in the manner in which they have given parliament information on this question, let me refer for a moment to the document that my hon. friend the Secretary of State very kindly laid on our table since this discussion began, a document referred to by the Minister of the Interior in the House of Commons. This is a memo. furnished on the 5th of April last by Mr. James White, geographer of the Department of the Interior, and based, as he says, upon certain surveys, plans, and other documents, which he was allowed to inspect in the general offices of the Grand Trunk Railway Company in Montreal. It is an extraordinary way to submit information of such importance to parliament. One would think that an engineer of very high standing would be selected for the purpose of examining the plans and documents and preparing this statement for parliament, even if it were proper at all to receive them in what we might call a surreptitious way from the Grand Trunk Pacific Railway Company. If they were to be filtered to us from the Grand Trunk Railway in this way, one would have thought the proper thing would be to entrust the duty of examining them to some railway engineer who would carry some responsibility with him, and we would at least respect his report. In place of this, the geographer of the Department of the Interior, who may be a good man in his own department—I have no doubt he is, because his reports on the altitudes of Canada are very interesting publications—but to entrust him with this duty was certainly a most singular thing. This information was partly quoted by the Minister of the Interior in the House of Commons. He did not read the whole of it, and it was not laid before this House until it came to us the other day. I find on reading it that my hon. friend from de Lanaudière has drawn his inspiration largely from the report of this geographer. He has led us to believe that he has technical knowledge and skill, and when he rose to address the House, one would have supposed that he was an experienced railway builder. I know he is an excellent surveyor, but he has leaned in this debate very much upon the document furnished by the geographer. In connection with this, I may mention that we had last year submitted to us, when we entered on the discussion of the agreement with the Grand Trunk Railway Company, what was called a mountain of information. It was a pamphlet compiled by a geologist, Dr. Ami, and a map was annexed to that document showing the course of the road to be constructed between Winnipeg and Quebec. Hon. gentlemen on the other side of the House professed to find a vast amount of important and useful information in that document. It was stated to this House with the greatest assurance, particularly by the hon. gentleman from de Lanaudière, that the route of that railway as laid down by Dr. Ami, was an almost ideal route, that it traversed a plain extending almost the entire way between the two cities, with a very gentle incline eastward. To use the language of an enthusiastic supporter of the Bill, you had only to start an engine and train on the track at Winnipeg, and it would glide down all the way to Quebec impelled by its own momentum. This pamphlet was claimed to contain mountains of information, by the premier and his friends. But we had another incident about the time of the opening of this session. The Minister of Justice addressed a meeting near the city of Quebec, in course of which he intimated that it was not the intention of the government to follow the direct route talked of last year, that it was intended to take a more circuitous northern route, and that they would find a much more level and preferable route to that proposed when the Bill of last year was before us. Just about the same time another geologist was heard from, Dr. Bell, Acting Director of the Geological Survey. Let me say I have great respect for Dr. Bell. As a geologist, he has done first-class work, but it was an

extraordinary course, in taking up an enormous enterprise like this, involving an expenditure of nearly $200,000,000, and tying up the destiny of Canada for generations, to go to a geologist for information, and still more ridiculous to quote, as the premier did in the House of Commons, the remarks of a missionary made some 200 years ago, about a part of the country between this and the north pole; but it is to missionaries and geologists and geographers that the government go for information, with regard to carrying out an enterprise involving such an enormous expenditure. Dr. Bell stated, when addressing this meeting at Quebec, that the route as proposed last year was not a good route. Can it be possible, after the reputation given to that route by my hon. friend from de Lanaudière (Hon. Mr. Casgrain) and other hon. gentlemen in this House, and in the press supporting the government that the present acting director of the Geological Survey was put up to say that the route was not a good one, and that a much better route could be obtained by following a more northerly course to Winnipeg. Dr. Bell points out what I think is absolutely true, that the distance between two points so far north by a northerly circuitous route, as compared with a direct route, is not as great as it would appear to be on an ordinary map. By the use of a globe it will be found the difference is very little indeed. Here is what Dr. Bell said:

Again the actual difference would be greatly increased along the generally straight route by the numerous minor departures from a straight line, which would be rendered necessary by the uneven character of the country, as compared with the northern route. A comparison with the existing section of the Canadian Pacific Railway between Mattawa and Rat Portage, shows this amounts to nearly 30 per cent increase in the mileage, as compared with the straight line between these points, and there would be a corresponding disadvantage on the proposed southern route, to say nothing of the innumerable steep grades both eastward and westward. The nominally straight line between the head of Lake Nipigon and Quebec, on this standard of comparison, would really be one thousand and fifty-three miles.

Dr. Bell, it will be observed, says that the direct route so highly lauded last year, would be increased thirty per cent in length from curvature, owing to the uneven character of the country. Dr. Bell was no doubt put up by the government to make the statement which I have quoted, for surely we are not to believe that the acting head of the Geological Survey of Canada would deliver an address bearing on the paramount question in the minds of the people of Canada to-day without the sanction and authority of the government. After that declaration and the statement of the Minister of Justice that a more northern route would be taken, what have we now? We have this geographer telling us, and his word supported by the hon. gentleman from de Lanaudière, that it is not proposed to take this northern route in the province of Quebec at all. He says:

From the interprovincial boundary line it will probably run south-eastward to the head waters of the St. Maurice; thence shown the valley of the last named river; thence across the country to Quebec.

The hon. gentleman from de Lanaudière quoted these very words, but he introduced another bit of information, and that was that they would follow the St. Maurice down to Grand'Mère, thence to the city of Quebec. This is the information we are getting, entirely different from the statements made by the Minister of Justice and the acting director of the Geological Survey, and from the information given by Dr. Ami last year. We have the most absolute contradictions between the different batches of information given to us by the government, with regard to this question. It shows how utterly unprepared the government were with regard to this project, and it is no wonder the hon. gentleman from de Lanaudière should say he was sorry for the government, that it was a pity they had not asked him. If the line comes down to Grand'Mère, it will of course intersect the Great Northern Railway running between Quebec and Hawkesbury, and pass within twenty miles of the Canadian Pacific Railway running from Montreal to Quebec. They cannot run from that point to Quebec for the last 102 miles—for that is the distance between Grand'Mère and Quebec—except by parallelling both the Great Northern and the Canadian Pacific Railway. There is other information in this report of the geographer in the matter of routes, and this document bears on the face of it information that the Grand Trunk in making the surveys to which it refers were not dealing

with the scheme before the House, but with their own original plan of a railway from North Bay to Winnipeg. That is the route about which this information has been given to us by the geographer. It would seem that a long time before reaching the interprovincial boundary between Ontario and Quebec, they have deviated the line southward, getting the best grade they could find between Winnipeg and North Bay, and it therefore indicates one of two things: either that the Grand Trunk Railway Company have simply in their minds, as a good many people believe they have, an intention to go on in their own way, building to North Bay, and not bothering their heads much about the eastern extension, and which it is doubtful if the government intend to build, or the geographer's statement is information regarding work that was done a considerable time ago, in fact, pretty early last year. If this work was done, last year, and is not a recent development as the hon. gentleman from de Lanaudière says it is, it should have been submitted to parliament long ago. Either it is information obtained last year, or the Grand Trunk Railway are proceeding on their own original plan, knowing the government better than we do, and believing there is no intention of building the eastern section from North Bay to Moncton. Now there is another piece of information in this memo. It claims that an extremely good grade has been obtained for this line all the way from Winnipeg to North Bay, but, even if that statement is correct, not more than two-thirds of it would belong to the main line of the National Transcontinental Railway, assuming it is carried out as the Bill before us provides, down to Moncton. It claims that grades have been found not more than four-tenths of one per cent per mile. All I can say is if such grades have been found, it is remarkably good and it will afford an excellent route for traffic, which traffic can be carried at a very cheap rate, and if the cost of the road is not abnormally increased, on account of getting such a low grade, every one will have cause to congratulate the country on that. But, if it means that as the eastern extension is to be a part of the Transcontinental Railway, and as the Grand Trunk people will not have to provide the money for building this road, they may be selecting a route entirely regardless of what it will cost, and it may be found, notwithstanding the opinion of the geographer to the contrary, that a very large amount in excess of any estimate we have before us will be necessarily expended before we can get a road with grades such as this over the route to be traversed by this railway. I may say that the information I had last year from private sources, and which I referred to in my speech on that occasion is that on the route for some hundreds of miles after passing the meridian of Port Arthur, a plateau would be found, with a very easy grade for some 200 or 300 miles, and I would not be at all surprised to learn that such a route has been obtained. But there has been a well established opinion both in the House and in the country, that the route of the railway extending east from about the point where the Grand Trunk Railway say they will divert to North Bay, all the way to Quebec will be a most difficult line to construct, and I hesitate to accept as correct the statement that (except at the expenditure of an enormous amount of money which would just simply swamp the country,) a four-tenths of one per cent grade can be obtained between Winnipeg and Quebec, I would not say it would be impossible to obtain such a grade at all, but it is certain if it can be found all the way through, it can only be at a heavy cost per mile from one end to the other. We have had a great many statements made about the route of this railway. There have been some contradictory statements made with regard to the route in New Brunswick as well as in regard to routes through the province of Quebec. It was stated in parliament that this road would run along near the northern boundary of Maine, and take the most direct course that could be obtained from Quebec to Moncton. Instead of that we have the Finance Minister stating to the House of Commons the other day that it is the intention of the government to build that road from Edmundston to Fredericton, and divert from that place to Moncton, across the country, a distance of 100 miles, which, if hon. gentlemen will look at the map, they will see is as exact a zig-zag as one could describe. It is possitively a forked lightning line in the

province of New Brunswick according to the statement of the hon. gentleman. The Hon. Mr. Emmerson, Minister of Railways, stated in the city of St. John, during the by-election last winter, that it was intended to come down to St. John, by what is called the old New Brunswick Central Railway, from Chipman to Norton, and join the Intercolonial Railway there and enter St. John on the eastern side and thus get all the advantage of the harbour frontage at Courtenay Bay. Just at the same time Mr. Hays wrote a letter to the mayor of St. John, asking for a reservation of space for the Grand Trunk on the western side of the harbour. These two propositions came before the electors at the same moment. Each had a very laudable object in view, and that was to get votes for the government candidate, but Messrs. Hays and Emmerson did not consult each other about the statements to be made, and the two were sprung upon the people at the same time and discredited each other to the detriment of the chances of the government candidate. I ask hon. gentlemen if they think it is possible to get a four-tenths of one per cent grade in that part of the province of New Brunswick? Let them go over the road which now runs from Edmundston to Fredericton, and they will find this state of things to exist. I am indebted for my information on this subject to the publication of the geographer.

Between Newburg Junction and Shewan, a distance of five miles, the grade is 1·04 per cent, or seventy-three feet to the mile.

There may be a grade that is a great deal sharper than that at some point within the five miles—very likely there is—but the average between these two stations is one and four-tenths per cent per mile. How much? Four times as difficult a grade as the one which we are told is to be the maximum grade for the construction of this railway all through its whole length from Winnipeg to Moncton, and this is through a part of the country where a railway is already built and owned by the Canadian Pacific Railway Company, and where the best grades that could be got—they had the whole country before them—were obtained. The same points are to be touched, Edmundston and Fredericton. I am not going to say that the Grand Trunk Pacific built by the government of Canada without any limitation as to money, may not be able to get a better grade than that, but I do say they cannot overcome such a difficult grade as that. Perhaps a good deal of money has been spent already in getting even as good as that is, but such a grade as that cannot be overcome, involving such a long distance—and there are other places on the same line of equal difficulty. Then another point referred to by Mr. Emmerson, about reaching the city of St. John, was simply political clap-trap, and perhaps it is not worth while referring to it. He said that gentlemen connected with the Grand Trunk had acquired stock in the New Brunswick Central Railway and they intended to come to the city of St. John by that road. I find that between Annandale and Salmon Creek on the New Brunswick Central, a distance of three miles, the average grade is 1·07 per cent, or eighty-eight feet to the mile, something like five times greater than the grade which we are told is to be the maximum on this road. I will give you another illustration regarding grades on what Mr. Fielding says is to be the main line of the Grand Trunk Pacific Railway and that is a point between Burt Lake and Upper Keswick on the line between Fredericton and Woodstock; there I find that there is a grade of 85 feet to the mile, covering the whole three miles, an average grade of one and six-tenths per cent. We are told by the hon. member for de Lanaudière, that it is the intention to come down the St. Maurice to Grand'Mère and utilize the valley that way. They would probably have to take about the same route to Quebec as the Great Northern does. What do we find on that route? We find that for five miles between the stations of Charlesbourgh and Lorette, very near the city of Quebec, there is a grade on the Great Northern Railway of 67 feet to the mile, or one and three-tenths per cent—immensely greater and more difficult than what we are told is to be the maximum grade of the transcontinental railway. I admit that if the transcontinental railway comes down to the valley of the St. Lawrence and hugs the shore of the river where the Canadian Pacific Railway goes through, they will get an easier grade, but I do not think the people of

Canada are prepared to be told that this great transcontinental railway, which was to open a new country from ocean to ocean, is going to parallel two existing roads for one hundred miles between Quebec and Three Rivers. Now there is another statement made by the geographer, which I wish to deal with, and which I think is very misleading. He says :

> There is nothing to be gained by reducing the grade below 0·03 per cent, as it does not require the expenditure of more power to haul a train up such a grade than it would to start it on the level.

And my hon. friend from de Lanaudière appropriated this statement and gave it to us in his speech. I have turned up Wellington and Smith whom I am told are the very best authorities on railway engineering. Smith is a Canadian writer of great authority and Wellington is a standard writer. Wellington has tables which disclose these facts :

> On the level a mastodon engine with twenty-one-inch by twenty-six-inch cylinder will carry fifty cars weighing fifteen and one-half tons and carrying thirty tons, the same engine on a three-tenths of a one per cent grade will carry twenty-eight cars of the same capacity and of the same weight. The difference between the two is as fifty is to twenty-eight.

If the hon. gentlemen would look closely they will find that there is a catch in the words of the geographer. What it means is that the same power required to start a certain weight on the level would carry much more weight when it is moving. How does it work out in operation ? If you use an engine which will just start a certain weight on the level, and which is able to carry that over a grade of three-tenths of one per cent, you must manage your line so that all your starting points and sidings may be on the level, and you may aim at not having to make any start where there is a grade ; but supposing something happens and you have to stop there, you cannot move—that is you are carrying such a load as is proposed for a level start, therefore you must use an engine suitable for a three-tenths of one per cent or four-tenths per cent grade one of vastly more power than would be necessary to operate a road on the level, and, consequently, the cost of operating a road where you have a grade of that kind is a great deal more than where you have it on the level, besides the greater cost of fuel. I am free to admit that three-tenths of one per cent is an excellent grade, but try to make the country believe this grade is as good as on a level is perfectly absurd, and the difference between moving a heavy train on such a grade, as compared with moving it on the level is very great indeed. I am not making the statement on my own authority, I have the books here and if any hon. gentleman doubts it I will show him the source of my information. I believe the authority I have quoted is accepted by railway operators everywhere. What is the statement made by Sir Charles Rivers-Wilson, in London, in regard to grades? Did he say the maximum grade on this road was to be 21 feet to the mile ? Nothing of the kind. He says they were to build a road with grades east and west of not more than 91 feet to the mile, nearly five times greater than was stated in the House by the hon. gentleman from de Lanaudière. I am not going to run down the project, because it will be necessary in some parts of it to have severe grades and it may be useful road notwithstanding such grades. I hope there will not be very many. But there is no use in deceiving the House or country by stating that a road of this ideal character is to be built. My hon. friend pointed to the Grand Trunk between Montreal and Toronto, and told us just such a road as that was to be built, and said the contract provided for that. If hon. gentlemen will look at the contract they will find it is not a correct statement. There is an important qualification there, making allowance between an old road and a newly constructed railway. A newly constructed railway is allowed to use very much more severe grades, and to build bridges and other works differently from those they will ultimately put in when they become well established. My hon. friend told us this grade was only reached on the Grand Trunk recently at an enormous expense. He admitted the cost was very great. It is not claimed in the Bill that we are going to conform with these grades immediately. The road shall come up to the standard as far as a newly constructed road should reasonably be expected to compare with an old road that had undergone a second construction, and which had become an im-

portant thoroughfare, and which it was necessary to put in the best possible shape after forty years operation. Before leaving this point, I will direct my attention to another point referred to by the hon. gentleman from de Lanaudière, and that is, his endorsation of certain figures and calculations which were submitted to parliament last year by Mr. Charlton, member for one of the Norfolks. He said he had examined very carefully the figures of Mr. Charlton, and he fully and completely endorsed these calculations, and he described Mr. Charlton as a very wonderful man indeed, in consequence of having made such calculations as these. I have been in communication, last year and this year, with gentlemen who know all about these subjects, and Mr. Charlton's calculations were the subject of criticism and afforded them some amusement.

The absurdity in the calculation was pointed out. Mr. Charlton looked up the returns of three or four of our railways and he found they gave a cost of haulage as an average of about $1 per train mile of all their trains, and he made his computation from that. It is true that the hon. gentleman from de Lanaudière in this House added 50 per cent to that, making it $1.50 in place of $1. But if hon. gentlemen will look into it carefully they will find what this means. One dollar per train mile is the average cost in Canada of all trains. The average train is ascertained by statistics to be less than seventeen cars, and the hon. gentleman was applying the average cost of moving with a comparatively light engine, a light train of seventeen cars, with that of moving the heaviest engine that could be built, on the heaviest rails laid down, and carrying the heaviest load that could be carried—60,000 bushels of wheat. The absurdity of that comparison is evident the moment it is stated. Railway men tell me that the last-named train cannot be moved at less than three times the cost of the average train. They tell me the train that carries the empties back would be several times heavier than an average train, and the empties would have to be carried back where there was no bulky traffic westward, and the carrying of the empties back and the heavy train forward could not be accomplished at less than five or six times the cost of an average train. Once we consider that point we will see that Mr. Charlton's calculations evaporate in air, and yet we have the hon. gentleman from de Lanaudière endorsing those figures and speaking of Mr. Charlton as a wonderful man because he made such calculations as that. I do not think there is any authority in Canada to-day who will be found to admit for one moment that it is possible to carry wheat on an all-rail route from the west to tide water as cheaply as it could be carried on an all-water route or part water and part rail. My hon. friend from de Lanaudière admitted that before he went on to endorse Mr. Charlton's calculations. If he were correct in his admission he could not accept Mr. Charlton's calculations because that would be making the cost by rail cheaper than the cost by water route, which the hon. gentleman said would be impossible. There are a few points in reference to this Bill which I think may be better dealt with in committee, and I have very nearly traversed all the ground I intend to cover at present. Sir Charles Rivers-Wilson, in London made the following statement:

> I must not forget to mention that in return for the support which we ask you to accord to the Grand Trunk Pacific Company, the Grand Trunk Company will retain a controlling interest in that company, and will become the possessors of the whole of the common stock, amounting to $25,000,000 or £5,000,000.

And he goes on to say what may be the prospective value of that security:

> What may be the prospective value of that security or when it may acquire a substantial value, I cannot precisely predict, but you must bear in mind the certain and rapid development of the Northwest on the one hand, and the actual and very profitable results on the other hand, which have attended the working of other railroads operated under conditions and in districts not dissimilar from those contemplated for the Grand Trunk Pacific Company.

Here we have Sir Charles Rivers-Wilson saying that in return for support which they are giving the company they are getting this common stock. There can be no doubt about that. The Grand Trunk Pacific have amended their Act of incorporation to enable them to dispose of this stock, for what? For the guarantee of the bonds. There is no doubt about that. We have passed the Bill ourselves giving them power to dispose of this

common stock, not for any value, because you cannot put a commercial value on the guarantee of the bonds, but they may dispose of it in consequence of that guarantee. Last session the Bill did not include the word 'guarantee.' Section 11 of the Act of incorporation did not include that word. Now, that clause is repealed, and a clause is introduced which has this change enabling them to dispose of this stock in return for a guarantee, showing plainly that they are not to receive money for it, but they are to give it for a consideration, and that consideration is to be the guarantee of those bonds. If the obligations of Canada are ten times greater than the Grand Trunk Railway obligation, why should the Grand Trunk Railway be given all this common stock, whatever it may be worth in the future, and I hope the day will come when it will be valuable—why should it be given to them in return for the paltry support they are giving to the enterprise ? Or why should not the stock be divided in the proportions they guarantee, giving three-quarters to the government and one-fourth to the Grand Trunk ? If that were done, there would be some reason and fair-play about it, and if the government were holding three-quarters of the stock of the company it would enable them to control the rates, the moving of the traffic and its destination at Canadian ports. It would enable the government to pass the dividends on their part of the stock, and allow the producers of Canada to get the benefit of low freight rates. They would get that if the government held three-fourths of the stock. But no, it is all given to the Grand Trunk—$25,000,000—and there is nothing in the Bill to prevent the Grand Trunk Railway getting the whole of that $45,000,000. There may be no preference stock declared at all.

Hon. Mr. McMILLAN—The whole thing is subject to resolution of the directors.

Hon. Mr. FERGUSON—My hon. friend is correct. There is nothing to prevent the whole amount of that stock going to the Grand Trunk, and all that for the support which they are giving to the scheme, support which amounts to only $14,900,000, when none of the stock goes to the government of Canada which is, in obligations and in cash, supporting the scheme to the extent of somewhere between $150,000,000 and $170,000,000. Now last year we were told that the government had been extremely careful. They told us so themselves. I do not believe many people think them very careful in anything—but they told us last year they had come to the conclusion that this stock must not be speculated with, that the Grand Trunk Railway Company must keep that stock during the existence of this lease for fifty years, and they strenuously resisted any proposition whatever which would lead to any disposition of the stock of the company except that it should go to the Grand Trunk Railway Company and be held until the expiration of the fifty years. Now they have changed all that; they enable the Grand Trunk Railway Company to do what they please with this $25,000,000 of common stock as long as they hold sufficient of it to control the Pacific Company. It is not necessary, as I read the Bill, that they should hold much of it. They may sell half of it. They may hold a string to the balance so that they retain the control, but all the stock may go into speculation notwithstanding all that was said to us last year with regard to the great wisdom shown by the government in requiring the Grand Trunk Railway Company to hold it for fifty years. And in speaking of this common stock, not only is it very objectionable that it should go to the Grand Trunk Railway Company who are doing so little to support this scheme, and none to the government, but I think a very vicious provision has been made to facilitate watering to the utmost extent in connection with this common stock. There is no doubt about it, all the legislation, and I have notes of eight or ten provisions in various laws of last year and this year, and they all point to an open door with regard to the watering of stock and placing it among promoters, and for which no substantial contribution may ever be made towards the construction of the road, and that stock may yet appear claiming dividends from the earnings of the road and increasing the cost of transportation to the people of Canada. On that question let me read the views of Mr. Blair, and these opinions were given in that famous memorandum which he submitted to his colleagues, and which has now become public property. He says :

And any new transcontinental lines should be built under conditions which would make every dollar of bonds and every share of stock available in cash as near the face value as possible. If bonds may be disposed of by companies at a large discount, and stock distributed gratuitously, or on terms which produce little or no cash at all for construction and equipment purposes—which has been forbidden by law—the business, such railways may do will, for dividend purposes, be always unduly burden and will be a grave handicap for all time to the development of the interior. With capital shares and bonds ultimately coming into the hands of innocent buyers at prices increasing with the growth of the railway traffic, it will be impossible for either a railway commisison of the government itself to reduce tolls below a dividend-paying basis. An appeal from the holders of the company's bonds and shares, to fix tolls sufficiently high to insure a moderate dividend cannot easily be resisted, and as a consequence the country through its business and traffic, is in effect as much charged, though indirectly, with the weight of these obligations as if the amount was covered by an issue of government bonds.

Moreover, the system is not sound. Why should a few people be allowed to make themselves millionaires in such a way? No one nowadays puts his money into the capital shares of a railway company at the inception of the undertaking. It has been done hitherto; it is not done now, and why not? Because with government assistance supplementing the sale of bonds the railroad can be built. And yet capital shares are issued by the million and appear later, when the enterprise becomes a success, in the hands of the purchasers who clamour for dividends upon them.

That is the view of Mr. Blair and I think it is the view entertained by every one who has an interest in the welfare of the country—that the common stock of a great corporation of this kind should not be allowed to pass without a sufficient value for it, and the allowing of this common stock to pass to the Grand Trunk Railway Company to do as they please with it absolutely for the paltry consideration of the guarantee which they are giving to the bonds of the Grand Trunk Pacific Company, amounting to $14,900,000, is to my mind a monstrous piece of legislation.

I have just a few remarks to make on two other points. A great deal has been said about the running rights which the government have over those lines under their lease to the Grand Trunk Pacific, and the running rights which they can give to other railroads for operating over it. Railroad men tell me that those are very slight advantages indeed, that there are very few advantages to other railway companies and the public from those running rights. The Grand Trunk Railway Company will have control of the railroads; they will have their staff and equipment, and any other company may only come in and use the line for some very limited purposes and to a very limited extent; but I would say this, the original agreement contained a provision that the government should have certain running rights over the western division during the continuation of the lease, and that the Grand Trunk Railway Company would have a right to run their trains over the Intercolonial Railway. It is now provided, however, at the termination of that period of fifty years, that the Grand Trunk Pacific Railway Company would continue to have more than ordinary running rights over the eastern section, notwithstanding the termination of the lease. It is not the kind of running rights it was provided the Grand Trunk Railway should have over the Intercolonial Railway, but they are to have haulage and running rights sufficient to meet the requirements of the trade that they were carrying on between their western division and the Grand Trunk Railway system of Canada. These are running rights and haulage rights which are qualified by the Act, and of immensely more importance than the rights the government will have over the western division during the continuance of the lease; but while it is provided if the lease terminates at fifty years and the government runs the eastern section the Grand Trunk Pacific's right to use the eastern division for their purposes shall continue in a manner very much more important and valuable to them than the usual running rights such as I have described that the government were to have over the western division. But while that is provided for in the case of the Grand Trunk Pacific, the government lose their running privilege over the western division. Surely if the Grand Trunk Railway at the end of fifty years, terminate their lease and the government undertake to operate their own end of the railroad, and the Grand Trunk Railway retain all their rights and running privileges over that railroad, the government should retain some running rights over the western division; but there is no reciprocity in it at all. Any motion to give that fair-play to the government of Canada was rejected in the House of Com-

mons. The government determined to give the Grand Trunk Railway Company its own way in everything and secure no right of any kind for the country, but that in the original agreement, and that was very slight indeed. I have already touched on the question of rolling stock and I do not propose to deal with it again. Should the position I have taken be disputed, that Sir Charles Rivers-Wilson told the shareholders of the Grand Trunk Railway Company in London that the Grand Trunk Railway Company would not be called upon to contribute anything towards furnishing the rolling stock, but that it was to be raised by a trust and paid for out of the earnings—if that position is disputed, it may be discussed further in committee, but as far as I have been able to learn, and I have gone over all the clauses of our legislation last year and this year, and the General Railway Act, the Act of Incorporation and the two agreements, point unmistakably to the fact that the intention of the company is that the company shall provide money out of a trust fund and pay for it out of the earnings of the railroad and not make it an obligation against the Grand Trunk Railway Company.

I know I have not touched many points of great importance in discussing this question, but it is impossible in a two hours' address to cover all the ground. I am convinced, the more thoroughly I have examined this question, that when the government of Canada entered into this contract with the Grand Trunk Railway they took a step that is going to prove in the future a most serious detriment to the best interests of the people of Canada. They are handing over the trade of the Dominion to a corporation which has an interest in diverting it from Canadian ports. They have not provided safeguards against such a diversion of our trade. They have assumed obligations and burdens entirely disproportionate to the value of the enterprise and to the obligations assumed on the part of the contracting company. They have committed us to an enterprise that will impair the ability of the country to enter upon other much needed schemes for the development of our country for many years to come. I do not say it is going to ruin the country; I do not say that if all this money were lost, that Canada cannot stand it? The country is prosperous and growing, and able to do very great and important things, but I do say there is a limit to the obligations we can undertake and preserve our credit before the world. We will have to go into the markets of the world and borrow a great deal of money. We are allowing our bonds to be floated for the purposes of this company to an enormous extent. We will have to impair our credit considerably and in the event of a depression—and hon. gentlemen know some day we will be visited with a wave of depression in this country—having to carry all these burdens we will not feel ourselves as free to deal with transportation in other lines as we should like to do. A supreme act of folly was committed by this government when it rushed headlong into this project without investigation, and without getting expert advice which it was their duty to obtain, and that folly will come back upon the people of Canada for many years to come.

At six o'clock, the Speaker left the chair.

After Recess.

Hon. Mr. BEIQUE—If I were to consult my own pleasure, and I am sure that of this honourable House, after the very lengthy speeches which we have heard in the Senate, and which have been delivered in the other chamber on this question, I would give a silent vote on this Bill. I deem it my duty, however, at least in the interest of the division which I have the honour to represent here, to offer a few remarks. I desire to congratulate the hon. gentleman from Marshfield (Hon. Mr. Ferguson) upon the very able address which he has delivered this afternoon, in which he criticised for over two hours an exceptionally good measure, as I propose to show. I do not intend to follow the hon. gentleman on all the points which he has discussed, and which I believe have been already discussed both in the Senate and in the other chamber, nor do I propose to follow him in the figures he has quoted, especially with regard to distances and the cost of the road. Any opinion which I would express on those figures, not being a railway man, would not have the weight of the opinions which have been uttered by others in both Houses of parliament.

The first point which I believe was discussed by the hon. gentleman and which

was the subject of an objection on his part, was, that the government should have appointed a commission on transportation for the purpose of inquiring as to the best mode of meeting the requirements of the country in regard to the construction of this railway. I can very well appreciate the desire of my hon. friends in that respect. They have been waiting so long before adopting any policy on this question, both last session and this year especially in the House of Commons, that they would have derived a great deal of benefit if such a commission had been appointed. It would have enabled them to form a better opinion, and agree upon one scheme, which they have hitherto been unable to do. As far as the government is concerned, it did not require anything of the kind, and from the very moment the question was approached, the government came to parliament with a complete measure, a measure which commended itself to the good judgment of parliament and of the country. Last session, we heard a great deal from hon. gentlemen opposite as to the measure which was then submitted for the first time as being premature. It was claimed that the government had not the proper information and that the conditions were not as was claimed, and that, anyway, there was no hurry to present a measure of the kind. The hon. members of the opposition have changed their opinion in that respect, as well as in several other respects. I believe now that they are all agreed upon as to the necessity of immediately constructing a transcontinental railway.

Hon. Mr. MACDONALD (B.C.)—No, no.

Hon. Mr. BEIQUE—I propose to show that they are agreed upon this, and I shall rest my argument, not on the speeches made by hon. gentlemen opposite, but on the resolutions offered by the leader of the opposition in the House of Commons and by the hon. gentleman who leads the opposition in the Senate. The only difference between the two parties, as I propose to show, is, whether the work should be done by a company or by the government—a road owned and operated by the government, and whether the Intercolonial Railway should or should not form part of this transcontinental railway. But as far as the urgency of building a transcontinental railway is concerned, I say we are all agreed.

Hon. Mr. MACDONALD (B.C.)—No.

Hon. Mr. BEIQUE—I go further. As far as the advisability of building a railway from Moncton to Winnipeg independently of the Intercolonial Railway, we seem also to be agreed. Let me refer to the amendment presented by the hon. leader of the opposition in the House of Commons on the 5th April, 1904. I call attention to one of the paragraphs in the preamble of that resolution :

This House is of opinion that in considering these problems and initiating and developing any great national system of transportation, it should be our aim to provide the best and cheapest carriage for our products and importations; to secure their transportation through Canadian channels and Canadian seaports and for that purpose to make the Canadian routes the most economical and serviceable ; to open up valuable territory for colonization and development ; to stimulate interprovincial trade; and to bind more closely together the scattered communities of our country.

If hon. gentlemen will compare this part of the preamble of the motion with the remarks offered by the hon. leader of the government when the measure was presented last year, it will be found to be the same thing almost word for word. Anyway it is the same idea, and the reasons offered for the measure in both Houses are exactly the same. If I turn to the resolution itself, what will I find :

The House is of opinion that instead of ratifying the proposed amended contract it would be more in the public interest to initiate forthwith, and develop with all speed, a system of national transportation, which should include :

1. The immediate construction and control by the Dominion of such lines of railway in the west to the Pacific as the enormous importance and increasing development of the great western country require.

2. The extension of the Intercolonial Railway to the Georgian Bay and thence to Winnipeg, and the extension and improvement in the province of Quebec and in the maritime provinces of the government system of railways.

3. The development and improvement of our canals and inland waterways, and the thorough and efficient equipment of our national ports and terminals on the Atlantic and Pacific as well as on the St. Lawrence and on the great lakes.

4. The thorough examination, exploration and survey of the country between Quebec and Winnipeg, with a view to the future construction of such lines of railway as may be found in the public interest.

Does not this clearly imply the extension of the Intercolonial Railway to Georgian bay, and the construction of a railway from Winnipeg to Quebec, independently of the Intercolonial Railway, after having

obtained the necessary information for the location of the road ? I therefore say that according to this resolution, according to the position taken by the hon. leader of the opposition in the House of Commons, he admits the urgent necessity of immediately constructing a transcontinental railway, and he contends only that the Intercolonial should form part, for the present, of this transcontinental line, and that the portion from Winnipeg to the Pacific coast should be constructed, owned and operated by the government, and that as soon as possible another line of railway be constructed from Winnipeg to Quebec. Therefore, I say that the only thing which divides the government and the leader of the opposition in that respect is the question of ownership and operation of the road, and as to whether the Intercolonial should be extended to Georgian bay. Now let me call the attention of this honourable House to the motion that has been offered by the hon. leader of the opposition. It is in these lines :

That in the opinion of this House it is inexpedient to commit the country to the proposed enormous obligations upon the terms and in the manner set forth in the agreements proposed to be ratified by this Bill, thereby adopting a policy which will impair the power of Canada to deal effectively with the transportation problem on other lines for many years to come ; that if such obligations are to be assumed, the road should be built, owned and controlled by the government in order that Canadian seaports may be assured for the outlet of all freight and government control of rates be secured.

This amendment urges the government ownership of the road, and criticises in a general way the terms of the contract entered into between the government and the Grand Trunk Pacific. But I say that this resolution itself implies also the necessity of the building of the road, and what divides us are really questions of detail. I desire, in as few words as possible, to recall the circumstances under which this measure was presented last year, and what it implies. Hon. gentlemen will remember that last year the Grand Trunk Railway Company came before parliament with a strong determination of extending their railway system in the west. The Grand Trunk Railway Company is a corporation second to none in magnitude on this continent, and I do not suppose for a moment that any one on the other side will undertake to say that it would have been good policy on the part of the government or in the interest of the country to deny the Grand Trunk Railway Company the right of extending their system to the Northwest and through to the Pacific coast. I take it that there cannot be two opinions on this question, that it is in the interest of the country that a corporation of that magnitude should extend its system to our western coast, and I will show in the course of my remarks some of the advantages which will be derived from their doing so. The question was as to whether the Grand Trunk Railway Company should be antagonized and left to reach the west in their own way through Chicago and North Bay, or whether it was not in the interest of the country that the government should try to harmonize their interest with that of the country and induce them to join in the building of a railway which would best serve the interest of the Dominion and meet the conditions mentioned in the resolution of the hon. leader of the opposition, to which I have called the attention of the House. What then did the government do ? They declared their willingness to help the Grand Trunk Railway Company of Canada to reach the Northwest and the Pacific coast, but provided they should at the same time adopt the route which was in the best interest of the country, and provided also that they would consent to take a lease for the operation of a part of the transcontinental road extending from Winnipeg to Moncton. It might have served the interest of the Grand Trunk Railway Company to entirely ignore the wishes of the government and build their railway to suit only their own interests, but what would have been the consequence? The consequence would have been that the trade of the Grand Trunk Railway would have been entirely diverted from our Atlantic ports, and would have gone in a great measure to the United States. Was it not incumbent on the government to prevent that, and to enlist the experience and good-will of the Grand Trunk Railway system, and induce them to adopt a line of railway which will extend not only from the Atlantic to the Pacific, but which will also be the means of opening up large portions of Ontario, Quebec and New Brunswick. If I am not mistaken it has not been suggested by

any hon. gentleman on the other side, here or in the House of Commons, that, as far as the western division is concerned, there is any danger of it being a failure. It has been taken as admitted—in fact it has been referred to as being a settled fact—that the western division will be a success. If it should be a success, what is the responsibility of the government? The government does not grant any land or bonus, but merely guarantees a portion of the bonds for the construction of the railway. On the other hand to what extent does the Grand Trunk Railway Company or the Grand Trunk Pacific Company contribute towards the building of that western division? First, the company have deposited with the government five million dollars in cash. The Grand Trunk Railway Comapny has to guarantee the bonds to cover 25 per cent of the cost of the road, and to provide rolling stock to the amount of twenty million dollars. Is it not a fair guarantee, a fair contribution on the part of the Grand Trunk Pacific, and does it not compare advantageously with the agreements which have been made with all other railways of any importance in this country? Of course there can be no comparison between the aid given to the Canadian Pacific Railway and to this enterprise. It is not necessary to call the attention of this honourable House—it is in the minds of all of us—to the bonus the Canadian Pacific Railway received both in land and money; but I say this proposition compares most favourably with that of the Canadian Northern, who obtained a subsidy, and with all the important railways which have been constructed in this country. Now, as a part of the bargain, and a very important part, there is the fact that the Grand Trunk Pacific Company undertakes to lease and operate for fifty years what is called by the hon. gentlemen opposite the lean portion of the railway, the eastern division, and to pay during 43 of the 50 years, as rent interest at the rate of 3 per cent on the cost price, and this cost price is to include all renewals and everything which will not be charged to operating expenses. Now, what will be the result of this lease? The lease is important in several respects. First, it meets in a great measure the policy which has been enunciated by the leader of the opposition, government ownership. It does away with the bad administration which is inherent to a government operating a railway. The building of the road will have the effect of increasing the value of land throughout the whole Dominion, an advantage beyond measure. We are to have a transcontinental railway extending over 3,400 miles of territory. Let us suppose there is only one-half of the territory traversed by this railway which is agricultural land, and take only twenty miles on each side of the line, it represents over 120,000,000 acres of land, and will it be denied that the construction of this railway will enhance the value of those lands to the extent of one or two dollars an acre? Is it not quite plain, therefore, that the expenditure which will be incurred by the government in building that portion of the road will be amply recouped indirectly by the enhanced value of those lands? Another advantage is that the government secure the running rights for the Intercolonial Railway and for all other railways which may choose to avail themselves of it, both on the eastern and on the western divisions, and in this connection I desire to answer an objection raised by the hon. gentleman from Marshfield. He stated that these running rights were to exist only for fifty years, that there was no provision in the contract whereby those running rights would be continued if the lease should be renewed for another period of fifty years.

My answer is this, that it will be in the option of the government to renew the lease or not; therefore, it will be in the power of the government when they consent to grant a renewal lease to make it a condition that these running rights shall be secured as part of the new contract which shall be made, and, therefore, it was unnecessary at this stage, to complicate the present contract and create unnecessary difficulties which can be easily met at the expiration of the fifty years. I ask, can it be denied that the Grand Trunk Pacific Company and the Grand Trunk Railway Company will be the means of making during those fifty years operation of that eastern division a most valuable property, a property which at the expiration of the term of the lease will be of immense value, and which will not only represent the outlay involved in the construction of the road, but will very likely be

worth two or three times the amount of that outlay. This will be secured through a large expenditure of money, but an expenditure which will bear interest at the rate of three per cent, and which will be paid during forty-three out of the fifty years by the Grand Trunk Pacific Company. It is claimed that the Grand Trunk Pacific may be unable to carry out their obligation in that respect, that they may have to give up the road. All kinds of suppositions may be indulged in, but the question has to be considered from this aspect: whether the government is not dealing with men of experience who have the necessary ability to carry out any undertaking on which they may enter, and as to whether the government has not exacted the proper guarantees for the carrying out of those obligations. The guarantees that the government has secured are the five million dollars of rolling stock, which are to be specially marked as belonging to the eastern division, and which will be a permanent guarantee to the government for the payment of the rent, and the additional security is in the expenditure to which I have referred, which will be made both for rolling stock and for the construction of the western division, and which represents a large amount of money, and the guarantee resulting from the value of the portion of the railway which is designated as the western division, and which it is not supposed for an instant will be a failure. I say, therefore, we need have no apprehension in that respect, and that the company with which the government is dealing will be amply able to meet their engagements. The hon. member from Marshfield said that his main objection was to the fact that the Grand Trunk Railway Company was connected with the enterprise. One of the main reasons why this measure commends itself to the country is that the Grand Trunk Railway Company is connected with the project, because of their experience and ability to carry it to success, and because of all the guarantees offered, and the amount of money which they bind themselves to invest in the enterprise. The hon. gentleman feared, on account of their having the terminus at Portland that they will be interested in diverting the trade of the Northwest to the benefit of that port. The government has guarded against that, by the fact that it has made them guarantee a part of the construction of the western division of the road, and in the fact that the Grand Trunk Pacific with which the Grand Trunk Railway are connected, and will remain connected, have undertaken to pay the rent or interest on the cost of the eastern division; and to enable them to pay that intrest on the cost of the eastern division, of course, they will be interested in making that division earn as much as possible, and, therefore, will feed that division as far as possible.

The hon. gentleman has referred to the remarks of Mr. Hays in England, and has given an interpretation to them which, in my opinion, they do not bear at all. Mr. Hays very frankly says that the Grand Trunk Railway Company are interested and expect to benefit by the western traffic, but that does not necessarily imply that Mr. Hays had in his mind the export freight. He no doubt had in mind the summer traffic, for instance, which they expect to get in a great measure, and the local traffic. I call any traffic between the eastern provinces and the west, local traffic. But the hon. gentleman cannot find in Mr. Hays' remarks any expression which can support his construction, or anything tending to show any intention of divertng the trade from Canadan ports. The hon. gentleman has stated that the government have not in the contract properly guarded against that diversion of trade. I shall not take up the time of this honourable House, but I invite the reading of clauses 42 and following of the contract where it will be found that the government have specially stipulated that it is an essental part of the contract that the Grand Trunk Pacific shall not divert the traffic. We are asked what is the security as to that? Well, the parliament of Canada will have the matter in its own hands.

Hon. Sir MACKENZIE BOWELL—Does the 42nd section, to which the hon. gentleman refers, apply to the Grand Trunk Railway Company or to the Grand Trunk Pacific Company exclusively?

Hon. Mr. BEIQUE—The sections to which I have referred, 42 and following, refer to the Grand Trunk Pacific, not to the Grand Trunk Railway; it would not have been reasonable to exact anything of the kind on the part of the Grand Trunk Railway Company.

And in that respect let me say this once for all. I do not claim, and nobody will claim, that if it had been open to the government to make an ideal contract that clauses would not have been found which would have bound the Grand Trunk Railway Company and even the Grand Trunk Pacific Company in a more rigorous way ; but what I claim is, that the government has exacted all reasonable conditions and obtained proper guarantees. It takes two parties to make a contract, and it would have been useless on the part of the government to impose conditions which were unreasonable and which the Grand Trunk Railway Company would not have accepted. Then I say that the government will have the remedy in its own hands should the Grand Trunk Pacific Company try to evade that clause of the contract. The remedy will be very simple—to cancel the lease if they so choose, or to extend the Intercolonial Railway for the purpose of competing not only with the Grand Trunk Pacific, but with the Grand Trunk Railway as well. I am sure hon. gentlemen opposite will not deny that that would be an effective remedy, to threaten both companies with having the Intercolonial extended to Winnipeg, and that they would come to terms and very quickly cease diverting trade to foreign ports. The leader of the opposition and the hon. gentleman from Marshfield have committed themselves to government ownership and operation of railways.

Hon. Sir MACKENZIE BOWELL—Nothing of the kind. There is nothing in the resolution to justify that remark.

Hon. Mr. BEIQUE—It is the point on which he is co-operating with the hon. leader of the opposition in the other House. Last session the breach was much wider. The hon. leader of the opposition in this House then was against government ownership. He had been against government ownership all his life I think ; but this year, at the last moment, he has decided to make a jump to that extent, but he would not go so far as to contend that it would be advisable to have the government operate the road. The hon. gentleman has an easy way to solve the problem. It is to have a commission.

Hon. Sir MACKENZIE BOWELL—I did not say anything about a commission.

Hon. Mr. BEIQUE—To have a commission and remove it from government control. Well, I would ask the hon. gentleman by whom would that commission be appointed ?

Hon. Sir MACKENZIE BOWELL—When I suggest a commission I will answer the question. I have not suggested a commission, neither have I advocated that the government should run the road, either last session or this session, and if the hon. gentleman will do me the justice to refer to my remarks he will see that I did not.

Hon. Mr. BEIQUE—The hon. leader of the opposition is so near the hon. gentleman from Marshfield who has spoken, that I thought they were agreed on that point.

Hon. Sir MACKENZIE BOWELL—We may be.

Hon. Mr. BEIQUE—I am willing to accept the correction, and am rather gratified to see that they part again in that respect. The hon. gentleman from Marshfield has advocated this afternoon, a commission, which would be independent of political control, to use his own words. I would ask the hon. gentleman by whom such a commission would be appointed, and what means he would be able to suggest to secure such a commission ?

Hon. Sir MACKENZIE BOWELL—If a commission is to be appointed, we should like to have it in the same position as the Auditor General—independent of the government.

Hon. Mr. BEIQUE—The hon. gentlemen were in power for twenty-five years, and had a government owned road, and did it ever occur to them that a commission of that kind could be secured which would be independent of political control ? A commission of that kind would be the nominee of parliament, and of the majority in parliament, whatever that majority might be, and, therefore, the members of that commission would be under the direct influence of the party in power and controlled by them.

The question has received the serious attention of able men, not only in this country but in other countries. I have in my hand a study of the question, published quite recently by Mr. Paul Leroy Beaubien,

who is one of the greatest economists of the day, and what is the expression that he uses in dealing with the government ownership and operation of railways. He says:

It would be the worst venture, from an economic and financial point of view.

And he calls attention to the fact that in the United States, where they have 40 per cent of the railways that exist in the world, where they have 240,000 miles of railway in operation, there is not a single mile owned by the government. It is all owned by companies. They are a progressive people, and if government ownership of railways were feasible, if it were in the interest of the community at large, if the people could be educated to that, would they not have tried to adopt that system? Is government ownership and operation of railways obtaining in England? Is it obtaining in France? In other countries where it exists at all it is the exception. A very small part of the railways in all the world are owned by governments, and it is only in cases where there are special conditions. Then, Mr. Rouvier, Finance Minister of France, during the course of the month of January, took part in the discussion of the problem, and I have here his speech on the question, and he takes the same position. He and Mr. Leroy Beaubien showed that it was not in the interest of the country to have railways owned or operated by the government. And we have on this an expression of the opinion of able men who are not biased, who cannot be supposed to be biased in favour of the government. I call the attention of the hon. member to the Montreal 'Gazette' of last Monday, where I find that Mr. Clouston, the general manager of the Bank of Montreal, on his return from England, expressed his opinion on the question. Here is what he says:

I look upon the policy of state-owned railways as inimical to the best interest of the country. I think Canada's experience with the Intercolonial Railway should be a good enough lesson as to the principle of public railway ownership. Our make up, as a people, would be unfitted for the owning of railways by the state.

When he used the expression 'Our make-up as a people' I take it to refer to the extent of the country, to the diverse interests of the different parts of the country, as being exceptionally objectionable to government ownership of railways. A day or two after, we had a similar expression of opinion on the part of Mr. G. E. Drummond, the president of the Manufacturers' Association, who, also, had just returned from England, and who endorsed the opinion of Mr. Clouston, and said that he (Mr. Clouston) admirably expressed his opinion. I do not think that the hon. gentleman will find that there are many business men in the country who will be ready to join him in advocating the government owning and operating the railways, and I am gratified to find the hon. leader of the opposition does not believe in any such proposition. The principle of government ownership, I have shown, is embodied in this measure, as far as it can be embodied in the interest of the country. It is embodied with this guarantee that the road is to be operated by a responsible company for a long term of years, that the interest on the outlay is to be paid by that company, and that the company is to make of that railway property a valuable property, when it may revert to the government for the purpose of operating it, if the government at that time are educated to the principle of state-owned railways operated by the government. Now this measure is in no way in conflict with the extension of the Intercolonial Railway to the Georgian bay. The government is in no way committed to not extending the Intercolonial Railway, if in five or ten years it should be advisable, to the Georgian bay. It will be open for the government to do so, and it will have the advantage of the benefits which may be derived from the fact that in the meantime the Grand Trunk Pacific Company shall have been built in the west, and will have been the means of developing the trade and traffic very exhaustively. The hon. gentleman from Marshfield has referred to Mr. Osler, for the purpose of making good the opinion he expressed that the cost of the eastern division of the transcontinental railway might be increased because the bonds when sold on the market might not bring one hundred cents on the dollar, and he has referrerd to the opinion of Mr. Osler to the effect that the rate of interest has a tendency to increase. Well, I find the hon. gentleman has expressed opinions which are rather risky, not only in that respect, but in other respects. If we refer

to the debates of last year I find that the hon. gentleman, Mr. Osler, went to the extent of saying—page 9203 of Hansard—that the eastern division would have cost at the end of the fifty years, $500,000,000. That cannot be called a moderate or cheap estimate, and the statement of a gentleman who is ready to venture into such an exaggeration should be taken with a great deal of precaution. It is well known that the tendency of interest is rather in the direction of decrease rather than increase. It is well known that all over the world a great accumulation of money has taken place within the last ten, fifteen or twenty years, and that the interest, from six, seven or eight per cent, that it was fifteen or twenty years ago, has diminished to one-half of those rates, and for my part—and I am sure I am supported in that opinion by a great majority of business men—I have no doubt that the interest on money instead of being four or five per cent, as it is now, will drop to two per cent in ten or twenty years, and, therefore, instead of being a source of increase in our obligation we may expect that the bonds will sell at par, if not more than par. These are the only points in the remarks made by the hon. gentleman from Marshfield to which I desire to call special attention. Let me, in closing, say that I admit—and nobody will deny—that the contract now is not as favourable as it was last year, that concessions have been made to the Grand Trunk Railway of Canada, but the opposition, I claim, are responsible in a great measure for those concessions. If they had not taken the position they took last year, if they had not delayed the measure as they did, if they had not made the speeches they made in the House of Commons and in this House, and thereby frightened a large number of shareholders of the Grand Trunk Railway of Canada, the government would have obtained the ratification of those shareholders, and the bargain would have been ratified and the deposit would have been made in the terms of the agreement passed last year. I claim that the contract, amended as it is, is a fair contract. It was not amended in any essential part. It remains a reasonable contract, and in my humble opinion it is a measure which commends itself to the judgment and the appreciation of the people, a measure which will inure to the great benefit of the country at large.

Hon. Mr. MACDONALD (B.C.)—I would ask the hon. gentleman if he can say why the commercial men of Montreal, and the Board of Trade, did not ask for this railway ?

Hon. Mr. BEIQUE—I would remind the hon. gentleman that there are a great number of gentlemen who did ask for the railway, and I would ask him in return why did not the Board of Trade declare themselves in favour of the government operating the road ?

Hon. Mr. MACDONALD (B.C.)—That is not an answer to my question.

Hon. Mr. DANDURAND—What about the Board of Trade of Victoria ?

Hon. Mr. MACDONALD (B.C.)—I do not know. Did that board ask for it ?

Hon. Mr. DANDURAND—British Columbia is unanimous in favour of the construction of the road.

Hon. Mr. BERNIER—I crave the indulgence of the members of the Senate for the few remarks which I desire to make before being called to register my vote on this very important measure. These remarks will be as concise as possible.

My first objection to the Bill before us at present is to its title. I confess that such an objection would not be sufficient to have the Bill entirely thrown out. Still, it has its importance, and I venture to say that this scheme should not be styled 'The National Transcontinental Railway.'

Why call it 'National'? I quite conceive that if the road was to be a government road—a road built and owned by the people of Canada, we might supersede all claims of other companies and call such a road 'national.' But it is not so. The road is to be owned for the greater part by a commercial company, and, moreover, a company which is to-day as much an American concern as a Canadian one.

When the people of Canada made an appeal to financial men or corporations to build our first transcontinental line—which was then a political and public necessity—did we see the Grand Trunk respond to the appeal ? Not at all ; they were too busy in the building up of their American exten-

sions and their American port. But other parties, men of energy and ability, backed by Canadian financial institutions, came forward and undertook, under grave circumstances, to endow the people of Canada with a railway line, which was really a link between the provinces of confederation, and which stands to-day at the front rank amongst all transportation routes; and until the government decides to have its own transcontinental railway, the Canadian Pacific Railway is alone entitled to be called the 'National' road.

It has been the pioneer road across our domains; it has cemented, to a great extent, the interests of each province to the interests of its sister provinces; it has largely contributed to the increase of our trade, thereby contributing to the prosperity of Canada. Under these circumstances, that great enterprise and the men who had the courage to undertake the same at the time it was built, should not be deprived of the merit to which they are entitled, in name as well as in fact.

My next objection is to the character of this new enterprise. It is neither a government enterprise, nor a railway corporation enterprise. It partakes of both characters, in a form which does not appeal to the good sense of the people. It reminds one, to a certain extent, of the water stretches route of the Mackenzie government, and may have the same fate. The Mackenzie government was replaced by a more far-seeing administration, which, sizing up the situation and the public necessities of the time gave to Canada an all-rail road with all its advantages. History will likely repeat itself in this case, and a new administration may realize what this government does not dare or does not care to give us; a real national road. It has been in the past the lot of Conservative governments to repair the errors of Liberal governments, to remodel their ways and to make practical schemes of their ill-conceived projects. So will it be in this matter also.

The legislation of last year, and the new Bill present themselves to us in the nature of a partnership agreement, by which the people of Canada are called upon to build the whole road, as it were, by actual outlays and by direct guarantee, and the Grand Trunk, unrestricted, is to reap the earnings. Not that I wish to say that the country will not directly derive some advantages by the construction of that railway, but I say that if we look closely to the contract that is now the object of our consideration, one cannot fail to recognize that this contract is entirely one-sided from the point of view of actual agreements.

The responsibility of the government does amount in round figures to at least $150,000,000. The responsibility of the Grand Trunk is only about $15,000,000; that is only one-tenth of the whole responsibility.

The government undertake to build the part of the road which for long years to come, will not be a paying concern. On the other hand, the Grand Trunk, the other partner, is to have in full ownership of the paying part, although aided by the people of Canada, in the construction of the same to the extent of almost the total cost of construction. I could point out other features of this contract equally to the disadvantage of the country; but this is sufficient for the purpose of my argument.

Notwithstanding all that parliament is asked to do for this company, the government will not even have the right of effectually controlling the rates of transportation on this railway except in so far as they may have such control under the general law; the government does not obtain reciprocal advantage in the way of running rights; they do not even insure the carrying of Canadian products through Canadian ports.

I do not find fault with the Grand Trunk when it tries to get the best bargain possible. The Grand Trunk is a commercial enterprise, and its directors are bound to make the best efforts to better its condition. But, on the other hand, we have assuredly the right and the duty to go into all the details of that bargain also with a view to protect the interest of the people.

One of those great interests that we must have in view is to give to the people the best and cheapest means of transportation from one section of the country to the other both ways. It is the general understanding, confirmed by experience, that waterways are cheaper for the bulky trade than railways.

Now, we have in this Dominion the best waterways in the world. Some need no

improvements, others would require to be deepened and enlarged. We have that long stream, known as the proposed Montreal, Ottawa and Georgian bay canal, which should have been the first object of the government's care. This route would not only have advantages as a connecting link between the west and the great lakes to Montreal, the commercial metropolis of Canada, but it would bring forth immense wealth by the development of the resources that are now lying dormant along that route.

By the present undertaking the government is going to tie up the responsibility of the country to such an extent that we have reason to believe that such a useful public work as the Georgian bay canal will have to wait many long years before it can be realized. On one hand, you may by this new transcontinental provide for some public needs in future years, but on the other hand you will prevent the realization of an important commercial route which is of an immediate necessity.

On what ground can a public enterprise aided or built by the public funds, be justified ? By the necessities of the hour. We should not tax the people, it seems to me, for more than is required by their actual and tangible necessities, except it be for some state reasons, as it was in the case of the Canadian Pacific.

Now, what do we require in the west ? What do you require yourselves in the east? Because any outlet for us will be an inlet for you ; any prosperity that may come to us from the establishment of those outlets will shine upon you also.

What we require in the west is not precisely new outlets of transportation which may be required fifteen years hence, but immediate facilities for the exportation of our grain. This transcontinental line will, no doubt, be of great advantage for those who will live in the vast west in the decades following this one, but, in the meantime what shall we do ?

If no misfortune comes upon us, the crop of this year will tax to the uttermost the present means of transportation, and next year, with the arrival of new immigrants, with the expansion of the cultivated area, the crop will exceed the actual possibilities of exportation. What we would require under such circumstances is the immediate improvement of those means of transportation, that is the construction of local branch lines to carry freight to Winnipeg, the doubling of the tracks from Winnipeg to Port Arthur, the building of elevators, and for the near future, the canalization of the Ottawa to Georgian bay. To that policy the attention of the government should have been directed first.

It is said that the new line will have the effect of developing lands along the Saskatchewan and further north and west. True it will, when it is built. But here again I question the immediate usefulness of that new line with regard to the colonization of that section of the west. I will give two reasons to justify my views on that point.

The first one is that the Canadian Pacific and the Canadian Northern are at present extending their lines in that direction. The construction of these new lines will open to colonization a vast area of land, more indeed than can be settled for some years to come.

The second reason is that we have, at present, an immense quantity of good colonization lands in the districts fairly well provided with railway communications. To my mind, it would be better for the country and for the settlers themselves, to confine our efforts to those districts than to induce people to settle in too far from neighbours and markets while public lands in convenient districts are available. Under those circumstances it seems to me that instead of handicapping the credit of the country in the building of new lines where there is no immediate necessity, our attention should be directed, and our resources be devoted to the improvement of existing routes both by water and by rail.

But let me tell you hon. gentlemen, that this new enterprise has been put on foot partly to hamper the development of these routes.

Here is what Mr. Smithers, vice-president of the Grand Trunk, said in London, two days before the opening of our parliament, at the general meeting of the shareholders of the Grand Trunk Railway Company :

> It is not good for this company to have all its reasons and policies proclaimed on the housetops. (Applause.)

This is a warning, hon. gentlemen, that the Grand Trunk has some surprise in store for us. They do not want to disclose all their objects and designs. Should we not then be on the alert? Mr. Smithers continues :

I presume that every speech that has been made here to-day has been made solely in the interests of the Grand Trunk, and solely with a view to helping us ; but there have been such things known as views being put forward, even within a company, that were not wholly guided by the interests of that company. I can tell you—and Mr. Hays will support me in saying it—that there are many schemes in Canada, as there must be in all new countries—there are many schemes in Canada which are only waiting to come out, which we consider—and we do not wish to go any further than that—but we consider the scheme we propose to you to-day, after long examination, is the best and safest means for defeating those competing schemes—(hear, hear)—and we believe—not that we are leading you into new dangers to-day, by asking you to pass this scheme, but that we are putting the Grand Trunk into a position in which it has never been before, that we are strengthening it from the large increase of base from which we shall draw traffic, and to which we shall give traffic.

One of the objects of the Grand Trunk which is disclosed here is that the company wants to tie up the traffic of the Northwest to the Grand Trunk itself.

We have no objection to the Grand Trunk coming to the west. We have long expected that one day it would come. In fact it should have been the first to reach those fertile plains. But, as I have said before, when it was needed and expected, it did not respond to the appeal and did not come. The Grand Trunk does not move unless it goes into partnership in which it has the lion's share. It owes at present to the country about $50,000,000, of which we will very likely never recover a cent. Recently, under the pretense of extending the Intercolonial to Montreal, the country entered into a bargain by which the Grand Trunk has been able to put their Victoria bridge in that magnificent state of repair that we see to-day without disbursing a cent of their own money. To-day they have managed to force the government to come before parliament with a measure which ensures to the Grand Trunk immense advantages without reciprocal advantages to the country. What is the object of the Grand Trunk in wishing to tie up to their system the traffic of the Northwest ? We must ascertain for ourselves, because, as Mr. Smithers told in his first sentence, they have not proclaimed all their reasons and policies on the housetops. But we may surmise that it is with the view of advancing the interests of their lines and insure dividends to their shareholders. At present, as told by my hon. friend from Westmoreland, they are engaged in negotiations by which an outlet for their western system, when built, will be insured, through American lines, the old eastern system, not to Canadian ports, however, but to their own Portland port, thus depriving the Canadian channels and ports of their legitimate share in that western traffic.

Again, I say let the Grand Trunk do their best to increase their revenue and dividends, but if they are to take only their own interest to heart, let them do so at their own risk and expense, as any other commercial enterprise is allowed to do, and let Canada take also its own view of the matter and refrain from helping others to hamper Canadian trade.

Another object disclosed in the remarks of Mr. Smithers is the defeating of other schemes. What are they ?

Amongst other schemes which the Grand Trunk wants to defeat must be :—

1st. The Intercolonial itself, which Mr. Blair contemplated extending west ;

2nd. The Trans-Canada Railway, which seems to be the best and the shortest route from eastern seaports to the extreme western seaports.

3rd. The Canadian Northern, which is pushed forward with a commendable spirit of enterprise by Messrs. Mackenzie & Mann.

Right here, I may observe how inaccurate is the statement of those who speak of the present scheme as offering us a second transcontinental line. It will be rather the third one. For at present Messrs. Mackenzie & Mann are constructing their line westward, and they expect to be by next fall not very far from Edmonton, if they have not already reached that point then.

These are, very likely, some of the schemes that the Grand Trunk wants to defeat, and consequent on the defeat of such schemes, the chances for their line and the development of their business would be enhanced proportionally.

I do not think that such a policy should be the policy of any of our large railway corporations, but let us find no fault with the Grand Trunk in this instance. It remains to be said that our government, at least, should not be found in the position of being a partner in such a policy. If, for the sake of argument, we can assume that the Grand Trunk should wish to defeat those Canadian schemes, I fail to understand why our own government should help them in doing so.

Now, hon. gentlemen, let us refer to the time allowed for the construction of the road. I have already said that the western part of the country requires immediate transportation facilities. In the case of the Canadian Pacific, it was built, the whole of it, within five years. Now, the Grand Trunk is to be allowed eight years for the construction of its line, including the prairie section. There is no doubt that the road will not be completed previous to the expiration of those eight years. The Grand Trunk has no interest in the speedy completion of the road. On the contrary, they have a considerable interest to take the whole eight years. At the meeting of the shareholders in London, Mr. Hays said :

> The Grand Trunk Railway is not going to be called upon under its guarantee for one cent for eight years after this enterprise is started—after the construction of the line is commenced—the cost of the line during construction being added to capital and provided out of capital, and the securities which the Grand Trunk will guarantee will not be issued for eight years.

This quotation is amply sufficient to justify the statement I made a moment ago, viz., that the construction of the road will be extended over the full eight years. In fact the contract itself is an invitation, and even a reward for that extension of time in the construction of the road. The government will provide for both capital and interest during that period. Then the longer the period of construction is, the better it will be for the financial advantage of the promoters of this enterprise. And so, while the interest of these gentlemen will be served, the interest of the country will be neglected.

Then, what is the position ? This parliament is about to authorize the construction of railways at the total expense, as it were, of the people, with the result that no immediate relief will be given to the trade of the west ; with the result also, that when built, the new railway will be a strong competitor to lines already in operation, and which had a reasonable expectation that no other road should be rushed through the territory served by them, at least for a certain number of years, on account of the large capital invested therein.

For perhaps a thousand miles or more, the new transcontinental railway will run parallel to the existing lines, and sometimes run just between their systems. That is for the west. As for the east, it will ruin the trade which now goes to the Intercolonial; it will defeat the maritime provinces in their wish to build up a trade for their ports ; on the whole it will divert the national trade from Canadian channels, from Canadian cities and ports. It will put off for many years to come the reduction of transportation routes, and thereby prevent for many years to come the reduction of freight rates on all kinds of goods, thereby again imposing upon the people at large heavy taxes, which, though indirectly paid, by way of high rates to transportation companies, are, nevertheless, a burden which it is our duty to alleviate as promptly and as much as possible.

And all that at the cost of an enormous expenditure by the country, with the prospect of having thrown upon the hands of the Dominion a few years hence the lean part of the route, and not only that, but also branch lines constructed by this Grand Trunk Pacific, and afterwards abandoned by them on account of their unremunerative character. As a set-off to that, we are offered a doubtful three per cent on part of our outlays, the amount of which cannot be determined at present. I say a doubtful three per cent, because we may find ourselves in the future in the same position that we are now in with regard to the Grand Trunk ; that is, with a nice asset upon one page of our books, but also with a corresponding debt upon the page opposite—that is, with a legitimate claim with no expectation of being recouped.

Now, under such circumstances, is it a wonder that the people should pause before going headway into such a scheme ? Is it a wonder that some public men who had been up to the present, and are still on principle, opposed to government ownership, should be willing to undertake the construc-

tion of the proposed railway line as a government work ?

The fact is that this measure of the government places the country face to face with government ownership, and places it in its worst form. We have already the Intercolonial. We are going to build at our expense an extension of over a thousand miles up to Winnipeg. We will own practically a line extending on half the distance between the two ocenas. Is not this already extensive government ownership, but government ownership on the less paying part of that new transcontinental, which, moreover, will be a competitive line for our old Intercolonial ?

Now, what is the object of the Grand Trunk in going into that enterprise. It is to tie up the traffic of the west to their railway system. Mr. Hays said to the shareholders of the Grand Trunk that their dividends were not secure unless the Grand Trunk obtained access to the west.

May we not say the same thing about the Intercolonial ? Let us give to the Intercolonial access to the west, and deficits will be changed into dividends for the country. If the Grand Trunk refuse to build the eastern part of the road, it is because they feel it will be unproductive for a number of years. On the other hand, if they consent to build the western section, it is because they feel it will at once pay them to do so. Well, what is good for the Grand Trunk should be good for the country also.

Since we must commit the country to the building of that route, let the government build the whole road, not the worst part of it only. By having the government construct and own the line, there would be advantage in many ways with regard to the material aspect of the scheme.

For instance, the Grand Trunk is not bound to complete the road before eight years, and it is in the interest of the Grand Trunk that the building of the road should extend through the full eight years. Not so with the government. The government would push the construction as fast as possible, and we could have the road completed within four or five years.

A saving of money could be realized by the fact that the bonds issued direct by the government would realize a higher price on the market than the bonds issued by the company, though guaranteed by the government. Five per cent might be saved in this way on the round sum to be floated for the construction of the road. And then again, the cost of the construction of the road in the prairie section is placed at $25,000 a mile and in the mountain section at more than that. Men of practical experience are of opinion that $12,000 or $15,000 can build the road in the prairies. Under the present arrangement the company is authorized to place on the market enough bonds, bearing the government guarantee, to realize three-fourths of the cost price fixed by the company in the mountain section. As it stands at present, the arrangement does not preclude manipulation in the placing of those securities on the market. And there is scope for manipulation. And if there is, the ultimate cost of the road must be higher than it is anticipated. By government building and controlling, through an independent and expert commission, the very reverse of what I have just described might be secured.

But there are other considerations worthy of our attention in the solution of this problem.

Even if it were not to cost less to the country by its being built by the government rather than by the company, there would be some advantage derived not to be ignored in this debate. Apart from putting on a good financial basis an improfitable asset of the government, I mean the Intercolonial, it would be the best way of regulating freight rates, which is of primary importance for our farmers and traders. Legislation on this matter can hardly be relied on. Action by some interested lines is what brings more effectually the desired results.

In the second place higher interests would be served.

The question of contributing to the defense of the empire is now agitated. Canada does not refuse to do its share ; but we must be left free to choose our own way of doing it. The construction of this highway by the government would be a most important contribution on our part to that policy, by giving to the provinces, the colonies and Great Britain a new connecting link, and a good military road, national in its character. We cannot say as much of the scheme that is before us at present.

Thus, instead of a combination of govern-

ment and private corporation ownership, one partner of which is bound to look first at his own interest and to divert the trade to American channels and seaports and all that at the expense of the country, let us have the entire ownership of the road in order to assure our trade to Canadian channels and seaports and to serve, at the same time, the general interest of the empire.

Hon. Mr. GIBSON—I shall not attempt to follow the hon. gentleman in all he has said with regard to the position which he and his party have taken on this subject. I shall only allude to one or two things to which he made special reference. The first thing he said was 'why call this Transcontinental railway a national railway.' I want to tell him that it is to distinguish it from the Canadian Pacific Railway, because it is a national railway, and runs through the Dominion, from the Atlantic to the Pacific, all the way through Canadian territory. It is not like the Canadian Pacific Railway which runs through the states of Maine, Michigan, Minnesota and Dakota. The Grand Trunk Pacific Railway is not an international railway; it is a Canadian national highway. Then the hon. gentleman said that the Conservative party had for the last number of years—in fact ever since the defeat of the Mackenzie government—to rectify the errors of the Mackenzie government. Did any one in a public place like the Senate of Canada ever hear of such rubbish ?

Hon. Mr. SULLIVAN—Oh, oh.

Hon. Mr. GIBSON—I use the word advisedly. If the Conservative party had followed the advice of Mr. Mackenzie there would have been no need for another transcontinental railway for the next 25 years. I am glad to see—and I am sorry Mr. Mackenzie did not live to see it—that the very policy inaugurated by the Mackenzie government is being carried out in the new railway built in the Northwest, Manitoba and British Columbia on the line laid out by Mr. Fleming 25 years ago. That is the route that is being covered by the Mackenzie and Mann railway, and partly by the Grand Trunk Pacific. The blunder was committed by the Conservative government in leaving the line laid out by the Mackenzie government and adopting one from Indian Head, 400 miles, through an alkali bed where you could no more expect wheat to grow than on the table of this House. Then instead of going by the Yellow Head Pass, a pass over two miles wide, they went through another part of the Rocky mountains, and I want to say for the credit of the Canadian Pacific Railway that while it is a very costly undertaking to maintain and guard the safety of passengers going through the passes of the Rocky mountains, every mile of railway from Calgary to near Vancouver is guarded by a man watching the track. That is not the kind of a railway that would have been built by the Mackenzie government. The Yellow Head Pass is two miles wide, the grades are easy, the altitudes being less as you go further north. There would have been no fear of land slides in the Yellow Head Pass. Yet the hon. gentleman says the Conservative party have been since 1878 rectifying the mistakes of the Mackenzie government.

He said also that the cost of the Grand Trunk Pacific will be excessive. Did he ever stop to figure out what the Canadian Pacific Railway cost the people of the country ? If he has not done so, let me tell him that instead of the road being built in five years, as he told the House, it took eleven years to build, and 150 miles of that line was constructed, not by the Canadian Pacific Railway Company, but by the Dominion government, and handed to the company. In other words the government built for the Canadian Pacific Railway a property which cost $37,000,000, and in addition to that gave them 25,000,000 acres of land which to-day is worth from $2.50 to $5 an acre. Averaging its value per acre at $2.50 and adding the $35,000,000 in cash, you get the round sum of $125,000,000, spent by the Conservative government, in covering up the mistakes of the Mackenzie government, and yet Canadian people do not own one inch of the Canadian Pacific Railway, have no control of its rates, and never had any control of its rates, and if there is any control now, it is since the Laurier government came into power. When they built the Crow's Nest Pass Line the government made the Canadian Pacific Railway rates amenable to the parliament of Canada. So much for the mismanagement which

the hon. gentleman says occurred under the Liberal government, and which it has taken the Conservative party these years to rectify. I want to say a word with regard to the vote I propose to take, and my position in this House. The names of my hon. friends from Toronto (Hon. Mr. Cox) and myself were associated with the original Bill that came before parliament last year, as provisional directors. I felt that if it should in any way interfere with the independence of parliament, as represented in the criticisms offered in the other House by Mr. Haggart and other members of the loyal opposition who are always opposed to everything this government does because they do everything so well—and I might say the same thing of the opposition in this House—when they took exception to Mr. Cox and myself being on the board, I felt it incumbent on me to see Mr. Hays on the subject and give him my personal assurance that I should be glad to be relieved of the position; that I wanted to maintain my position as an independent member.

I am not going to follow the debates in this House, because there has been so much said with regard to the railway from so many different standpoints that I thought perhaps, as one having some slight experience in railway matters, having been connected with railways for the last 35 years, that I might know something of the present state of the railway system as compared with its state 35 years ago. Let me assure my hon. friends, if the Canadian Pacific Railway were to be built to-day, the mistakes of the Mackenzie government, which my hon. friend speaks about, would not be made. If Sir William Van Horne or Sir Thomas Shaughnessy had the building of it, not one mile of the Canadian Pacific Railway would be constructed where it is located at the present time. Everybody knows, who knows anything about railway building, that in the present day and under scientific principles, the railway that is to pay, the railway of the future, must have the minimum of grades and maximum curvatures. A great deal has been said about this railway running through an unknown land. I was very glad the other night to hear the admirable speech made by the hon. gentleman from de Lanaudière (Hon. Mr. Casgrain), who has taken a great deal of pains to get information with regard to the surveys and the general character of the line, the standard of grades and curvatures. The principal criticism of this project is that the country through which the line is to run is not known, and because it is not known, of course it must be bad from the opposition standpoint. Now, we have not very far to go for an illustration of what can be done on a line with easy grades and curvatures. Right in the neighbourhood where my hon. friend from St. Thomas comes from, there are two railways running near each other, the Canada Southern, which is operated by the Michigan Central, and the loop line of the Grand Trunk Railway, within a stone's throw of it. In the case of the Canada Southern, they have spent a large amount of money on its engineering, more than has been spent on any other railway in Canada, and what has been the result? On the Canada Southern they found two stretches of ninety miles each, with only one curve and one grade, and yet alongside of it another railway, similarly situated, but not so well located, running through the same counties, on which there are more unfavourable grades and curvatures. On the Canada Southern Railway in the old days, it is well known to railway men that a single engine of the minimum power of that day could haul sixty loaded cars. To-day, I am informed by the hon. member from St. Thomas, that he has himself counted a train hauled by a big mogul engine, of eighty loaded cars, and if a single engine can haul such a train over the Canada Southern, I am prepared to show they will haul 100 empty cars. Now that is the class of railway the Grand Trunk Railway intends to build, as the Transcontinental railway, and it will compete successfully with any other railway not built up to that standard. Notwithstanding the remarks made by the hon. gentleman from St. Boniface (Hon. Mr. Bernier), who claims that the water route is cheaper than an all-rail route, I want to tell him if there are any canals intervening, whether there are tolls on them or not, the railway can beat the canal for the carrying of grain, and I will give him proof of it: In the state of New York, the Erie canal runs from Buffalo to Albany. It is a ditch only six feet deep, and yet for years and years, it has been the grain route from Buffalo down to Albany and to the sea-board. An ap-

propriation was sought for in the United States to enlarge the Erie canal. The New York Central people said if you will give us the interest of the money that the government are asked to spend in the enlargement of the Erie canal, we will carry every pound of grain from Buffalo to the sea-board free, showing conclusively that the railways once properly constructed and equipped, as this railroad will be from Winnipeg to Quebec, can successfully compete with the water routes. I venture my reputation as a practical railway man that this railway, under the conditions I have named, can carry grain from Winnipeg to Quebec for less money than it can be carried from Winnipeg to the sea-board by the rail and water route, whether you go down to Depot Harbour and take the Canada Atlantic Railway there, or go through the Welland canal. Some years ago, in discussing this very transportation question with Mr. Hays, one of the ablest railway men in this country, he said if the government will give me as much money to ease the grades of the Grand Trunk Railway as they have spent in enlarging the canals, I will carry all the grain from Port Colbourne to Montreal for less money than it can be carried by water.

Hon. Mr. SULLIVAN—Has not the state of New York voted $100,000,00 to deepen the Erie canal ?

Hon. Mr. GIBSON—Quite so, but that does not affect the statement I made, that the New York Central people offered to take the interest—not the capital but the interest yearly, of the outlay upon the enlargement of the Erie canal for carrying every pound of grain free from Buffalo to New York by rail. I am substantiating that by a statement made to myself personally by Mr. Hays, that he was prepared, with the same gradients as we propose to have on the Grand Trunk Pacific, to carry grain by rail as cheaply as it can be carried by water.

Hon. Mr. SULLIVAN—The barley that is used in the state of New York, about sixty miles from where I live, is brought from California by ship from San Francisco, landed at New York and carried by rail to Saratoga and Syracuse. The Transcontinental railways do not bring any of that. How could that possibly pay if the hon. gentleman's position is correct ?

Hon. Mr. GIBSON—I have seen the very same thing myself in the city of Victoria ; a vessel taking out coal to British Columbia and selling it at a profit and bringing a cargo back.

Some members of the opposition have advocated the extension of the Intercolonial Railway westward as against the projected National Transcontinental Railway. It is rather peculiar to hear these hon. gentlemen advocating the extension of the Intercolonial Railway, when, during all the years they were in power, they never took the trouble to extend it west of Lévis. They left it six miles from nowhere, and when Sir Wilfrid Laurier's government came into power, and advocated the extension of the line into Montreal, every Tory in the House of Commons but one howled until he was black in the face. I claim that was one of the best propositions the Intercolonial Railway management ever made, but, notwithstanding that, the physical conditions of the road are such that the government would be justified in building a line from Quebec to Moncton regardless of the Intercolonial Railway, because the Intercolonial Railway was never built on business principles, and never was conducted by my hon. friends opposite on business principles. I can tell my hon. friends interested in the maritime provinces that the coal barons of Nova Scotia used to get their coal carried to Moncton and other points for ⅝ cents per mile, when if cost the government 5-10 cents per mile for carrying it. The tax-payers of this country were mulct in order to benefit the coal barons of the maritime provinces. No doubt these gentlemen would like to see the Intercolonial Railway extended. They had their families and friends carried everywhere for a mere trifle. It was no wonder the Intercolonial Railway was a failure under Mr. Haggart, and under a far abler man, Mr. Blair, notwithstanding the fact that the road is first-class, and its equipment good. But what was the position of the Intercolonial Railway ? And here was one mistake at all events that was not made by the Mackenzie government and had to be covered up. What was the position of the Intercolonial Railway when Mr. Blair took hold of it ? The agents of the Intercolonial Railway dare not ask the Canadian Pacific Railway for a pound of freight for their line. They were handicap-

ped and the Canadian Pacific Railway had running rights over it until Mr. Blair came in and fought the Canadian Pacific Railway to a finish. The opposition propose to extend the Intercolonial Railway over the Booth road and thence northward, following the Lake Shore and on Winnipeg. My hon. friend knows the north shore better than I do, and I venture to say that neither Sir William Van Horne nor Sir Thomas Shaughnessy would build one mile along the north shore in the same locality, if they had the power to change the line: and they would have been only too glad if they could have sold that portion of the road to the Dominion of Canada to form a part of the Intercolonial Railway. Would we have been opening a new part of the territory? Would we have been relieving the constituents of my hon. friend from St. Boniface by extending the Intercolonial Railway to Winnipeg? What the people of this country want is a new railway, built into a new section of the country, in order to develop Canada as Canada requires to be developed. In the past, the railways sought the population; to-day the population seeks the railway, and they will not go into a new section unless they have railway accommodation. Look at the millions of dollars worth of valuable timber destroyed in the older portions of the province of Ontario—millions upon millions of valuable merchantable timber. If the farmers of Ontario had saved one-fourth of the timber and had only cleared one-fourth the land they would have been better off than they are to-day. Why did they destroy the timber? They had to clear the land, and they could not sell the timber. There was no railway to carry it away, and consequently they joined together and destroyed this valuable asset of the province. Now, what would be the case with this new railway? It would open up new territory, develop water powers and very valuable timber and mining areas, and the products will either be brought out by that railway, or manufacturing industries will be established along the line to make the raw material a merchantable article; yet my hon. friend opposite desires simply to extend the Intercolonial Railway and not to build the new railway, and my hon. friend from St. Boniface asks the question, why should this be called a national railway? It is national in every sense of the word, because it is national from the Atlantic to the Pacific, but not a foot of it goes to the United States territory. My hon. friend from de Lanaudière has given us the distance between Winnipeg and Quebec as being some 1,400 miles. When I came here some 35 years ago, the standard of a locomotive was 20 cars and 20 miles an hour. What are they doing to-day? Four hundred tons was the running capacity of a locomotive. To-day the standard train is 40 cars 40 miles an hour carrying fifteen hundred to two thousand tons—four or five times more than the capacity thirty-five years ago. What does that mean? It means that a ship load is brought by one engineer and train crew—one conductor, and his two brakemen—four or five times more than was done twenty-five years ago, and done in half the time. Allowing the time for changing of engines, for relays of cars and everything else, and give them 20 miles an hour from Winnipeg to Quebec, a train will land wheat from the farmers' elevator at Winnipeg, in Quebec in seventy hours alongside of the steamship in the summer time. I was standing quite recently at one of the railway stations of the Grand Trunk Railway when a conductor brought in his train. He went in to get his orders. He came off a branch line. He was asked by a passenger to give his tonnage to the telegrapher. His tonnage was 1,085 tons of coal. He was not asked how many cars he had. My hon. friends who argue against this railway forget that under modern conditions a train of the new line of railway will carry twice as much as the railways of twenty years ago, for half the money, and the railway can do that while the rates are competitive and there may be no difference between the Canadian Pacific Railway and the Grand Trunk Pacific after the two roads are in operation. There will be competition in time and delivery, and the railway that takes the freight to the sea-board in the least time, and makes prompt delivery will get the work. Not very long ago there was a race to catch the outgoing Allan steamer. A train load was ready to leave Chicago, and twenty-six hours after it left Chicago it was alongside of the steamer in Montreal, brought down by the Grand Trunk, and let

me say that this was done before the Grand Trunk was double tracked either between Chicago and Port Huron or Port Huron and Montreal. My hon. friend who leads the opposition, and I hope he will for many years occupy that position, for there is no man I admire more, knows, because it is in his own locality, that if the Grand Trunk Railway, when originally built, had been as carefully constructed, and run under the same conditions it has been by Mr. Hays since he became manager, it would never have had a competitor in this section of the country. At Trenton, west of Belleville, I had the pleasure of putting in a bridge there where the gradient was raised 20 feet, and a hill cut down 12 feet, making a difference of 32 feet. At this point for 30 years an engine had been running night and day——

Hon. Sir MACKENZIE BOWELL—What did that cost?

Hon. Mr. GIBSON—An engine had been running there from the opening of the road, for the purpose of doubling up the trains, at a cost of some $10,000 a year to the company. They cut down the grade 12 feet and filled up the hollow 20 feet and buried the station out of sight. Last year they opened 27 miles of railway entirely, went through a ravine, filled in a cut of 72 feet deep, put in culverts 250 feet long, and cut down grades here and there until they had practically a level road between Scarborough and the city of Montreal—an easy grade all the way. The day will come perhaps when they may have to go round by the Lake Shore to get easy access to the city of Toronto. I am only speaking about the physical conditions of the Grand Trunk as it was. With the experience these men have had, with the remarkable condition they found the road in, with the alterations that have taken place, with the knowledge they possess, with all the disadvantages they had to fight, they will now be in a position to obviate all these difficulties in building the Grand Trunk Pacific. I venture to say that with the experience they have had—and I hope we shall all live to see it, and have a ride over the road—they will be delighted with the conditions under which the Grand Trunk Pacific will be built. I want to feel proud that Canada requires another transcontinental railway—proud of the government that is able to cope with the conditions of the country at this particular time, and glad that the government are far-seeing enough and courageous enough to open up a new section of country, rather than ask for the extension of a railway which has been an acknowledged failure under both political parties from its inception up to the present moment.

And I for one am delighted to know that the hon. leader of the opposition repudiates government ownership in its entirety. He believes in some portion of the road being owned by the government and operated by commission. I want to say to my hon. friend that practically the Grand Trunk Pacific east of the city of Winnipeg, instead of being managed by a commission is managed by a railway company who are to pay rental for the operation of that road. So that so far as that portion of the line is concerned for all time to come the government will own the line from Winnipeg east, and all other railways that my be built in the future will have running powers over that line, and any one who remembers the condition of the road between the city of Montreal and Toronto, in the early days of the Grand Trunk will also remember that people would not make a trip over the line to Montreal without taking an extra risk on their lives. When the Canadian Pacific Railway was built in opposition to the Grand Trunk it was declared it would ruin the Grand Trunk. I have travelled a little over that railway and I can assure my hon. friends who do not live in that portion of the country that at no time has the Grand Trunk had more business between Montreal and Toronto than at present, and so it is with the Canadian Pacific Railway, and instead of being ruined I can assure hon. gentlemen that, so far as my observation goes, the present management of the Grand Trunk Railway has made the Canadian Pacific Railway mark time and forced their hands, and the result is that the conditions of the railways are better now than at any time in the history of Canada, and I feel assured that the same thing will obtain in the building of the Transcontinental Railway that is taking place under our own observation in our own country and that there will be a healthy competition in the Northwest; that the facilities for transport will compete and

those who offer the best services in the east will get the traffic.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman promised to tell us the cost of levelling the grade—the cost of the improvements at Trenton.

Hon. Mr. GIBSON—I could not give the exact figures, but it was contemplated that they could afford to put two hundred thousand dollars into it—they said they could spend that.

Hon. Sir MACKENZIE BOWELL—It cost nearly half a million.

Hon. Mr. GIBSON—No, it did not. If the hon. gentleman knew the cost why did he ask ?

Hon. Sir MACKENZIE BOWELL—Because I wanted the hon. gentleman to give the information.

Hon. Mr. LANDRY—Must we conclude from the remarks made by the hon. gentleman some time ago that he is no longer a director of the Grand Trunk Pacific ?

Hon. Mr. GIBSON—No. The company is not organized yet. I was one of the provisional directors.

Hon. Mr. LANDRY—In the bill ?

Hon. Mr. GIBSON—In the original Bill. My own name and that of Senator Cox were mentioned as directors.

Hon. Mr. LANDRY—And in the new Bill we will have a clause to strike out the hon. gentlemen's name ?

Hon. Mr. GIBSON—No, I would not be like Father Paradis ; I would not like to be kicked out.

Hon. Mr. PERLEY—Coming from the Northwest Territories it may not be unreasonable to claim the indulgence of the House for a short time whilst I express my opinion on this measure. I do not hesitate to say that this is one of the most important measures that has come before parliament since the advent of the present government to power. It is a measure that involves an expenditure of $150,000,000, and all the speeches which have been made in support of the project have been about on a par with the speech of the hon. gentleman who has just resumed his seat. I have had a query in my mind as to how it was that the hon. gentleman was defeated in Lincoln. That problem is solved to-night, because if he undertook to treat the people of that riding to the same kind of speech which he has made tonight, I do not wonder he was defeated. No body of intelligent men would believe one-half of what he said. This is a very important Bill, involving the building of a railway supposed to be from the Atlantic to Pacific ocean, and for which there have yet been no surveys made. This House is not in possession of a survey of one mile of the railroad from one end of the road to the other. Every gentleman who spoke in favour of this Bill has been talking, in a manner, on a question he knew nothing of whatever. The hon. gentleman who has just spoken to-night, has made no reference to the nature of the road. He has not told us the requirements of the road. He has talked about all the railroads in the United States from California to Maine and has not made any comparison which is analogous to the proposed road. He tried to mislead us by saying we had no transcontinental road in Canada, and referred to the Canadian Pacific Railway branch line in the States. Does he not know the Canadian Pacific Railway goes through Canada from end to end, excepting where it goes through a little piece of Maine ?

Hon. Mr. GIBSON—Is that all through Canada ?

Hon. Mr. PERLEY—All but the state of Maine.

Hon. Mr. GIBSON—And Minnesota.

Hon. Mr. PERLEY—I say as it was chartered to be built, and built it was all through Canada, excepting a little piece through the state of Maine. The hon. gentleman did not apparently know this unless he desired to mislead the House by telling them the main line of the Canadian Pacific Railway went through the states of North and South Dakota.

Hon. Mr. GIBSON—I have travelled over every bit of it.

Hon. Mr. PERLEY—I have listened carefully to all the speeches in favour of and against the Bill, and it may be a piece of presumption for me to add a word in opposition to the Bill after the very able argu-

ments and speeches made by the hon. leader of the opposition the hon. gentleman from Marshfield and the hon. gentleman from Westmoreland.

Hon. Mr. GIBSON—Nobody else ?

Hon. Mr. PERLEY—Three speeches full of arguments a plain and clear arraignment of the project and not one single argument in those speeches has been answered, and the hon. gentleman in reply to it has simply talked about the faults in the building of the Canadian Pacific Railway. We live in an age of intelligence and progress and we do not expect to follow the faults of past ages. We know the difficulties under which the Canadian Pacific Railway was built, and we know from the attitude assumed by the hon. gentlemen opposite that it was a difficult thing. The west was an unknown country, and the opposition were opposing the scheme. It was wonderful that they got so good a road. The hon. gentleman talked about the Mackenzie route. I happen to know a little about it. It was through a northern country, where they have not raised a bushel of wheat the last two years that was not frozen. The Canadian Pacific Railway passes through the best section of the Canadian Northwest, and the branch lines leading from that line traverse the best section of the country, and when you undertake to traverse that country about 250 miles north of the international boundary, by another transcontinental railway with branch lines going out north and south, it will not serve so good a country. The Canadian Pacific Railway and the Mackenzie and Mann road, traverse the best land of the Canadian Northwest and the land that produces the wheat that will be shipped to the sea-board. That is the district which Dr. Saunders said contained one hundred and seventy-one million acres of arable land on which the people could raise wheat, and he computed the product at eight hundred million bushels. That land has been already intersected by railways, by the Canadian Pacific Railway, the Canadian Northern, the Mackenzie and Mann system. I understand by the hon. gentleman's argument that this road is to take the Mackenzie route to the north. That is what I infer from his argument, when the hon, gentlemen condemns these roads and says the Mackenzie route is the best. I did not think that this Bill would be before parliament again. I thought, last year, we had disposed of it after we had discussed it at great length. It was started in great haste, no survey made. You undertake to give a charter for a railway through this country, 1,900 miles from Moncton to Winnipeg, without a foot of it being surveyed. No man had any accurate knowledge—no knowledge in fact except from Indians and half-breads who had been hunting through the country. They knew nothing about its capabilities for railway purposes, yet you undertake to charter a road which is to cost millions upon millions through an unknown country. No one had petitioned for it, but there were hundred of petitions in the House of Commons against its construction. The hon. Prime Minister said that it was in great haste he introduced the Grand Trunk Pacific last year. He said it was important this Bill should be introduced at once so that the road could be commenced and carried to completion. He evidently could not wait, because he was in a great hurry. He said that time would not wait. Mr. Blair said that Cox would not wait, but he is waiting, the most docile fellow you ever saw ; there is not a frown upon his countenance, and time has waited, and the Bill is here before us. The only man who has not waited long is Mr. Blair himself. He has a good position, and I am glad of it, and it showed the great judgment he possessed in the estimation of the Prime Minister, who appointed him to that position. Last year Mr. Blair protested against this line of railway. He placed a memo. of his policy before the government, which the government did not accept. He was not elected to the House of Commons in 1896. At that time Mr. Blair was a member of the government of New Brunswick. When Mr. Laurier came into power, he sent for Mr. Blair because he realized that Mr. Blair was an able man, and he showed great wisdom in selecting such a competent man to take the position of Minister of Railways. Mr. Blair knew that the Intercolonial Railway had been operated at a disadvantage. He tried to amend that with his judgment and skill ; he undertook to change the rates to make it a paying concern, but he could not do that and then he introduced a Bill to extend the road to Montreal and he was in a

hurry to have it done. The Bill to authorize that extension was carried in the House, but defeated in the Senate. Afterwards, the same measure was brought before the Senate in such a shape that there was a saving of a million dollars to the people of Canada. The Senate passed the measure because they realized it would help to give the Intercolonial Railway freight which otherwise it would not get. The Grand Trunk took the freight to Portland, and the Canadian Pacific Railway took the freight to St. John. Of course the Intercolonial Railway could not pay if they did not get the freight. He realized the importance of extending the road to Montreal to get freight and he made a bargain with the Grand Trunk which is virtually the Grand Trunk Pacific, to transfer a certain portion of their freight to the Intercolonial Railway at Montreal. How many car loads of cattle have gone over that railroad from the Grand Trunk Railway since then ? I do not know of any at all. How many train loads of wheat have they given to the Intercolonial Railway ? How many carloads of freight have the Grand Trunk Railway given to the Intercolonial Railway in accordance with their promise ? I will not go into the figures, but I know the amount is very small. The result is that Mr. Blair realized the importance of another railway in the west. There is no doubt we want more railway transportation in the Northwest Territories. No man said a word against that. Nobody said that the introduction of this Bill would give greater facilities to the transportation of wheat and cattle in the Northwest Territories. I want to tell hon. gentlemen in plain English you cannot ship one load of cattle over this proposed road. The cattle that are shipped are prairie fed cattle, and they are shipped to the nearest port of entry that is possible, in the fall and that is Montreal, and they are shipped out because they are not stall fed cattle. Nineteen out of twenty of the stall fed cattle of the west are required in our own country for meat. When Mr. Blair took his trip to the coast he realized the condition of things. He saw that we wanted more transportation in the Northwest Territories, and he promised then that they would build another road and it would be a government road. Mr. Blair got great praise for it, and if the government had carried out the policy that Mr. Blair placed before the council there would have been no opposition to it in the House of Commons or in this House. We want more transportation for the wheat in the fall. We have a grain growing association, composed of farmers entirely. These men take into consideration the best means of getting their grain shipped out of the country in the fall of the year. Every farmer wants to ship out as much grain as early in the navigation season as he can. The hon. gentleman from de Lanaudière said there were only four or five weeks you could ship wheat out of that country. That shows what he knows about it. There are at least three months every fall during which you can ship grain out of the Northwest by the waterways. We could not ship enough in five or six weeks, and even with the transportation facilities which we have, we cannot ship enough in the twelve weeks. We do not want more railways at the present moment, but we want more rolling stock and locomotives. If the policy foreshadowed by Mr. Blair when he asked them to extend the Intercolonial Railway to the eastern side of the lakes, use the water stretches from Fort William, and then build another road from there to the coast had been adopted, that would have given the necessary facilities for transportation at one-half the cost and in one-quarter of the time which the present scheme will require. When the hon. gentleman says you can ship as cheaply all rail as by rail and water, he differs from any other man I know. The Canadian Pacific Railway do not do that; they have their elevator at Fort William and they store the wheat there in the winter time and ship it by water in the spring. It is better for the farmers to hold the grain from the fall till the spring than to pay the excessive railway rates. It only costs five or six cents to store wheat. Nineteen hundred miles of this railway is to be constructed through what kind of a country ? Through a barren wilderness that nobody knows the first thing about. The man who undertakes to say that he knows anything about the country; that he has reliable information, certainly must have a higher regard for his intelligence than the

country would have. The hon. gentleman from de Lanaudière said he had been admitted to the private sanctum of Mr. Hays, and it was as a great favour he was admitted there—to see the surveys on the 1.043 miles of the route from North Bay to Winnipeg. He described in that report the character of the country, the character of the timber and the character of the soil. He said that there was a certain quantity of clay soil that would be good for agricultural purposes. I think he is wrong in that. If Mr. Hays had information—it is positive proof that the project is not feasible. If Mr. Hays had that information in his desk three or four months ago why did he not place it before parliament? Why have we not been supplied with a copy of that survey, to show the grades and curves and the character of the country? There is positive proof of the lack of reliable information. The hon. gentleman delivered his speech in a jocular manner, as if he did not himself believe one-half of what he was saying, as though he was playing a huge joke on the Senate. I contend that if Mr. Hays had the report from his engineer of the survey that the hon. gentleman from de Lanaudière was permitted to see, apparently as a great favour, they could not have held him from placing it before parliament. It would have been in every newspaper of Canada, and justly so. It was their bounden duty to do it. If they had that survey, why did they not produce it? Do they expect this parliament to bow to them as to the great Mogul? I say it would have been common sense to have laid the surveys before the House, and let the country know where and on what kind of a line they were asking to build a road. The fact of their not doing it, is prima facie evidence that their reports are unfavourable, and that they do not intend to build the road and the government will have to build it. I want to refer again to what the hon. gentleman from de Lanaudière said about the timber in that country. He described the different kinds of trees, that they were small and would only make pulp wood. We know the kind of wood that makes pulp wood, and we know the kind of soil such timber grows out of. I am a New Brunswick lumberman, and I know when I come to a gravel bed I will find scrubby timber. You never find good lumber growing in such places. Good timber grows on good land, and bad timber on poor land. Pulp wood is the highest class of timber they have described as growing in that country. They were not talking about a soil that would produce good timber. Many hon. members heard the speech which Mr. Blair made when he retired from the government. I do not think a more sarcastic speech was ever delivered against a political leader. He was mild in tone because he realized that Sir Wilfrid took him out of the legislature of New Brunswick and jabbed him into the House of Commons. But after he got him there, Mr. Blair found it necessary, as a man of principle and character and a public man——

Hon. Mr. DANDURAND—Hear, hear.

Hon. Mr. PERLEY—I am glad the hon. gentleman endorses him. I have heard all the hon. gentlemen on the other side of the House traduce Mr. Blair as hard as they could.

Hon. Mr. DANDURAND—You blackened him the best you could before he left the government.

Hon. Mr. PERLEY—I deny the charge. Mr. Blair did not go into the full details, but he opposed this policy of the government for building that road. He left the government. He ridiculed the scheme of his leader. Everybody was surprised at Mr. Blair retiring from the government. That showed his high statesmanship. He did not believe in the policy of this government, and who was better qualified to judge, Mr. Blair or Sir Wilfrid Laurier? Mr. Blair, as Minister of Railways, had made a study of it and propounded his policy, and laid it before the government, and they rejected it. After he had left the government, Sir Wilfrid Laurier, in a very unfriendly way, and in a most unkind speech, ridiculed him, and yet at an early day he appointed Mr. Blair to the highest position in the gift of the government, chairman of the Railway Commission. That is not consistent, not according to the policy this government has followed. He gave as his reason for appointing Mr. Blair to that position that he was one of the ablest men in Canada. Mr. Blair was a railway man, and he selected him as the best qualified for the position,

and Sir Wilfrid did not let petty spite influence him in making the appointment. I was very glad to hear him say that, because they have not exhibited that absence of petty spite on other occasions, when they dismissed officials such as postmasters because they had voted against the government candidates in the last election. Here is a man who left the government and said hard things against the government policy, and the members of the government said hard things against him, and yet they appoint him to this important position because they admit he is the ablest authority in the Dominion on railway matters. How did Mr. Blair create that impression on Sir Wilfrid Laurier's mind? He presented a measure to the government and explained his policy. His colleagues realized that it was a great policy, and that he is an able man, and that is why they selected him for the position. Could there be stronger evidence that the policy of the government was wrong, and that Mr. Blair's policy was right? Mr. Blair's policy is to-day the policy of Mr. Borden, for the construction of a railroad to the west. Nobody has shown us the necessity for the railway provided for in this Bill. The only two staple products we have in the Northwest Territories and Manitoba are wheat and cattle. We bring in a good deal of merchandise, but we ship out a great deal more natural products, and the greater part of that, notwithstanding we have a railway that would compete for the freight if it could, is brought by water to Fort William and shipped thence by car to Winnipeg. I know of my own knowledge, because I have been trying to get freight shipped from the east to the west, that invariably the rate quoted by the water route is one-half the rate by rail. In shipping wheat we want cars. The farmers of the Northwest held a meeting last year at Regina, at which I was a delegate, and passed a resolution which they sent to the government, and to the Canadian Pacific Railway, that they wanted transportation before navigation closed for 75 or 80 per cent of the crop. I protested and said that it was rather hard to ask the railways to ship out in three months so large a percentage of the crop, and advised that if they could get only 60 per cent before navigation closed, it ought to be enough, and I think the resolution passed that way. Now, I may say that the Canadian Pacific Railway to-day have their line largely double-tracked. It will not be completely double-tracked for three or four years, but they have built long sidings, and a great many of them, all the way from Fort William to Regina and even west of Regina. I want to say to the hon. gentleman who spoke about alkali plains west of Indian Head, that he made a mistake, because we find good wheat lands extending a hundred miles west of Indian Head, and I am told there is one section of that part of the country that will produce in a few years a very large quantity of wheat. The hon. gentleman's statement was a mistake, as in fact nine-tenths of the statements in his speech were. As I have said, there are sidings all the way from Fort William to Moosejaw—sidings so long that you can pass trains without stopping either one, and these sidings serve almost as well as a double track. The Canadian Pacific Railway has realized the great importance of doing everything they possibly can to facilitate the transportation of grain before the close of navigation. If the company possessed sufficient rolling stock and locomotives they could take a great many more trains over their line than they do, and if they started a train every hour, that would be 24 trains every day. They could do double that, but say twenty-four trains of thirty cars each. Each car is supposed to contain a thousand bushels. There are some of smaller capacity, but the average is a thousand bushels. Twenty-four trains with thirty cars to the train, each car containing a thousand bushels, gives a daily transportation of 720,000 bushels of wheat from Winnipeg through to Fort William. My plan has always been to assist the Canadian Pacific Railway with cars and locomotives during the fall season, so as to enable the company to carry the wheat to Fort William before the close of navigation. That would relieve the congestion complained of in that country. If you want lower rates, how can you obtain them? How is it done in business? By competition. Does any one suppose that it is possible to carry wheat 1,900 miles by rail, through an uninhabited country, where there is no local traffic, in competition with the rail and water route?

It would take fourteen different engines to haul one train-load of wheat from Winnipeg to Moncton. It would be impossible to compete with the cheaper route, and without competition you cannot lower the rates. If the Crow's Nest Pass deal ever lowered the freight rates in the Northwest, I have never discovered it. What did lower the rates, and to a very considerable extent, was this: the year before last a Bill was passed by the local legislature of Manitoba guaranteeing the bonds of the Mackenzie and Mann road, on the condition that they would carry grain from Winnipeg to Fort William for less than the rate which then prevailed, and if they could not afford to carry it at the reduced rate, the government agreed to make good the loss. A great many people in Winnipeg thought they could not do it, and the agreement was opposed. They sent petitions down here to the federal government asking them to disallow the Act, but the Act went into force. The year before last, the rate was reduced by two cents per hundred pounds, and last year by four cents, between Winnipeg and Fort William. What was the result ? The Canadian Pacific Railway lowered the rate to Wolseley two cents per hundred pounds, simply because the Canadian Northern lowered theirs. In 1902, we paid 19 cents per hundred ; last year the rate was 17 cents, showing that when the government made an arrangement with the Canadian Northern, that they would carry grain at a reduced rate, the Canadian Pacific Railway had to come down at once to the same rate, notwithstanding the fact that the nearest point on the Canadian Northern to Wolseley is 150 to 200 miles. When we have a railway that will reduce the freight rates you will have the rates brought down on all competing roads, whether at competing points or not, because they cannot afford—public opinion would not permit it—to charge higher rates than their competitors. The Northern Pacific came into Winnipeg and got a large bonus, but there was no provision by which railway rates were fixed. They gave a subsidy to the Northern Pacific of half a million dollars to come in, and they at once formed a combination with the Canadian Pacific Railway and did not lower the rates. I mention that circumstance to show that the simple fact of the railway coming in gives no redress to the farmers of that country. If the government build and own a road in the Northwest, they will operate it on business principles, and that will satisfy the farmers of the Northwest Territories. The government would not form a combination, but if they bring the road in under the control of the Grand Trunk Railway, how long will it be before there is a combination formed with Mackenzie and Mann, the Canadian Pacific and the Northern Pacific ? Just one day ; they would agree upon a common rate, or perhaps do as they did in Ontario last year, raise the rates so as to make it better for all of them. If this was to be a government railway they could at once put on rolling stock and let the Canadian Pacific Railway have it, under rent for say three months. It would not cost much to the country to hold that rolling stock for nine months, and it would facilitate the movement of the crops and put money in circulation before the close of navigation. Those are some arguments which should make us pause before passing this Bill. It is a Bill that has not had proper consideration. It has not been submitted to the people. Why, undertake to launch a scheme surrounded by such doubt and suspicion, without consulting the people, when there is an election so near at hand ? The government does not own this country ; it is simply managing the affairs of the people for the time being, and they should not undertake to make a bargain of such importance without consulting the people. I say get your surveys, collect your information and place it before the people as business men would do. Let the country have an opportunity of understanding the project and then, if it is sanctioned by the people, all would be well. If Sir Wilfrid Laurier wanted to immortalize himself in the estimation of the Canadian people and especially those of the west he would have come down with a policy to build the Hudson Bay Railway, a road five or six hundred miles long, to connect with the lines already existing, he would have every member from the west of Lake Superior supporting him, because it is a measure that is popular in that part of Canada. Hudson Bay offers the natural outlet for that country, and the Hudson Bay Railway would cost less and accomplish more for the development of the country

than building 1,900 miles of road through a barren wilderness between Winnipeg and Moncton.

One thing I have noticed, is the happy result of delay. I understand that the prairie has been widened three hundred miles by delaying this Bill. We have five or six hundred miles more in that vast country than we had any idea of; the country has grown while the Bill has slept. The arrangement last year was to guarantee the road through the mountain section at $30,000 a mile. That has been done away with. The government undertakes to guarantee three-fourths of the cost of the mountain section. That is a case of book-keeping. I know that this Grand Trunk Pacific that has been eulogized as being a company of such wise and able men must be up to book-keeping as well as everything else. They have shown themselves expert bargain-makers, because every change in the contract is in their interest, and none in the interest of the people. If the government had undertaken to restrict the freight rates or to secure the trade of the Northwest for Canadian seaports, something would have been accomplished, but it is conceded that it will take fifteen years to build the eastern section of the railway, and trade cannot reach the port of St. John until the road is completed and open from end to end. In the meantime, during that fifteen years, the Portland route will be so thoroughly established that the traffic of the Northwest can never be diverted to St. John and the company will soon find an excuse for taking freight to Portland rather than to St. John.

We were told the other day what an excellent road this Grand Trunk Pacific is to be. If they are to haul trains of fifty loaded cars, what sort of a road must it be? It will be a first-class line, and as the government is to guarantee three-fourths of the cost, whatever it may be, the result of the company's book-keeping will be that the government will pay not merely three-fourths, but five-fourths of the cost. They will take contracts themselves and sublet it amongst themselves, and there is where the great steal will be, in the mountain sections. They have it in their power, and there is not a clause in the Bill that is in the interests of the people of Canada. How the representatives of the maritime provinces can support this Bill I cannot understand. Before the road can be completed, as I have said, the trade will be diverted to Portland, and it will never reach St. John. Build the road as a government work and what will be the result? You can lend the company a couple of million dollars worth of rolling stock, which will serve present purposes, and the Canadian Pacific Railway can carry more grain out of the Northwest than will be grown there the next ten years, by the two railways we now have. If you do not do that, you will want twenty roads in a few years, because with less than a million acres of wheat land cultivated the transportation facilities at present existing are taxed, and there are a hundred millions of acres of land there suitable for wheat growing. People are pouring in by the tens of thousands and settling upon the land, and it is land they can have under wheat within a year. What we need is transportation, and under this system we will not have it in time. Within eight years there will be a congestion of traffic, unless you come to the relief of people. I want to say now, and I stake my reputation on the accuracy of my statement, there will be a congestion of traffic this very year if we have the crop that we expect. The commissioner of the elevator business told me that the prospect was that the wheat crop of Manitoba and the Northwest Territories this year would be eighty million bushels. That cannot be carried out with the present facilities for transportation, and we can not expect the Canadian Pacific Railway Company to put on rolling stock enough to carry out in three months what would furnish them traffic for the whole year round. If the government could loan them rolling stock for three months, there would be a great relief throughout the Northwest. If the policy of the leader of the opposition in the other House were adopted, you would only have to extend this railway from Montreal to some harbour on the great lakes, and utilize the water route until the main line is built to Winnipeg. There is no great necessity at present for an all-rail line. Coming down here, I see very few trains passing between Fort William and North Bay either summer or winter. The water route takes the trade of the country. I

venture to say that the interest on the cost of constructing nineteen hundred miles of road from Winnipeg to Moncton would pay for moving all the wheat exported from the Northwest in the next ten years. Navigation on the lakes from Fort William to Georgian Bay ports is a month longer than on the canals. Vessel-owners do not want to take cargoes to Montreal after a certain period in the fall, for fear of ice. The canals freeze earlier than the open lake. If the government would put on some ice-breakers and keep the ice broken at Fort William, they could ship wheat from there to Georgian Bay ports a month longer than by canal. That wheat would be carried in the winter to St. John and would furnish winter port business, whilst if you wait for the opening of this new route for traffic you will not find sufficient traffic to keep it going until your grandchildren are grey-headed.

I feel justified in voting against this Bill because I do not believe it will commend itself to the intelligent consideration of the electors of this country. The argument that this line is needed in a hurry is all bosh. There is no danger of war, and it is not a military necessity. If there should be a war, I would not want to be on that northern railway, because I would run risk of being starved to death, and I would prefer to take my chances of being shot. If parliament would accept the policy of Mr. Borden, who is an honest man, who has done his best for the country, acting from conscientious conviction, they would act in the best interest of the country. After thoroughly studying the question and having given to it his mature consideration, Mr. Blair found that he could not support his leader's policy, and he resigned his position in the government. If you want any further proof that his judgments was sound, and was so considered by the Prime Minister, you have the fact that he appointed Mr. Blair to the high position of chairman of the Railway Commission.

Hon. Mr. WATSON—I do not know that at this late hour, or even if I had longer time at my disposal that I would undertake to analyse the north by south speech we have heard from the hon. gentleman from Wolsely. He has told us to start with, that the country through which they proposed to build this road. or the route of the Alexander Mackenzie survey, is no good for a transcontinental road. That there never had been a bushel of wheat attempted to be grown there that had not been frozen.

Hon. Mr. PERLEY—The last two years I said.

Hon. Mr. WATSON—I am not surprised at that. I ought to be, from a gentleman coming from the west, and growing wheat. I remember a year ago of reading an account of a speech made by the hon. gentleman at a place down in Glengarry, at a meeting of Conservatives where he made statements similar to those he expressed to-night. He was reported, I think it was a carefully prepared report; it looked as if it had been revised. He went on to describe the position of the Northwest country and standing on the platform, he said: 'I want to illustrate to you the condition of that Northwest country, the country through which these people propose to open up the railway. I want to tell you when I am on my farm at Wolsely I am just in the position I am now standing on the front of the platform. I am at the limit. If I take one step off the platform I fall and go to destruction. I am in the same position on my farm at Wolsely. If I go a few miles further west or north I am off the platform, the country is no good.

Hon. Mr. PERLEY—I did not say one single syllable that the hon. gentleman has uttered. I will tell the House what I did say. I was invited by my hon. friend (Mr. McMullen) to go down to Glengarry to make a speech. It was the occasion of the nomination of a candidate. I did not undertake to talk politics. I hardly ever do on an occasion of that kind. The 'Free Press' of Winnipeg has lied about the matter, and any other paper which reported the speech as the hon. gentleman reads it tells a wilful lie. I was standing on the platform speaking about the Northwest. I said 'I am perfectly safe standing on the platform where I am. If I take one more step I may fall.' I said 'I want to illustrate that I have lived in the Northwest twenty years and there has never been a year in that twenty years—(and I say it now before this honourble

House, to go on record on the report) that the mercury does not get down to 33 in the month of July when the wheat is in blossom. If it went down one or two more degrees it would mean ruination, as it would be for me to fall off the platform ; but it does not go down. Thirty-three is the lowest limit except behind some bluff or some little ravine.' I said it truthfully, but they distored my words and misrepresented them for political purposes. I say it is not fair for anybody to make the statement the hon. gentleman makes to-night when he says that I referred to the country as being no good north of Wolsely. I said that from 100 to 200 miles north is the limit of raising good wheat in the Northwest Territories, and I challenge contradiction to that statement. They may raise patches here and there successfully.

Hon. Mr. WATSON—I am sure the hon. gentleman will thank me for giving him the opportunity of explaining that statement.

Hon. Mr. PERLEY—I took the occasion to explain it in the press.

Hon. Mr. WATSON—I did not read it in the Winnipeg 'Free Press.' I think I read it in the Ottawa paper a day or two after the speech was delivered, and I was quite correct in making the statement as I read it. It has never been contradicted and the hon. gentleman did say to-night—and I would not expect him to say anything else—that the country through which the Mackenzie survey was run never grew a bushel of wheat that was not frozen.

Hon. Mr. PERLEY—I said the last two years. The hon. gentleman should confine himself to facts.

Hon. Mr. WATSON—We have had a long discussion of this matter. It was discussed a year ago. I took part in the debate last year and I do not purpose going over the same ground I did last year ; but the hon. gentleman made a few statements which I wish to correct. He has spoken of the necessity for railway facilities in the Northwest; he has told us that he believes that all that is necessary is for the government to furnish the Canadian Pacific Railway with additional rolling stock and that will satisfy the needs of the Northwest, and, almost in the same breath, he says 'If the government do not do that, you will be in a worse position than before and in a few years you will want 20 railways, and why ? Because the people are rushing in there. Did any person ever hear a speech more north by south than that. He says if you do not furnish the Canadian Pacific Railway with rolling stock you are going to want twenty railways, and yet he opposes the building of the Grand Trunk Pacific and he argues that because you have the Canadian Pacific Railway north of Lake Superior you do not want any other railways. He sticks to Blair. He has not heard gentlemen on this side of the House denounce Mr. Blair, but we have heard him denounce Mr. Blair as not being a business man——

Hon. Mr. PERLEY—Never.

Hon. Mr. WATSON—What did he say about Mr. Blair when he recommended the purchase of the Drummond county railway? That he was a man who should be behind the bars for suggesting such a thing. I am not surprised at the hon. gentleman mixing himself north by south, because he is a new convert on the question of government ownership. He addressed the House on that question and as the hon. gentleman was running north by south I was anxious to know his position on the question of government ownership. He delivered a speech on the extension of the Intercolonial Railway when Mr. Blair was Minister of Railways on June 26, 1897. He spoke as follows:

> I may say here that I voted on Wednesday night against the purchase of the Drummond County Railway and the extension of the Intercolonial Railway to Montreal, on the ground that I am opposed to that principle entirely, and on the ground, also, that I did not think the deal they were making was a good one.

And he further says :

> I will oppose it because I do not think it would be a just and proper expenditure of public money, and because I am not in favour of the government owning railways. If the government would introduce a scheme to sell the Intercolonial Railway to the Grand Trunk and a rival line competing with the Canadian Pacific, I would vote for it.

Hon. Mr. PERLEY—That would be all right.

Hon. Mr. WATSON—This lending cars to another company——

Hon. Mr. PERLEY—That is all right.

Hon. Mr. WATSON—The hon. gentleman further says :

There would then be two gigantic concerns competing for traffic, and the country would receive the benefit. But I think it is monstrous for the government, after subsidizing the Grand Trunk Railway and Canadian Pacific Railway, to build a rival line themselves, and it is not on party grounds that I am opposed to it, because if the government had been composed of angels I would have voted against it.

Hon. Mr. PERLEY—That is a different thing from this road.

Hon. Mr. WATSON—Why this idea of government ownership is new to the gentlemen on the opposite side of the House. It is a new policy for them to suggest or advocate or be dragged into, because I see very few hon. gentlemen opposite me who have not denounced government ownership of railways. What did the elder members of this House who were members of parliament when Alexander Mackenzie proposed a government owned and operated railway, do when that proposition was made? Were they satisfied with it? No, they opposed it most bitterly, and, even after large proportions of that road were built by the government of Mr. Mackenzie, after Sir John Macdonald had built a portion of that road after the Conservatives came in, they sought the first opportunity they could to dispose of the lines they had built to the Canadian Pacific Railway Company, not a government owned or controlled road, although the people of Canada were taxed for an amount that would more than construct the line of railway; they gave them $37,000,000 worth of completed line, free gift, and $25,000,000 cash and 25,000,000 acres of land. That was not enough. They gave them a monopoly for twenty years in Manitoba and the west, exemption from taxation on the land, and exemption from taxation as to the railway and rolling stock and not only that but exemption from duties on the material required to construct that road. In addition to all that, a few years after receiving all that assistance the Canadian Pacific Railway come knocking at the door of parliament asking for a loan of $6,000,000 and shortly afterwards they asked for $30,000,000. Both requests were granted. These hon. gentlemen talk about government owned railways. The people of Canada put up enough money and credit at that time to construct two railways like the Canadian Pacific Railway and the government cannot have any control under the railway commission Bill they passed a year ago, because stockholders are guaranteed 10 per cent before the government can interfere with the rates, a contract made when some of these gentlemen of this House were members of the government, and I was surprised to hear the motion made by the hon. leader of the opopsition the other night in favour of government control of railways. The hon. gentleman was very careful to say nothing of operation. It appears to me, as far as the present contract is concerned, that the hon. gentleman has very little ground on which to vote against the proposition now before parliament, because he has always declared himself against government owned and operated railways. The government is going to own theroad from Winnipeg to Quebec. They control the rates over the western division and they can operate the Intercolonial over the new line, if they see fit,and can give any railway running powers over that road. They have absolute control of rates, I want to say to the hon. gentleman from Glengarry that I do not think that he deliberately misled the House the other night, but he said that as far as the prairie section was concerned the minimum of $13,000 was the guarantee and it did not matter what the road cost the 75 per cent guarantee was removed. If the road cost only $9,000 a mile, which he said it could be built for, he said the company's bonds had a guarantee of $13,000 a mile. Such is not the case. They get a guarantee of 75 per cent on a cost not exceeding $13,000 a mile. He claimed that it could be built for eight or nine thousand a mile; that he had the evidence. I will refer to a return brought down last year to parliament from the Canadian Northern, the Mackenzie-Mann road, giving the cost from Prince Albert east to Grand View, where they show in detail the estimated cost of the road to be over $19,000 a mile, and if you add for the 80-pound steel which the Grand Trunk Pacific have to put on their road, it will cost over $20,000 a mile, and I say it is absurd to offer any such argument to this House that a standard road such as is to be built under the conditions of this contract, could be built for eight or ten thousand dollars a

mile. In the opening remarks of the hon. gentleman from Marshfield he said, who is demading this railway? What new demand has been made for it? One thing we do know is that the Conservative organization sent in petitions saying they did not want it, but evidence has been produced during the past year that I think ought to convert even the hon. gentleman from Marshfield. The hon. gentleman knows very well that some men who have been very high up in politics, in whom his party have had confidence, men of good judgment, have changed their minds in the last year or two so far as the Grand Trunk Pacific is concerned, and the support of the government is concerned. I want to call attention to the opinion of Mr. Haslam, a gentleman the hon. gentleman from Wolsely knows well, whom he will give credit for having sound judgment, a gentleman who declared the he is going to support the Laurier government candidate giving as his reason, on account of the government's railway policy, their tariff policy and their immigration policy, that he is prepared to support the Laurier administration, and, to use his own language—I will not read it all, because he gives a very full reason for his change of political views. Mr. Haslam was not elected at the last general election. He was the Conservative candidate for Selkirk. He ran within one of being even with Mr. McCreary who was elected, and this is what he says:—

In looking at the map of Canada, one cannot but be impressed with the very small part of it which has been developed. The railway system of Canada at the present time simply touches the fringe of its territory.

I should like the hon. gentleman from Wolsely to listen to this:

And it seems to me that those people are very shortsighted who the expediency of attempting anything in the way of railway building through any districts except those which are known at the present time to have either agricultural or mineral wealth. I do not believe that there is any part of the world's surface, where climatic conditions are such that civilized man can live, that is not adapted to some economic purpose or other. For this reason I believe that the building of the Grand Trunk Railway from Quebec to the Pacific ocean is a work as far-reaching in importance to Canada, and one that will be fraught with quite as good results, as the building of the Canadian Pacific Railway, which was at the time so much criticised.

He deals with other matters of public concern. This is addressed to the editor of the Winnipeg 'Telegram' in early May, and reads as follows:

On all the lines which I think essential to permanent progress we are moving rapidly, and I think securely, under present conditions. To make a change and to place ourselves under the weaker leadership and reactionary policy which seems unfortunately to be characteristic of the Conservative party at the present time, would, it seems to me, be most unwise and imprudent.

Hon. Mr. FERGUSON—Will the hon. gentleman say whether Mr. Haslem did not change his political attitude not less than two or three years ago?

Hon. Mr. WATSON—He was the Conservative candidate at the last election.

Hon. Mr. FERGUSON—Was the change not made two or three years ago? and before the Grand Trunk Pacific Railway was talked of?

Hon. Mr. WATSON—This is what he states now.

Hon. Mr. FERGUSON—Does the hon. gentleman not know that that is the case?

Hon. Mr. WATSON—No, I do not know.

Hon. Mr. FERGUSON—I know it.

Hon. Mr. WATSON—The hon. gentleman knows Mr. Haslem.

Hon. Mr. FERGUSON—And he is not a resident of Canada. He lives in St. Paul.

Hon. Mr. WATSON—That is no argument. I know there are few men doing more to settle up the Northwest than that gentleman, and he is liable to be a candidate for parliament.

Hon. Mr. PERLEY—And liable to be defeated.

Hon. Mr. WATSON—I know he was a Conservative candidate, and Hugh John Macdonald canvassed in his behalf and he came within one of being even with Mr. McCreary. He gave the reasons why he changed his allegiance, and it is principally on account of the Grand Trunk Pacific policy.

Hon. Mr. BERNIER—Would the hon. gentleman be kind enough to read the letter of Mr. McDonald, Liberal, ex-mayor of Winnipeg, and a dozen other Liberals protesting against that contract.

Hon. Mr. WATSON—I think there were

twenty-four altogether, Mr. Buchanan came in later on. You might also add Mr. Roblin, Haggart and Hugh Sutherland—They were held up as going to vote against the Liberal government, if the government insisted on the construction of the Grand Trunk Pacific. I do not expect that anybody supposes those gentlemen would vote for the Laurier government. They have been opposing that government for years. I am not quoting the words of a man of no standing .This man gives his reason. I want to inform the hon. gentleman from Marshfield and the hon. gentleman from Wolsely, who think that men ought to talk about something they know something about they ought to follow that principle and not talk north by south. I will give the opinion of another gentleman. Mr. H. A. Mullen, a gentleman who exports about one-fourth of the cattle from Manitoba and the Northwest Territories, who was the Conservative member in the Manitoba legislature. He was a member up to the last general election and was tendered the unanimous nomination in his old constituency in Russell. He refused. Mr. Mullen wrote a letter which has been published in which he gives his reasons for supporting the government railway policy, and his reasons are as follows :—

Hence I consider it to be entirely consistent with sound and progressive Conservative principles to approve of and strongly endorse the policy of legislation of the Laurier government on the Grand Trunk Pacific Railway question as being wise and farsighted and in the best interests of the entire Northwest and calculated to result in the opening and buildiag up of a vast extent of country and in bringing about a full realization of its magnificent possibilities.

That is what Mr. Mullen has to say. My hon. friend says: 'Who asked for this road ?' Did any person ask for it ? Has any person opposed it except the twenty-five dissatisfied Liberals ? Has any word come from any board of trade protesting against the construction of the Grand Trunk Pacific ? I venture to say not. I have here a resolution passed by the board of trade of the Northwest Territories a few days ago:

That in the opinion of this convention the development of the resources of the territories amply justify and urgently require the immediate and rapid construction of the projected transcontinental line through the northern part of the country.

That is the united boards of trade of western Alberta, eastern British Columbia and the Northwest Territories, so that all along the line they are asking for this road. Have you any better evidence of the necessity that exists for it than the statement of the hon. gentleman from Wolsely, that if you do not furnish the Canadian Pacific Railway with two million dollars worth of rolling stock you will need twenty railways in a short time ? I would call the hon. gentleman's attention to another question, that of rates. The hon. member and the hon. leader of the opposition said something about a bargain made by Mr. Roblin and the control of the rates. His statement was that it saved hundred of thousands of dollars, and probably millions of dollars to the farmers of the province of Manitoba. The hon. member for Wolsely (Hon. Mr. Perley) has also referred to it, and told us about the way in which the government control was obtained. I do not know what attitude Mr. Roblin will take on the present Bill. He has been north by south many times beforeon this policy, and I do not know how he will get over the bridge, because Mr. Roblin was the one who brought about government ownership. Mr. Hugh John Macdonald appealed to the people of Manitoba on the question of government ownership of railways, but he had a saving clause ;—'In so far as practicable' —and I remember well Sir Charles Tupper, being on the platform with Mr. Macdonald, rather objected to the suggestion of government ownership, but he said 'I think I should not raise much objection because my friend, Mr. Macdonald, says as far as practicable, and if he is elected, he knows it is not practicable, and no harm will be done.' But Mr. Roblin came into power and secured a railway. He bought out the Northern Pacific, a road which was induced to enter Manitoba by a subsidy to give relief to the people from the Canadian Pacific Railway. Notwithstanding what the hon. gentleman from Wolseley has said, the Northern Pacific broke the monopoly. As was said by the hon. leader of the opposition, previous to that, on account of the monopoly given to the Canadian Pacific Railway, the people were almost in rebellion. So aggrieved were the people with the iniquitous bargain made by the government with the

Canadian Pacific Railway, giving them a monopoly for twenty years that the people were almost in a state of rebellion. So much so that the government realizing the condition of affairs and the importance of their claim, got parliament to grant the Canadian Pacific Railway a loan of fifteen million dollars on condition they would consent to wiping out clause fifteen of the Act which gave them a monopoly. As soon as that was done, the Greenway government offered a bonus of $1,750 a mile to the Northern Pacific to extend their line into Manitoba, and that extension immediately brought down the rates. The rates continued to drop until Mr. Roblin bought the Northern Pacific and handed it over to Mackenzie and Mann. The rates may have been reduced at Wolseley, but I speak by the book when I say they have not been reduced. I can tell the hon. gentleman that the rates on lumber from Rat Portage to Brandon, Portage la Prairie and other points have been increased since the government purchased the Northern Pacific. Under Northern Pacific operation lumber sold at Brandon for $2.25 less than at Carberry, because it was a competing point on the Canadian Pacific Railway, although Brandon is about 35 miles further away from Rat Portage. At Portage la Prairie I could buy lumber cheaper than it can be had at a point 20 miles from Winnipeg, because there was competition. But the Roblin government bought out the Northern Pacific and gave the people to understand that they were going to operate it, and would connect with the Northern Pacific at the boundary line. But no sooner had they control of that road, than they transferred it to Mackenzie and Mann. They bought it at $20,000 a mile from the Northern Pacific. My hon. friend says that a road can be built in Manitoba for $9,000 a mile, and if ever a road was built for that it was that Northern Pacific. Wages, and material were cheap at the time. However the Roblin government purchased the road, and hardly was the ink dry on the agreement, until it was transferred to Mackenzie and Mann. My hon. friend talks about rates; why the rates on the Canadian Northern to-day on the southern freight are from two to three cents higher than they were before the change.

Hon. Mr. WATSON.

The following table shows the increase in rates since the change:

Per 100 lbs.	Former rate.	Present rate.
Woodenware	42½	55
Binder twine	42½	57
Roofing paper	42½	48
Furniture	50½	75
Window glass	42½	48
Iron	42½	48
Iron (galv.)	42½	48
Nails	42½	48
Pipe	42½	48
Pipe (cast over 5 in.)	31½	48
Axle grease	42½	48
Fence wire	42½	48
Green apples	31½	45
Sashes and doors	23	30
Vegetables in bags	93	110
Vegetables in boxes	65	75
Fruits, mixed car lots	43½	75
Fruit in boxes and barrels.	62	110
Cranberries	37½	60
Cement	27	36

Cartage to be added to the present rates.

The lower rates were in force when the Northern Pacific controlled that road, before it was purchased by the Roblin government and turned over to Mackenzie and Mann.

Hon. Mr. FERGUSON—Are the rates which the hon. gentleman has quoted for car-loads?

Hon. Mr. WATSON—Yes.

Hon. Mr. FERGUSON—Between what points?

Hon. Mr. WATSON—Between St. Paul and Winnipeg.

Hon. Mr. FERGUSON—How much of that line is owned by the Canada Northern?

Hon. Mr. WATSON—From the boundary line to Winnipeg.

Hon. Mr. FERGUSON—But the rates quoted are from St. Paul.

Hon. Mr. WATSON—The increase in rates has been a matter of controversy, and it has been shown that the Northern Pacific have continued their rates from St. Paul to the boundary line. It is the result of an arrangement between the Canadian Pacific Railway and the Canadian Northern.

Hon. Mr. FERGUSON—It is not the Canadian Northern that is putting up the rates.

Hon. Mr. WATSON—If that is the case, what becomes of Mr. Roblin's government control ? He bought out the Northern Pacific, yet the rates are higher than they were before the purchase. We have before us the resolution moved by the hon. leader of the opposition. He must have found it hard to bring himself to move such an amendment, because he has expressed himself very strongly against government operation of a road. In fact it was government owned roads he opposed so very strongly last year, and he gave his reasons. I was interested in looking up what the hon. gentleman had to say with regard to government owned roads last year. He said:

I do not propose to compare it with this scheme or discuss it in any way ; but this I will say, speaking for myself, I am opposed to governments running railways, and if we are to take the Intercolonial Railway as a sample to guide us in the future, all I have to say is, God protect us from the financial results that must follow if the government are to own and run many other roads in the future.

He gave his reasons for that, and I want to call attention to those reasons because the debates in the other chamber show that one of the great arguments for government ownership, control and operation of roads is the fact that they are owned and operated by the government in Australia and have been a success there. The very reason the hon. gentleman gave last year for opposing this project is because he had studied the operation of government railways in Australia, and had come to the conclusion that they were not a success, and for that reason he could not vote for government ownership here. I have further evidence to justify the hon. gentleman in the stand he took last year, because I find the same condition prevails to-day. Of course, when the hon. leader of the opposition was speaking he referred to the operation of government railways a few years ago, when he was in Australia. Things are not changed, because the Australian Commissioner of Railways is to-day in America studying our railway system. He came to Winnipeg on the 16th and the folowing interview is published:

Mr. Kirkcaldie has come to America for the purpose of studying the details of railway management in Canada and the United States in order to ascertain if there are any features of the methods in vogue here that might be adopted with advantage in Australia, where all lines are owned and operated by the government. Much study has been given to the railway problem in Australia and the best brains of America and Great Britain have been employed to operate the government lines in a satisfactory manner, but entire success has not yet been attained, the financial aspect being the most serious. Mr. Kirkcaldie occupies the position of railway commissioner in New South Wales, and he has been delegated by his government to make an exhaustive study of the railway question in the countries which are accounted to have the bsst couducted railways in the world. He will spend some time in the leading railway centres for the purpose of interviewing officials and informing himself on departmental details.

So that the hon. gentleman was perfectly justified in taking the position he assumed a year ago against government operation of railways on account of his knowledge of the Australian railway system. I am surprised, however, that the hon. gentleman has been converted by his leader in the other House, or the ex-Minister of Railways, Mr. Haggart, to this milk and water system of government owned railways, but he cannot have any part in supporting it after the strong stand he took a year ago. Nothing has been stated to show that government owned railways are better to-day than they were last session. I might give the opinion of the Commissioner of Railways in Manitoba, the premier, Mr. Roblin. He had purchased the Northern Pacific and turned it over to the Mackenzie and Mann system, and had to give some reason for going back on the supposed Conservative policy of government owned railways, and this is the reason he gave in a speech in the legislature of Manitoba on the 16th March, 1901. He said when introducing the resolution to transfer the Northern Pacific road to the Canadian Northern:

Now, the question I proposed myself was, why did we want the Northern Pacific as a government road ? We realized that we could not operate that road and secure such material benefit for the people of the country as we desired, without subjecting ourselves to all the dangers that threaten to overtake government operation of railroads as shown in other portions of Canada. We realized that it was not wisdom on our part to undertake the control of the road and operate it ourselves and make it part of the political organizations of the day. (Hear, hear.) I fancy my hon. friend who says hear, hear, agrees with me that unfortunately one of the most regretable things in the public life of Canada to-day is what is known as the spoils system. It cannot but be realized by any man who is a lover of his country that it is injurious to the public service. Desiring to avoid what would necessarily be additional patronage to the government, we decided we would operate it.

What is government ownership ? What object does it serve ? Is it simply to own a railroad for political advantage ? I think not. It is a means to an end ; and the end is, in order to serve the public with the minimum rate. I claim that in the Bill before the House we have all the practical benefits of government ownership without the disadvantage of having to operate the road through a department of the government, or a commission the government might appoint. We have exactly what a government railway would be expected to give the people, namely, the control of the rates. We have escaped all the dangers of government ownership, and secured all that is practically beneficial and desirable.

That was the view entertained by the premier of Manitoba—at least that was his view. I suppose, when the new policy is discussed on the public platform, he will be somewhat of an acrobat, like the hon. gentleman from Wolseley and will try to play on the other tack, in that respect like the leader of the opposition. We all admit that the control of rates secured by Mr. Roblin and referred to by the hon. leader of the opposition the other day, practically means nothing. The hon. gentleman from Wolseley practically gave the case away to-night when he said the government agreed to give the reduced rates that is a short way of putting it. That is correct. I do not know whether he really meant what he said or not, but the government did guarantee the rates for this reason, that under the agreement made with the Canadian Northern, when the Roblin government disposed of the Northern system to the Canadian Northern, that agreement provides that the government shall have a right to control rates. But, in case of dispute, the matter is referred to the courts and the courts have to decide and the first thing to be considered, not at the instance of the tax-payer of the province, but the first thing to be considered by the courts in fixing the rates is the interest of the company; consequently if the government insist on the rates being reduced the stockholders are bound to get the expenses paid first, and if there is any shortage in paying the rates on the guarantee—because that rate is given on the guarantee—the government had to supply the deficiency. I want to call particular attention to this because it has been suggested that the Roblin government secured control of rates for a guarantee of $10,000 a mile. But the Greenway government had practically all the advantages, and a better rate, previous to the change of government, for the guarantee on that road for eight thousand dollars a mile. The Roblin government increased it to $10,000 and the interest on that guarantee is four per cent. The liability, as far as the interest is concerned, is as great on the ten thousand dollars a mile on the Canadian Northern, as it would be on the Grand Trunk Pacific at $13,000 a mile at 3 per cent. Now as to our control, I do not think it will be argued by hon. gentlemen opposite that the provisions in the schedule to this Act is not exactly what it means. It reads as follows :

The rates and tolls to be levied and taken by the company upon any part of the said railway shall be under the control of the governor in council, or of such authority, commission or tribunal as is designated or constituted under any Act of the parliament of Canada for the regulation or control of the business of railways.

That is absolute control of rates, which, no doubt will be affected. One argument by the hon. gentleman from Wolseley was that the people want to ship their wheat out in the fall. His first argument was that they did not want to ship it out in the fall, because it cost them more money and they would rather hold it in the country than pay extra freight and later on he said that did want it out, and that they were going to get it out by using ice-breakers at Thunder Bay to keep navigation open, bring it to Depot Harbour and ship to St. John. He said that you would have a month longer navigation in Thunder Bay than in the canals down east. That may be right. I should like to ask the hon. gentleman how is he going to get his wheat from Thunder Bay to Depot Harbour without taking it through the Sault Ste. Marie canal, which is much further north and freezes up before the canals on the St. Lawrence, and still he has to go through the Sault to get to Depot Harbour, and that is his great scheme. It is just as reasonable as most of his suggestions to-night. It cannot possibly be done; I believe that the people of that west, to a man, want this transcontinental railway. I believe now, as I did last year, that wheat can be carried by rail as cheaply as by the scheme proposed by Mr. Borden by the lake and rail route, for the reasons given by the hon. gentleman from de Lanaudière on this subject, given in details. We are

told by hon. gentlemen that there is no information about this northern country. There is a sort of apology made by the hon. gentleman from Marshfield that there is some survey now. He did not dispute that there is a good grade east of Winnipeg. We were satisfied last year. People had taken the trouble to inform themselves and the ascertained that good grades could be obtained east of Winnipeg. We have the information that Winnipeg east to a point north of North Bay, where the profiles and plans are completed, they have a grade of three-tenths of one per cent, which grade is caapble of carying wheat as cheap as by the lake and rail route. In the west the population is growing by hundreds of thousands. Last year some nine million acres of land were taken up and settled upon, with that rapid increase in cultivation which has taken place, we must have an outlet for our products. We cannot be without it. We cannot store our wheat for six or seven months in the year. Wheat has been carried from Winnipeg to St. John by the Canadian pacific Railway notwithstanding the fact that they had these heavy grades and sharp curvatures to encounter. An argument is advanced here by the hon. gentleman from Westmoreland that you could not operate this road in the winter time. The road will be operated in winter time.

Hon. Mr. SULLIVAN—He said it would be more expensive to operate in winter.

Hon. Mr. WATSON—That is the view I will take of it if it is to be operated in winter time at all, the more trains you run over it the cheaper will be the rate of freight. There is no question about that at all. If you could operate it by running trains every two hours in the day it is going to be cheaper to operate the road by the tonnage than running two or three trains a day. I want just for a moment to suggest one proposition made by a gentleman in the other House, which has not been advanced here. It was advanced last year, and that is the purchase of the Canadian Pacific Railway north of Lake Superior. There is no question in my mind that the Canadian Pacific Railway would like to dispose of that portion of the road, and there is no question to my mind whatever that if they did dispose of that road, the Canadian Pacific Railway would divert all their trade by the Sault line and Lake Superior. They would never operate a train north of Lake Superior. They have easier grades and better road on the Sault line and that is the way the freight would come. I am surprised at the reasons given by the hon. leader of the opposition, speaking in support of this amendment, as to why he wants government control of the road. It is to secure the freight for our own terminals in Canadian ports. When he was a member of the government, what did he do ? We are told by the hon. gentleman from St. Boniface that the Conservative party always had to rectify the wrongs of the Liberals. What were some of the first duties of the Liberals when they came into power, if it was not to right the wrongs that had been done by their predecessors ? The Conservative government were subsidizing steamers to Boston and United States ports to induce freight to go to American ports instead of to Canadian ports. One of the first acts of the Liberal administration was to cancel those contracts and give them to steamships going to Canadian ports. Probably the hon. gentleman from St. Boniface will mark that down. The government also had an arrangement made with the Canadian Pacific Railway whereby they were not to compete with them for freight on the Nicolet branch ; that the freight had to go through the state of Maine. I thought while the hon gentleman was speaking that we might make a pun and state that the main line of the Canadian Pacific Railway was through the state of Maine. I should like to have said a little about the reasons why the road should be built at once. I intended to give some figures that would show the amount of land taken up by homesteaders last year, on the amount of land sold by the different companies last year, amounting to some nine million acres. I should like to have called the attention of the House to the importance of the immediate construction of the railway in that western country. You can only have a reduction of rates and proper service by competition. The hon. gentleman from Wolseley has said that, although he stated several other things between times. I say that it is of the utmost importance that the government should be encouraged in every way to prosecute this work to its successful

completion. I believe it is much better for the government to lease the road east of Winnipeg to the Grand Trunk Railway than to undertake to operate it as a government road. I believe the leader of the opposition agrees with me on that point. I do not for a moment think that the leader of the opposition would suggest that the government should build that road and operate it.

Hon. Mr. McKAY (Truro)—He has not done it.

Hon. Mr. WATSON—No, and I do not think he would. I believe he is honest and consistent, and he knows what he has said in the past and with the information that he has with regard to the operation of roads by governments he would not rise in his place in the House and support a motion for government ownership and control of railways.

Hon. Sir MACKENZIE BOWELL—And yet the hon. gentleman quoted from that speech I made last year to leave the impression that I had. The hon. gentleman did not quote me correctly.

Hon. Mr. WATSON—I quoted from the Debates, and I leave it with the stenographers or the hon. gentleman himself. I quoted what the hon. gentleman said last year.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman quoted as much as suited himself, and did not read the whole statement; but I shall take another opportunity to correct him.

Hon. Mr. WATSON—I wish to say that I had no desire to put the hon. gentleman in a wrong position. I believe he was sincere in his statement. I read it exactly word for word. The statement is on page 1384 of the second volume of the Debates and reads as follows:

> I am opposed to government running railways, and if we are to take the Intercolonial Railway as a sample to guide us in the future, all I have to say is, God protect us from financial results that must follow if the government are to own and run many other roads in the future.

I then went on to say without reading further that the hon. gentleman gave his reasons and related his experience in Australia. If he desires, I will read that part of it.

Hon. Sir MACKENZIE BOWELL—The sentiments there expressed are exactly in accordance with the resolution I moved today.

Hon. Mr. WATSON—I have not misquoted. I have given it word for word.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman has read it correctly, but he did not do so before.

Hon. Mr. WATSON—I will leave that to the reporter. Then he gives his reasons for expressing the opinion and calling upon the creator to protect us, and he says:

> I have already told the House that I am giving my independent views upon that question. I shall not discuss it further. I watched the operations of the railroads in Australia when I was there. They are government railways. They produce no argument in my mind that governments can own and operate railways as well as it can be done by individuals. I believe to-day that if the Grand Trunk Railway Company, or the Canadian Pacific Railway Company had possession of the Intercolonial Railway they would run it with much advantage, to the people living in the maritime provinces and at less expense than it is run today, and they would run it without losing any money. That may be a heterodox view to some of my friends from the maritime provinces, but I have come to the conclusion from having watched the management and the operations of that road under both governments.

Hon. Sir MACKENZIE BOWELL—Where am I advocating the government ownership and operation of railways in what the hon. gentleman has read?

Hon. Mr. WATSON—I say the hon. gentleman is not advocating government ownership and operation of road. I am arguing the contrary, and I am surprised that he should now propose that the government should own the road.

Hon. Mr. FERGUSON—And control it, but not operate.

Hon. Sir MACKENZIE BOWELL—There is nothing there about operating it.

Hon. Mr. WATSON—I know there is nothing there about operating, and I venture

to say the hon. gentleman would admit he is not in favour of the government operating that road. I know the hon. gentleman would not want to operate that road.

Hon. Sir MACKENZIE BOWELL—I said so distinctly in making the motion.

Hon. Mr. WATSON—Certainly, I want that pronouncement made by the hon. gentleman. I want to make him repeat it. The hon. gentleman is not in favour of government owning railways, because this proposition is going to be used through the country, and is now used by some people, that the Intercolonial Railway is to be extended into the west and the government policy is in favour of owning and controlling and operating that railway. That is what is held out to the electors in Canada and to the people in the west, but the hon. gentleman says he is opposed to that and never suggested that the government should operate that road. He has emphasized that he wants to own and control, but he is careful not to say the government should operate it. I do not know what control means, but he avoids 'operation;' he said so last year and repeats it now. When I have secured that declaration, I think I have cleared the atmosphere of a good many stump speeches that might otherwise have been delivered. I have no doubt what the result of this vote is going to be.

Hon. Sir MACKENZIE BOWELL—Nor I.

Hon. Mr. WATSON—The good sense of the House will guarantee a good round majority in support of the Bill. I have no doubt of that at all. I trust that in the near future we will see the completion of this road and we will have, as stated by the hon. gentleman from Lincoln, a government road from the Atlantic to the Pacific entirely in Canadian territory. It will be the means of opening up and developing a large territory to the north. It will double the size of Canada; it will reduce railway rates and give the relief demanded by the people of Canada and give it at little or no cost to the resources of the Dominion. I was interested in the remarks the hon. gentleman from British Columbia the other day when he said the few people who were supporting the Bill were people to whom it would not cost anything. He is perfectly right. I believe the intelligent people of Canada are supporting the Bill today because it is going to be at no cost to the country.

Hon. Mr. SULLIVAN—A couple of hours ago I had no intention of saying anything on this measure. but this debate has assumed such proportions that I think it is the duty of some one to remonstrate and protest against this manner of proceeding. The debate was commenced in a dignified manner, and is terminating after the manner of a stump or platform discussion, with the strongest feeling of party politics on both sides. I deplore this. It is no matter to laugh at. It is a matter which the Senate ought to consider carefully and pause before they plunge deeper and deeper into the abyss of partyism from which it may never be extricated. The fathers of the federation were men of two sides of politics. The state of the country at that time demanded a combination of the French and English and of every shade of politics. They met with the most laudable desire to produce such a constitution as would lastingly benefit this country. They had the example of the United States. They had the example of the mother country, and they had genius and intellect, and they understood the habits and feelings of the people. These men constituted an Upper House, and the Rt. Hon. Sir John Macdonald, the most distinguished Canadian of his time, in this country, this illustrious man on the 29th January, 1865, introduced in the House of Commons the resolutions of the conference and explained the nature of the new constitution. What does he say about this House? He says that they divided it into three great divisions of twenty-four members each. He says:

> The objection has been taken, that, in consequence of the Crown being deprived the right of unlimited appointment, there is a chance of a deadlock arising between the two branches of the legislature, a chance that the Upper House, being altogether independent of the sovereign, of the Lower House, and of the advisers of the Crown, may act independently, and so independently as to produce a deadlock. I do not anticipate any such result. In the first case we know that in England it does not arise. There would be no use of an Upper

House if it did not exercise, when it thought proper, the right of opposing or amending or postponing the legislation of the Lower House. It would be of no value whatever were it a mere chamber for registering the decrees of the Lower House. It must be an independent House, having a free action of its own, for it is only valuable as being a regulating body, calmly considering the legislation initiated by the popular branch, and preventing any hasty or ill-considered legislation which may come from that body, but it will never set itself in opposition against the deliberate and understood wishes of the people. Even the House of Lords, which, as an hereditary body, is far more independent than one appointed for life can be; whenever it ascertains what is the calm, deliberate will of the people of England, yields, and never in modern times, has there been, in fact or act, any attempt to overrule the decisions of that House by the appointment of new peers, excepting perhaps once in the reign of Queen Anne.

In this country, we must remember, that the gentlemen who will be selected for the legislative council stand on a very different footing from the peers of England.

He further says:

The members of the Upper House would then come from the people as well as those of the Lower House, and should any difference ever arise between both branches, the former could say to the members of the popular branch: 'We as much represent the feelings of the people as you do, and even more so; we are not elected from small localities and for a short period; you as a body were elected at a particular time, when the public mind was running in a particular channel; you were returned to parliament, not so much representing the general views of the country on general questions, as upon the particular subjects which happened to engage the minds of the people when they went to the polls.

Besides, it must be remembered that an Upper House, the members of which are to be appointed for life, would not have the same quality of permanence as the House of Lords; our members would die; strangers would succeed them, whereas son succeeded father in the House of Lords. Thus the changes in the membership and state of opinion in our Upper House would always be more rapid than in the House of Lords.

The extract continues:

There is this additional advantage to be expected from the limitation. To the Upper House is to be confided the protection of sectional interests; therefore is it that the three great divisions are there equally represented, for the purpose of defending such interests against the combinations of majorities in the Assembly. It will, therefore, become the interest of each section to be represented by its very best men, and the members of the administration who belong to each section will see that such men are chosen, in the case of a vacancy in their section.

In the formation of the House of Commons, the principle of representation by population has been provided for in a manner equally ingenious and simple.

The duties of the Upper House are defined. In no part is there a word said about discussing such questions as have been discussed in the Senate to-night. They are simply to protect sections of the people whose rights may be threatened, and, consequently I hold it is not a point in this House to have government and opposition having caucuses as they do in the lower House. I never heard in this chamber, until the other day, that abominable word 'caucus.' It should never have been mentioned in this House. It is a word of ill omen and it was a very long time before the English people would admit it into their government. There is also the word 'whip,' which is of still greater abhorrence to me. We should have some reason given for using the words 'leader of the government' and 'leader of the opposition,' or they should be put aside. If I am one of the opposition and if the hon. gentleman from Belleville is the leader of the opposition, then I am a traitor? I have not consulted him. I have not voted with him on every occasion, I have been opposed to him on occasions, and I have never thought of asking him his opinion or consulting him in any way as the chieftain or leader from whom I should take an opposition. What would be the use of this House as an independent body, sitting in a judicial capacity and judging the affairs of the country, if not actuated by justice, truth and honour. If it continues on in the manner in which it has done to-night I say that the Senate will have fallen from its high estate, and no longer will it be looked up to as an institution of honour by the people of the country. For the right hon. gentelman who is the premier of the government I have the highest and most sincere regard. He has been honoured above any other Canadian. He has been admitted to be one of the chosen few to give their advice to the king. He has been honoured by being made a privy councillor. He has also had the degrees of the oldest universities in England and Europe,

institutions which are hoary with learning and antiquity. He has had their highest degrees ; France has honoured him with the highest class, the Légion of Honour ; but great as these honours are, and much respected as these honours are by every Canadian, I say it would be a far higher honour if the right hon. gentleman could fold his arms and say : 'I have raised the Senate to a higher position than it was when I became leader of the government. I have placed in the Senate men eminent for their services to the state, and eminent for the services that they have rendered to the public, and I have selected them because of their independence in judging things on their merits, which is so needed in a body of this kind.' I mention that to show that that being the platform of the Liberal party, I had expected something of the kind might happen in their appointments to this House. It did not happen. I am an independent member of this House ? I know that my words may fall like a post-prandial expression of opinion. To whom am I responsible ? Because I am responsible in the highest degree to somebody in occupying this position ? Am I responsible to party ? No, not to party. To whom am I responsible ? First to the Ruler of the Universe to whom we are all responsible. I am responsible to the country, and, lastly, to myself and my own conscience. These are all ; I have nothing to do with party, and when that word is hurled across the floor of the House, and when old sores are raked up—I do not say that one side is worse than the other—perhaps the bad example came from I won't say which, but I hope members will look into and see that words uttered by an humble member of this House are worthy of consideration, and if they cannot, in their time, have it to say that they were of the era which witnessed the elevation and the improvement of this Senate.

In this case the first point to consider by any hon. member who wishes to take an honest view of the project, is, first, is this railway really necessary ? I am willing to admit it is necessary—well, not in its entirety. I am willing to admit that, wherever it was started, there seems to be a general consensus of opinion and no strong feelings of opposition for doing everything to keep the North-west Territories, the hope and the saviour of this country, supplied with every convenience that civilization can afford in its rapid course to success and prosperity. Therefore I am not unfavourable to that. The next point is, where is that railway to be located ? As to that, I can form some opinion ? The course is marked out on this map which I have before me, and if that is the survey it is well done, whether it be an actual survey or only a partial one, or whether an imaginary one I don't know. It begins at Port Simpson, passes midway through British Columbia, and on towards the Atlantic distributing its favours equally to the different western provinces. It then takes a slice out of the southeast corner of Keewatin, and after that it takes another slice off another corner. Hon members, when they were boys, may have been treated to potato-cake, and this map reminds me of the cuts and triangles in the cakes which used to be made in my time. There is a slice exactly like that taken off Alberta. I should say this is a map from Mr. Sifton's office, and it is a map of Canada. It is attached to the blue-book. Then a line goes to the southeast corner of Saskatchewan, and on again and takes another triangular piece off Manitoba ; it then goes straight through Keewatin, and then it goes straight on and lavishes its favours on Ontario. It gives Ontario full and plenty of its services, for it runs from one side of it to the other across the northern end so that Ontario cannot complain. It then enters the province of Quebec and passes through it in much the same manner. It curves through it in an undulating way, till it reaches New Brunswick, and entering New Brunswick it strikes that fertile plain which for two hundred years was covered with beautiful grass and valuable timber, and where it was left without any discovery. I do not deny the existence of such a territory. It is quite possible it may be there. There are a great many things undiscovered in this world, and a great many men whose talents are undiscovered. The line then passes down to Moncton. Nova Scotia does not seem to get any, nor that exacting and particular place, Prince Edward Island. It is a wonder its

members did not object, but they are getting the bridge built. I know Prince Edward Island would not be behind in getting favours if they were going. So far as the route goes to Quebec, I can vote for that. I think it is required there, but not as a freight carrier. We should make use of the waterway for carrying freight—the most magnificent waterway in the world. It is a pity the Welland canal is not enlarged a little. If the House will permit me I will read a short statement from one of the ablest men in Ontario, in regard to the transportation question. He has been a shipper for forty years. He has an elevator working every year, and he ships more grain than any man in Ontario. I spoke to him on the subject and he handed me this paper. Hon. gentlemen will understand the Welland canal is only fourteen feet deep, the same as the St. Lawrence canals. I asked a contractor about how much it would take to deepen this canal, and he told me it would be about $20,000,000. I will read this portion of the letter :

A further saving will be made of three-eighths to one-half cent per bushel on the River St. Lawrence ; as soon as the trade warrants the forwarding companies building large barges, the grain can be carried for 1⅜ to 1½ cents per bushel. It has been carried in the past as low as 1⅜ cents per bushel without loss to the companies.

To work these savings it would have to be done in large sized steamers carrying from 175,000 to 250,000 bushels. These steamers would discharge at Kingston. If they were able to go to Montreal it would not be any improvement, but a loss, as the grain can be carried much cheaper in barges from here down to Montreal than it can be carried in ocean steamers, owing to the difficulties in the way of the large outlay of the steamer.

The River St. Lawrence rates :

The present rate from Kingston to Montreal on the class of barges now used is 1⅜ cents. In 1902 it was 1⅜ to 1½ cents.

These barges, as you are aware, are small, most of them carry 20,000 to 25,000 bushels, a few 40,000 to 45,000 bushels.

The coming barge will be from 60,000 to 75,000 bushels. The crews for large barges cost very little more than for the small ones, so when I based my figures from Kingston to Montreal at 1⅜ cents, I think I was very conservative.

This certainly would give a transportation company a good profit.

Below I show you the comparison between F.O.B. ocean steamer, port of New York via Buffalo, and F.O.B. steamer port of Montreal via Deep Water Welland

	Cents.	Cents.
Fort William to Buffalo, per bushel.	1·5	
Buffalo to Now York, per bushel....	3·5	
F.O.B. charges New York, per bush.	·90	
		5·90
Fort William to Port Colborne, per bushel....	1·5	
Port Colborne to Kingston, per bushels..	5	
Kingston to F.O.B. ocean steamer, Montreal..	1·375	
		3·375
		2·525

You see the great difference there is in favour of that route. The commission, who are taking evidence in the matter, are not ready with their report. I thought I would mention this because I know the gentleman is reliable. I know it is reliable, and I challenge any hon. gentleman to disprove it, and I challenge any hon. gentleman to prove that a railway can carry freight as cheaply by rail as it can by water. It is impossible to do it. I have the greatest authority for saying so. I have great deference for the opinion of the hon. gentleman from Lincoln, and I think if we discussed the matter together he would understand. Times are changed. There is no similarity that I can see between the existing railway route and the one proposed. But circumstances and conditions are entirely changed from what they were in the past. The Canadian Pacific Railway was a necessity. If any hon. gentleman who says that there is any similitude between the inception of the Canadian Pacific Railway and the Transcontinental Railway projects, I hope it will be on record. I think the hon. gentleman from Portage la Prairie might rejoice in the title 'Lord Portage la Prairie,' or his colleague might like the title 'Duke of Killarney.' When this road is constructed I hope titles will result from it. We are all glad when Canadians receive titles, but we hope they will live in the country. We congratulate the gentlemen who have been offered titles by the sovereign, and we try to show them every respect, although we sometimes do not. With regard to government control, I would have nothing to do with it. The State Civil Service of Canada is bad enough, God knows, but to add a railway to it, and to have every man looking for a job down to the firemen,—because the lower the position the more bitter

the fight, is simply not to be thought of. It is more difficult to appoint a guard in a penitentiary than to a position higher. I say it is a misfortune for any young man who gets a position in the civil service, unless he has a 'pull' and can hoodwink somebody and go to the minister with influence behind him for promotion. I remember going once to a gentleman who was a minister, and I had to stand at his door and the member of parliament who was to come with me did not arrive on time. I had to go into his presence alone. It was terrible. He did not ask me to sit down. He looked at me in a scornful way, and asked what brought me there, and I told him my mission. He said, 'I will inquire into it, and do what is right.' I was glad to hear afterwards that he fell in the general disaster. I only mention this to show the trouble members of the cabinet have. If a young man is as stupid as an owl, and incapable of anything at all, put him in the service. That is the follow who gets the pull; but without the pull he has no chance whatever. I think there is a large amount of patronage attending this matter. You are a powerful party, you have a well united party, a strong party. Party government is necessary. I hope you are not going to repeat the doings and practices of the party which manages the affairs of Ontario. If you do, party government wil go to the dogs. The morality of the people, I am sorry to say, has become very dull, in Ontario, and under such considerations is it not unfair that you should have this grant of money, this patronage and power to handicap your opponents. This scattered, disjointed Conservative party whom you say are almost guilty of deeds that were incorrect, have not shown that genius for government that is shown by you. I am willing to admit that as far as I am concerned, but you should give them a chance. Perhaps they might do something equal to the humblest of you. Now, with reference to the hon. gentleman from Portage la Prairie, I know he does not mean it, but a gentleman coming here blindfolded would make sure he was in the House of Commons if he listened to that gentleman. The hon. gentleman from de Lanaudière also made a speech. I wanted to apologize to him when he was here, because I happened to interrupt him while he was making his beautiful peroration; I apologize to him in his absence. He is the most complacent gentleman I ever saw in my life. he reminded me of little Jack Horner who sat in the corner, who put in his thumb and pulled out a plum and said 'what a good boy am I.' He makes a statement and then laughs and smiles in a most complacent manner—what a good boy am I. He is young, and will get over that. I am happy to think the good feeling which exists on these occasions is not broken. We will try and do better for the future.

I have not been canvassed by any one. I am sure the government are going to carry this Bill. I hope they will be successful with it and I hope money, honour and prosperity will follow the building of the Transcontinental as it did the construction of the Canadian Pacific Railway.

The House divided on the amendment, which was rejected on the following division.

Contents, nineteen; non-contents, thirty-four.

Contents:

Hon. Messieurs

Baird,	MacKeen,
Bernier,	McDonald (Cape Breton),
Boucherville, de	McLaren,
Bowell, (Sir Mackenzie),	McMillan,
Carling (Sir John),	Miller,
Dobson,	Montplaisir,
Ferguson,	Perley,
Landry,	Sullivan,
Macdonald (P.E.I.),	Wood.—19.
Macdonald (Victoria),	

Non-contents:

Hon. Messieurs

Béique,	McMullen,
Black,	McSweeney,
Bostock,	Mitchell,
Church,	Pelletier (Sir Alphonse),
Cloran,	Power (Speaker),
Coffey,	Robertson,
Cox,	Scott,
Dandurand,	Shehyn,
Fiset,	Templeman,
Frost,	Tessier,
Gibson,	Thibaudeau (Rigaud),
Kerr (Cobourg),	Thibaudeau (de La Vallière),
King,	Watson,
Legris,	Wilson,
Lovitt,	Yeo,
Mackay (Alma),	Young.—34.
McGregor,	
McHugh,	

Hon. Mr. LANDRY—I ask that the names be read.

The names were then read by the clerk.

Hon. Mr. LANDRY—I move that the votes given by the Hon. Messrs Cox and Gibson be disallowed.

Hon. Mr. FISET—On what ground ?

Hon. Mr. COX—I voted against the amendment. I do not intend to vote for the original motion.

Hon. Mr. TEMPLEMAN—The hon. gentleman is a little early in his protest.

Hon. Mr. LANDRY—Last year a Bill was presented which became law, in which Sir Charles Rivers-Wilson, Lord Welby, John Brock, Joseph Price, and Alfred Smithers, all of the city of London, England, the Hon. George A. Cox, H. M. Pellatt, E R. Wood, of Toronto, and the Hon. Wm. Gibson of Beamsville, Ontario, became shareholders in the company and were incorporated under the name of the Grand Trunk Pacific Company. This company has a contract with the government. This company is going to receive sums of money, and the members I have named who form part of that company have, by virtue of section 31 of our rules, no right to vote on a question where they have a personal, pecuniary interest, and for that reason I move that their vote be disallowed.

Hon. Mr. SCOTT—I presume the gist of the question is, have those gentlemen any pecuniary interest ? The mere fact of their being mentioned as promoters in the Bill, I do not think disqualifies them, because frequently Bills are brought into this chamber in which gentlemen are named as provisional directors until the company is organized, and because they take some interest in it, because shareholders practically, it cannot be contended that they have any pecuniary interest in the matter.

Hon. Mr. LANDRY—If it were simply in the formation of the rompany, all right, but there is a contract by the government with a company and we are voting on that contract.

Hon. Mr. BEIQUE—It is not a vote on the main motion. It is on the amendment.

Hon. Sir MACKENZIE BOWELL—It is equivalent.

Hon. Mr. BEIQUE—The amendment might be of any kind at all, and would it be contended that the hon. gentleman was debarred from voting on the amendment? It is simply a principle that is to be affirmed by the amendment, and it seems to me the question could only be raised on the second reading.

Hon. Sir MACKENZIE BOWELL—But the hon. gentleman must know if that motion had carried, it would have defeated the Bill. The voting in order to keep the Bill in existence and not have it defeated is showing as much interest in the Bill as if he voted the other way. I am rather sorry the question was raised at all ; but it does strike me that if these gentlemen are disqualified from voting on the main motion, because of their being provisional directors, they are equally disqualified from voting on the amendment for the reason which I have given, that if the motion was carried, then the Bill would have been defeated and their interest, whatever it might have been, would have been lost. On the contrary if the Bill is now carried, as I presume it will be, they stand in just the same position. I cannot for the life of me see any difference. I am quite satisfied if the hon. gentlemen who have voted had taken the view I did they would not have done so, and one gentleman has stated he does not intend to vote on the main motion, which shows clearly what his views are on the matter. I may be wrong.

Hon. Mr. COX—I wish to say that I had decided not to vote on the main motion, and so stated to the members of the government, and had supposed that I was quite within my right to vote against the amendment. If I am wrong as to that, I am quite willing that my vote should be stricken out. I had decided not to vote on the main motion, although I question very much whether I have not the right to vote. I do not think there is any reason why I should not vote, but the fact that I am a

provisional director, and probably will be a director of the company, I decided I would not vote on the main motion.

Hon. Mr. KERR (Toronto)—The fact that the hon. gentleman is a provisional director does not disqualify him from voting here at all. The question under our rule is whether he has a direct personal interest—direct pecuniary interest. These hon. gentlemen know whether they have a direct pecuniary interest, and if they have not, as I understand both of them to say that they have not, they have a perfect right to vote, and in fact under our rules they must vote nuless excused by the Senate.

Hon. Mr. McMULLEN—I cannot see that the point can apply to the motion now before the House. It is an amendment declaring in favour of government ownership. I cannot see why these hon. gentlemen have not a perfect right to vote against that principle. The question of voting for the Bill, is a different thing altogether. If the vote of my hon. friend had been made on the motion for the second reading of the Bill, I would say the hon. gentleman from Stadacona would be justified in raising the point, but I cannot see how these gentlemen can be debarred from voting on the question of government ownership.

Hon. Mr. LANDRY—If the amendment is carried, then the interest they have in the passing of the Bill is jeopardized.

Hon. Mr. McMULLEN—They might not be.

Hon. Mr. GIBSON—I think I stated to the House most distinctly for fear that it might jeopardize my position of independence in parliament, that I asked Mr. Hays to relieve me from any responsibility and to remove my name from the board, and he was kind enough to do so. For the information of my hon. friend, I will tell him that I have no pecuniary interest in the railway, and do not expect to have, and would not have my name struck from the vote on the hon. gentleman's suggestion or that of anybody else in the House. I state in the House that I have no pecuniary interest and do not expect any, and am not going to be debarred from exercising my franchise in the House by any clap-trap talk by my hon. friend The hon. gentleman has to accept my statement.

Hon. Mr. LANDRY—The hon. gentleman need not get excited at all.

Hon. Mr. GIBSON—I did not get excited.

Hon. Mr. MITCHELL—The hon. gentleman from Stadacona must accept the word of the hon. gentleman from Lincoln.

Hon. Mr. LANDRY—Another hon. gentleman is getting excited. The hon. gentleman told us just now that he had sent in his resignation to the directorate.

Hon. Mr. GIBSON—There has been no election.

Hon. Mr. LANDRY—But there have been provisional directors. When it organizes the provisional directors disappear, but the law declares that the hon. gentleman from Lincoln and the hon. gentleman from Toronto are two directors, and the contract is passed between the government and the directors.

Hon. Mr. McMULLEN—No.

Hon. Mr. LANDRY—The government and the Grand Trunk Pacific.

The SPEAKER—There is nothing before the House.

Hon. Mr. LANDRY—I beg pardon, I made a motion ; and if the hon. Speaker does not wish to put it, it is all right. I made a motion that those votes should be disallowed.

Hon. Mr. WATSON—Seconded by whom ?

Hon. Mr. LANDRY—I do not want a seconder.

Hon. Mr. COX—With the permission of the House, I will withdraw my name.

The motion was declared lost.

The House then divided on the motion for the second reading of the Bill, which was carried on the following vote :

Contents :

Hon. Messieurs

Béique,	McMullen,
Black,	McSweeney,
Bostock,	Mitchell,
Church,	Pelletier
Cloran,	(Sir Alphonse),
Coffey,	Power (Speaker),
Dandurand,	Robertson,
Fiset,	Scott,
Frost,	Shehyn,
Gibson,	Templeman,
Kerr (Cobourg),	Tessier,
Kerr (Toronto),	Thibaudeau (Rigaud),
King,	Thibaudeau
Legris,	(de La Vallière),
Lovitt,	Watson,
Mackay (Alma),	Wilson,
McGregor,	Yeo,
McHugh,	Young.—34.

Non-Contents :

Hon. Messieurs

Baird,	Macdonald (Victoria),
Baker,	MacKeen,
Bernier,	McDonald
Boucherville, de	(Cape Breton),
Bowell,	McLaren,
(Sir Mackenzie),	McMillan,
Carling (Sir John),	Miller,
Dobson,	Montplaisir,
Ferguson,	Perley,
Landry,	Sullivan,
Macdonald (P.E.I.),	Wood.—20.

Hon. Mr. WATSON—The hon. gentleman from Missisquoi came in after the motion was put.

The SPEAKER—He came in after the motion of the amendment was put, but before the motion for the second reading.

Hon. Mr. BAKER—If there is any question about it, I beg to withdraw my vote. I hope there will be no misapprehension as to the way I should have voted, and the way I should vote again if necessary.

Hon. Mr. KERR (Toronto)—I draw attention to the fact that the hon. gentleman from Stadacona did not vote from his seat.

Hon. Mr. BAIRD—I wish to call attention to the fact that the hon. gentleman from Truro did not vote.

Hon. Mr. McKAY—I am paired with the hon. gentleman from St. John. But for that I would have voted for the amendment and against the Bill.

The Bill was read the second time.

Hon. Mr. WATSON—I have a list of some twenty members of the Senate who have been paired, and I think it would be well to have it appear in the Debates.

Hon. Mr. COX.

Hon. Mr. FERGUSON—I think that is bad practice. It was never introduced until last session.

The Senate adjourned.

THE SENATE.

Ottawa, Thursday, June 23rd, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

THIRD READING.

Bill (8) An Act respecting the Nova Scotia Permanent Benefit Building Society and Savings Fund.—(Hon. Mr. McDonald, C.B.)

Bill (K) An Act respecting the Northern Bank.—(Hon. Mr. Watson.)

NATIONAL TRANSCONTINENTAL RAILWAY ACT AMENDMENT BILL.

IN COMMITTEE.

The House resolved itself into a Committee of the Whole on (Bill 72) an Act to amend the National Transcontinental Railway Act.

(In the Committee.)

On the third clause.

Hon. Mr. FERGUSON—I think we ought to have some explanation with regard to how this common stock of the Grand Trunk Pacific is to be handed over to the Grand Trunk Railway Company. This is one of the clauses relating to that subject.

Hon. Mr. SCOTT—I think I stated very fully the position which the Grand Trunk and the Grand Trunk Pacific occupy with respect to the stock of the company. The total amount is $45,000,000, of which $20,000,000 will be preferred stock and $25,000,000 common stock. Originally it was intended that they should hold the whole of it. It was pointed out that it was practically useless to put it in their vaults. It was very unusual to deprive a railway company of the opportunity it might have for raising money on its stock. It had some value, and therefore the change was made in the direction of allowing them to sell a portion of the stock, retaining however the major portion in order that they could control the board of directors. They are

bound to retain a sufficient amount of stock to control the affairs of the company.

Hon. Mr. McMILLAN—The hon. Secretary of State has said that $45,000,000 is the capital of this company, $20,000,000 of it being preferred stock. If he will refer to the Act of last year, which has not been changed, he will find that the $20,000,000 is not called preferred stock, that the capital is $45,000,000, and it only becomes preferred stock upon a resolution passed by a majority of the shareholders. They may create preferred stock or not just as they please. They may make a gift of the stock to any number of men if they choose, and, moreover, they are only obliged to keep sufficient stock to be able to control the policy of the company. They can sell the rest. The directors can. after the stock has been allotted, call the shareholders together and create $20,000,000 preferred stock which will have the ordinary preference, as far as dividends are concerned, over the common stock. Now, it is only the common stock which can control the policy of the company, and it is of that they are to retain simply an amount to control the policy of the company. Further they were obliged to keep the common stock put into their hands until such time as the fifty years lease terminated, which afforded some security to the government that they would carry out the terms of the lease. Moreover, they were to retain the same stock until all the bonds for which the government became responsible were paid. All these conditions that they had in connection with the stock they are relieved from, under the terms of this clause, so that they can dispose of the stock as they please, place it in the hands of a few friends of the Grand Trunk Railway Company and draw their dividends as they are earned, and all they are obliged to keep is a sufficient amount of common stock to be able to control the policy. I can understand why this stock would be handed over to the Grand Trunk Railway Company under the Act of last year for this reason; that they were becoming responsible for one-fourth of the bonds that were to be issued for the construction of that road. I could understand that they should have the stock if they choose, but now they are relieved from the position they held as second mortgagees and are on a par with the government, yet they get the stock free from any incumberance or liability, if the directors please to hand it over to them.

Hon. Mr. FERGUSON—There are two points of view from which this question of the stock is to be considered; first, the manner in which the Grand Trunk Pacific Company is enabled, under all legislation of last year and this year, to deal with the stock, and next how the Grand Trunk Railway Company can dispose of that stock after it has reached them. Now last year, when we were dealing with the General Railway Act, we eliminated from it a clause which permitted the passing of stock in companies at less than the face value or a proper market value. That clause was dropped, because it was held that operations of a very doubtful character had been carried on under it, and it lead to the watering of stock and the distribution of stock among promoters and others, and the passing of stock for a very doubtful consideration. But while it was dropped from the General Railway Act a similar provision was inserted in the Grand Trunk Pacific Incorporation Bill. It is clause 11 which is as follows:

> The directors of the Company elected by the shareholders may make and issue a paid-up stock, shares in the Company, whether subscribed for or not, and may allow and hand over in payment for plant, rolling stock, docks, elevators, wharfs, warehouses, vessels, or materials of any kind, or, as consideration for rights and services rendered, powers and privileges acquired and also for the bona fide claims of contractors and engineers, such an amount of such common stock as shall be a gain and bona fide value for the property purchased, as for the rights, powers and privileges acquired, or services rendered, as aforesaid, other than promotion services, due regard being had to the then market value of the stock; and such issue and allotment of stock shall be binding on the Company, and such shall not be assessable for calls.

That was the clause in the Act of incorporation of the Grand Trunk Pacific as passed by this parliament last year. I suppose that was considered to be sufficient, in view of the provision in the agreement last year that the Grand Trunk Railway Company should hold this stock during the continuance of the lease. I do not know for what reason that clause was then considered to be ample. But that clause has been repealed this year, on the application of the Grand Trunk Pacific Railway Company and another clause has been inserted which reads precisely the same, only it introduces

another consideration to be accepted in consideration of the stock—I am now referring to section 3 of the amendment to their charter proposed this session. The only material change, as far as I can see, is that it introduces guarantees as a consideration for the passing of this stock. This amendment renders clear what Sir Charles Rivers-Wilson said in England, that for the support which the Grand Trunk Railway were giving the Grand Trunk Pacific they were to receive this common stock, and in order to carry that view out and make the law clear on the subject the word 'guarantees' is introduced in clause 11, so that it renders it quite easy to pass this stock over to the Grand Trunk from the Grand Trunk Pacific with no consideration whatever but simply the guarantee of the bonds of the Grand Trunk Pacific. Now that guarantee is a consideration on which it is absolutely impossible to put a cash value. It would be a very difficult matter indeed to reduce that to dollars and cents, and, therefore, the authority is taken by the Grand Trunk Pacific to pass this stock over to the Grand Trunk for no consideration whatever, beyond the guarantee for one-fourth of the cost of constructing the mountain and prairie section.

Hon. Mr. SCOTT—How are they acquiring the rolling stock?

Hon. Mr. FERGUSON—I am dealing with the acquiring by the Grand Trunk Railway and the giving by the Grand Trunk Pacific of this stock without any cash consideration whatever. Is there any restriction put upon what they shall do with it after they acquire it? They get it for very slight consideration, as I have shown, and they can proceed to deal with it as they please. The only limitation, and it is not a limitation, is that they shall report to the Minister of Finance and show how this stock has been disposed of.

When the hon. Secretary of State introduced this Bill and made his explanation with regard to it, he dealt with this matter, and pointed out to the House that the 309th section of the Railway Act amply provided against any improper distribution or use of this stock on the part of the Grand Trunk Railway Company, and my hon. friend tried to impress the House with the view that ample provision was there made to prevent what we may call watering stock, or the distribution of it, or the passing of it to promoters at a mere nominal consideration. It must be borne in mind that although that stock may pass to-day for a nominal consideration, yet in the hands of innocent buyers, some day in the near future it will come up and be entitled to a dividend if the road earns anything over working expenses, interest and rent to the government, and it will be properly entitled to a dividend if there should be any surplus. The stock will pass from hand to hand as the country prospers and the trade of the railway grows, and finally it may reach par in the hands of innocent buyers. Their claim to dividends cannot be resisted. At all events, there is no provision in this law or any law, so far as I know, which will prevent the Grand Trunk Railway Company, if they are in possession of such earnings, from declaring a dividend upon stock which might have been given away in the first instance to promoters for a mere nominal consideration. We know what occurred with regard to the Canadian Pacific Railway, and we know hon. gentlemen on the other side of the House—I think I can recognize some of them—declaimed with great earnestness at the time the Canadian Pacific Railway was launched, and particularly when it began to be a going concern, with prospects of earning dividends, about watering stock, and the fact that dividends became payable upon stock for which less than par value had ever been given. Now, we are opening the door for the same thing again.

Hon. Mr. SCOTT—Parliament authorized the Canadian Pacific Railway stock to be sold, a certain amount of it, at 25 cents on the dollar.

Hon. Mr. FERGUSON—If parliament did authorize it, why should we authorize the passing of this stock for a guarantee.

Hon. Mr. SCOTT—Because they are not likely to give away for nothing something which is of some value.

Hon. Mr. FERGUSON—That is not a safe course for parliament to pursue in dealing with a question of this kind. We know what people have done before, we know what corporations are constantly doing,

and what they will do to the end of time, and I do not blame them for doing it; they are perfectly right in doing it, if it is legalized by parliament. But what are we doing? Every dollar represented in either bonds or stock—I am quoting the words of Mr. Blair—should be used in the construction of that road at as near the face value as possible.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. FERGUSON—We should make every provision that would protect the public against the watering of stock. Last session the members of the government laid great emphasis on the fact that a provision was in the Bill to prevent the watering of stock.

Hon. Mr. SCOTT—But there is no watering of stock. How can there be watering?

Hon. Mr. FERGUSON—If you allow this stock to be distributed among promoters for a nomianl cnsideration, and it goes on and reaches, through the prosperity and development of the country, a par value, the Company will be called upon to pay reasonable dividends upon that stock, when it may be that only five or ten cents on the dollar had ever gone into the construction of the road. You may say that is not watering stock.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. FERGUSON—If not it is something just as bad, and it ought to be prevented. What did hon. gentlemen in the government tell us last year? Every word I am saying now was the burden of their speech. At that time we were dealing with only one aspect of this stock business, and that was the manner in which it should pass from the Grand Trunk Pacific to the Grand Trunk Railway. That matter stood as it does to-day with this difference, that the law is now made clear that that stock can be passed simply for no other consideration than the guaranteeing of the bonds of the Grand Trunk Pacific Company. While that part of the question remains substantially as it stood last year, only the operation is facilitated. the other phase of the question, when the stock goes into the hands of the Grand Trunk Railway Company, is entirely changed. What I have been saying and trying to impress on the House as a good sound view is, that this stock should not be allowed to be distributed by the Grand Trunk Pacific without being placed on the market; that it should be protected against being distributed to promoters. My own view is that three-fourths of that stock should belong to the government—no nine-tenths of it. The government is, in cash or other obligations. assuming nine-tenths of the cost of this road, and it would be nothing but right that a large proportion of this stock, instead of being handed over to the Grand Trunk Railway Company should be handed to the government who would hold it in the interest of the taxpayers of Canada, so that when traffic is offered to this road and it grows it would be in the power of the people of Canada in that way, to control the rates. But if this Bill passes without such provisions with regard to the stock, no matter how it may be disposed of, it will loom up by and by as soon as this road begins to earn more than expenses, and claim dividends, although very little if any of the money represented by the stock has actually gone into the construction of the road. Last year the government held that it was most important that that should be guarded against. They claimed they had guarded it, and took great credit for having done so; but they are now opening the door for the passing of that stock with little or no consideration, and later that stock will come in claiming dividends and in that case it will come out of the trade of the country and will consequently keep the rates up.

Hon. Mr. COX—That will be after the interest is paid on the bonds.

Hon. Mr. FERGUSON—Yes.

Hon. Mr. COX—And if the interest is going to be paid on the bonds a great deal of our trouble here will be ended, any apprehension that we ever had, particularly on the other side of the House, that these bonds would be paid by the government.

Hon. Mr. FERGUSON—The point I am making is that the difficulty and injury to Canada would not stop there, supposing every bond was paid. If this stock comes up and claims dividends, although no money for it went into the construction of the road—

Hon. Mr. McMILLAN—Surely that is watering stock.

Hon. Mr. McGREGOR—A dividend cannot be paid if it is not earned.

Hon. Mr. FERGUSON—It can only be earned by taking it out of the trade of the country, and dividends should only be paid on money which actually went into the construction of the road, and not on stock allotted to capitalists and promoters for a mere song. The stock will pass into innocent hands, and faith must be kept with them, and if you can wrench out of the trade of the country a revenue to cover expenses, interest on the bonds, etc., then you will have to wrench out of the producers in the country a further amount in order to pay dividends on this stock.

Now that would be all right if provision were made, as was made last year, that this stock should be held by the Grand Trunk Railway during the continuance of the lease, and consequently Parliament could then deal with it when the road was able to pay not only working expenses but interest upon the bonds and earn a surplus. It would then appear whether the Grand Trunk Railway Company had paid in dollar for dollar or a reasonable amount for this stock and it had gone into the construction of the road and to the benefit of the enterprise. Nobody could then reasonably complain if they should get dividends upon it. That was provided for last year, but these provisions have been all swept to one side by the legislature this year, and the stock may be distributed, it may be disposed of for very slight consideration. There is no limit placed upon that, and it may pass for promotion services, or for anything of that kind.

Hon. Mr. DANDURAND—The hon. gentleman will not say so if he will read the clause of the private Bill of the Grand Trunk.

Hon. Mr. FERGUSON—Which clause ?

Hon. Mr. DANDURAND—Clause 3, which the hon. gentleman referred to, which reads as follows :

The directors of the company elected by the shareholders may make and issue as paid-up stock, shares of the common stock of the company, whether subscribed for or not, and may allot and hand over in payment for plant, rolling stock, docks, elevators, wharfs, warehouses, vessels or materials of any kind, or as consideration for rights, powers, guarantees and privileges acquired, or services rendered, other than promotion services, and also for the bona fide claims of contractors and engineers, such an amount of such common stock as is a fair and bona fide value for the property purchased, or for the rights, powers, guarantees and privileges acquired, or services rendered as aforesaid, due regard being had to the then market value of the stock ; and such issue and allotment of stock shall be binding on the company and such stock shall not be assessable for calls.

Hon. Mr. FERGUSON—Exactly, and does the hon. gentleman really ask the House to believe that that puts a restriction on the Grand Trunk Company as to how they are to dispose of the stock !

Hon. Mr. DANDURAND—That is another question.

Hon. Mr. FERGUSON—The hon. gentleman could not have read the clause for any other purpose than to show that it placed a restriction on the Grand Trunk Company.

Hon. Mr. DANDURAND—The hon. gentleman said the stock could be given over for promotion purposes.

Hon. Mr. FERGUSON—Yes.

Hon. Mr. DANDURAND—It could only be given over to the shareholders of the Grand Trunk Pacific and they are precluded by this clause.

Hon. Mr. FERGUSON—It is most extraordinary that a very clever lawyer like my hon. friend from de Lanaudière should put forward such a contention. All the restrictions that are imposed in clause 3 are imposed upon the Grand Trunk Pacific Company whose stock is being dealt with. It is the Grand Trunk Pacific stock which is being dealt with, and they cannot hand it over for promotion services ; but they can do so for a guarantee, and they have handed it over for a guarantee, and this clause does not prohibit the Grand Trunk Company from using the stock of another company which they have acquired under the law for promotion purposes.

Hon. Mr. DANDURAND—In virtue of what principle would the hon. gentleman draw the conclusion that the Grand Trunk having an asset in their hands would give it away for nothing ?

Hon. Mr. FERGUSON—Let us follow the hon. gentleman and see how he has backed

down. He interrupted me to quote this clause to show that the Grand Trunk Pacific could not use this stock for promotion purposes. Now, I show him that this clause has nothing to do with the Grand Trunk's action, and he says : 'Would it be likely that the Grand Trunk would give this stock away for nothing ?'—just going back to the position taken by the hon. Secretary of State a moment ago. I do not say that my hon. friend's desire was to mislead the House, but hon. gentlemen will see that when he quotes a provision of the Grand Trunk Pacific Bill in dealing with its own stock as binding the Grand Trunk Company, the result would be—although my hon. friend may not have meant it—to make the House believe that all these wholesome restrictions about giving the stock away for promotion services were preserved. There is nothing in our law, so far as I know, that would prevent a company acquiring the stock of this Grand Trunk Pacific Company in a legitimate way. They can do as they please with it. We made the way as easy as it can possibly be made. They are not getting it for promotion services ; they are getting it for a guarantee, and the law says they can do that, but they are free to give it away for promotion purposes. They are not bound by any statute as regards the stock of another company which has come legally into their possession. Both my hon. friends, when pressed on this question, fall back and say : 'Would the Grand Trunk be likely to do this ?' I meet my hon. friend from de Lorimer just as I did the hon. Secretary of State. We judge the future by the past. We know what has been the history of corporations with regard to matters of this kind, even when dealing with their own stock, when restrictions were not thrown around them as they were thrown around the Grand Trunk Pacific. But in the case of the Grand Trunk there are not these restrictions. It is the Grand Trunk dealing with the Grand Trunk Pacific stock. Under the law, we are providing nicely for their purposes, and my view is that a proper safeguard should be provided against giving this stock to anybody unless ample consideration was paid for it.

Hon. Mr. BEIQUE—The hon. gentleman's objection is based on the fact that this Bill authorizes the disposing of a part of that stock, or the whole of it, for the purpose of paying for the guarantee which will have to be given by the Grand Trunk Railway Company of Canada. I would ask the hon. gentleman if he would suggest what we should add. Under this agreement the Grand Trunk Railway Company of Canada is bound to guarantee 25 per cent of the cost of the building of the western division. Surely this is worth something. The Grand Trunk Railway Company of Canada has deposited $5,000,000 with the government ; surely it is worth something. Would the hon. gentleman suggest that this House should be prepared to set a value upon that guarantee, and that it is not a proper matter to be dealt with between the two companies ? These two companies are responsible companies, represented by people who have their reputation at stake, and we must presume that the agreements which will be made will be fair agreements. The hon. gentleman's objection is based on what took place as regards the Canadian Pacific Railway. I will recall to the hon. gentleman the fact that as far as the Canadian Pacific Railway is concerned, the objection arose from the fact that the Conservative government had entered into an agreement with the Canadian Pacific Railway which prevented the government controlling or reducing rates until 10 per cent was paid on the stock, and it became a very material question as to whether the stock was watered, or was sold for less than its reasonable value ; but in this case there is no restriction at all. The government reserve the right to fix the rates, and I would ask the hon. gentleman what is to become of the receipts of the road ? The hon. gentleman stated that the receipts would go to pay the dividends on that stock. Whatever is the amount of the stock, and whatever is the amount of the receipts, after the charges are paid, the receipts will be divided among the shareholders ; whether it be 3 per cent or 10 per cent, it will be divided among the shareholders, and I fail to see that the government is very much interested in determining the exact price at which these guarantees shall be valued.

Hon. Mr. DANDURAND—I will draw the attention of the hon. gentleman to an authority which has often been quoted and re-

ferred to by my hon. friends on the other side on railway matters. That authority has been filed by a railway expert in the other House—simply to sustain the contention expounded by the hon. gentleman from de Salaberry. I would cite the opinion of the Hon. Mr. Haggart as to the effect of selling stock at a low rate, or the watering of stock, upon the earnings of the railway and the effect upon the rates. He said :

I have peculiar views in reference to stock watering. They differ a little from those of the hon. leader of the opposition. My views are more like those of the hon. leader of the government, while they differ from those of some of his colleagues—the Postmaster General, the Finance Minister and the late Minister of Railways. In fixing rates on railroads, I do not think it matters at all what has been paid for the stock. The whole objection to watering stock is that the amount of stock watered might in some way represent an actual investment in money in the undertaking. A great many state railways in Europe have been acquired by expropriation, and the question of watered stock does not enter into the calculation of their value. The value of the railways for expropriation has been ascertained in two or three different ways. In Switzerland they simply look at the net earnings of the railways, capitalize those, and in that way get at the value of the railway as a going concern.

The Interstate Commerce Commission never took account of the nominal value of the stock of an undertaking in fixing rates. They only consider the actual expenditure upon the undertaking. It is true, experts differ on this matter. The hon. Minister of Finance gives me the title of expert. I differ from the Postmaster General and the ex-Minister of Railways on this matter, though I must say they have some authorities on their side. Some evidence was given before the Interstate Commerce Commission by prof. E. R. Johnson, who is a celebrated authority on these matters. It was as follows :

Q. On the effect of watering stock, and unnecesary additions to the bonded indebtedness upon railway employment and railway wages, have you any remarks to make?—A. It is usually said that the watering of stock or the unnecessary additions to bonded indebtedness do not affect the scale of wages paid or the rates charged by railroads. I question whether the statement in that form is true.

For the purpose of fixing rates, the Railway Committee do not consider the question of watered stock ; they only consider the actual cash value of the undertaking at the time, which is to be arrived at by the net profits capitalized. That is entirely different from the opinion of the ex-Minister of Railways, whom the First Minister has spoken of as the greatest railway expert in the world. To get at the value of a railway for the purpose of expropriation, the method followed in countries where that is done is to take the net earnings of the road over ten years, get at the average per year and capitalize the railway on that amount.

So that the fear expressed by the hon. gentleman from Glengarry and the hon. gentleman from Marshfield would fall to the ground if the opinion of Mr. Haggart is to be followed and accepted. In this case we have not only the right by the government of fixing the rates and controlling the rates expressely mentioned in these contracts, but we have the Railway Act itself, which gives ample power to the Railway Commission to investigate into the actual value of the capital which is entitled to earnings in order to arrive at the true rate that should be charged.

Hon. Mr. FERGUSON—I am quite aware of the views entertained by Mr. Haggart on this question. I have read them, and I must say they are very peculiar. I have not met any authority on this subject exactly on the line of his contention. I am not going to push this matter. There is no use. The government and their supporters have determined to pass this Bill exactly as it is given to them. We are here as a legislature deliberating upon it—not to deliberate but just to pass it. I am afraid that is the intention and I have no hope that it is different. I am quite well aware that any argument addressed to this House will be useless after the efforts in the other House to obtain amendments to the clause. I wish to put my views on record. They are entirely in line with those expressed by the hon. gentleman from Glengarry. There are two processes provided for in regard to this stock. First there is the process by which it can pass from the Grand Trunk Pacific to the Grand Trunk. I have described what that process is. That is the provision that my hon. friend referred to, but it has nothing to do with any dealing with that stock on the part of the Grand Trunk Company when they get possession of it. I pointed out that we had simplified the process by which it can be passed by the Grand Trunk Pacific to the Grand Trunk. We have made the guarantee of the bonds a consideration for which the stock may pass to that company. There is no question whatever about that. Other considerations may come in, but it is provided that for one consideration and another—and it may be all for this consideration so far as we know. We have opened the door to make it possible that all this stock might pass for this consideration and this alone. It is then passed to the Grand Trunk Railway, and, as I pointed out, the Grand Trunk Railway

is another company ; it is dealing with the stock of another company which becomes an asset. Last year it was provided it could receive it and hold it, but it could not put it on the market.

Hon. Mr. SCOTT—No value to it in that way.

Hon. Mr. FERGUSON—I submit that that stock would day after day and year after year proceed to acquire a value, just according as the enterprise would become prosperous, and it is just that and that alone which would make it become valuable, and as long as it was held by the Grand Trunk and the Grand Trunk Railway could show when that stock reached par value, they had put in dollar for dollar in construction of the road, they would be entitled to a full and reasonable dividend when it was earned. There could be no doubt about that. Last year the government occupied an inpregnable position with regard to that stock. It shut the door to speculation and watering of stock. It prevented such a thing being possible and it would make it an easy matter for the Railway Commission to settle the dividend after it had become a going concern—had paid its working expenses, and paid the interest on the bonds.

Hon. Mr. SCOTT—The hon. gentleman forgets the purchase of the rolling stock.

Hon. Mr. FERGUSON—We will deal with that when we come to that clause. None of this money will be required to go for that.

Hon. Mr. SCOTT—Certainly it will. The hon. gentleman could not now name a figure for the stock.. I am quite sure he would not give twenty-five cents on the dollar for it.

The clause was adopted.

On clause eight.

Hon. Mr. FERGUSON—I just wish to enquire of the leader of the House if he understands this clause as I do, that it provides for the whole of the common stock passing. It says it shall not be less than $24,900,000, but there is no limit, providing the directors do not declare any preference stock. Once the preference stock is declared, then the amount so declared up to $20,000,000, cannot be dealt with under this clause, but providing no preference stock is set aside, then the whole of the forty-five million may be passed to the Grand Trunk.

Hon. Mr. SCOTT—I do not understand the matter as the hon. gentleman from Glengarry does. I understand the Act provides specially that there shall be twenty million of preferred stock not subject in any way to the directors. Clause 26 of the agreement of last year provides that the capital stock of the company shall be $45,000,000, of which not more than $20,000,000 shall be preferred, and not less than $25,000,000 of common stock.

Hon. Mr. McMILLAN—Bill 64 of last year incorporating the company, clause 4. says:

> The capital stock of the company shall be $45,000,000, divided in whole or in part in shares of $100.

That is all it says. It does not say that $20,000,000 of it are to be preference stock at all. That is at the option of the shareholders. At a meeting called for that purpose they can declare that $20,000,000 of it may become preferred stock, or they can leave it alone just as they like.

Hon. Mr. SCOTT—That is correct.

Hon. Mr. FERGUSON—It shall not be more than $20,000,000, but need not be more than $1,000,000 or any amount.

Hon. Mr. WOOD—I should like to ask the hon. Secretary of State if the $20,000,000 of preferred stock could be handed over to the Grand Trunk Pacific the same as the common stock?

Hon. Mr. SCOTT—They only undertake to acquire the common stock.

Hon. Mr. WOOD—I understand that, but the question is whether the Grand Trunk Pacific have not the power to hand over, and the Grand Trunk the right to receive the $20,000,000 preference stock, in guaranteeing the bonds of the western division ?

Hon. Mr. SCOTT—It just depends if they come within the provisions of the Act. They could not hand it over unless there was value for it. It would be for the courts to determine. It does appear to me it comes within the provisions of the Act.

Hon. Mr. BEIQUE—It has no bearing on the preferred stock. One has only to refer to section 27 of the agreement of last year,

and to section 9 of the agreement printed as schedule to the present Bill, and it will be seen how this stock is to be held by the Grand Trunk Railway. It is provided that the Grand Trunk Railway shall subscribe $24,000,000 and keep under clause 9 at least a majority of the stock. Clause 9 reads as follows:

9. Notwithstanding anything in the twenty-seventh paragraph of the said contract contained, the Grand Trunk Railway Company shall not, after the acquisition of the twenty-five millions dollars ($25,000,000) of common stock therein mentioned (less shares held by directors, not exceeding one thousand), be prevented for making any such disposition of such common stock as the said Grand Trunk Railway may deem expedient, provided, however, that the said Grand Trunk Railway Company shall, during the delay mentioned in the said paragraph, continue to hold a majority of the said stock by such title as shall enable the said Grand Trunk Railway Company to control the policy of the company.

Hon. Mr. McMILLAN—My hon. friend is drawing a distinction between the two stocks. I do not think it is necessary to do that for the purpose of understanding the provisions of this Bill. I do not think it is intended that a preference should be created until it suited the convenience of the company.

Hon. Mr. BEIQUE—I would call the attention of hon. gentlemen to the fact that the clause with which we are dealing is merely referring to common stock. It cannot be preference stock.

Hon. Mr. McMILLAN—But we have no common stock until the preference stock is created. The stock that is authorized in the beginning is $45,000,000. It is neither preference nor common; preference is created by the authority of the shareholders.

The subsection was adopted.

On clause 10.

Hon. Mr. MACDONALD (B.C.)—It is true I voted against this Bill and opposed it. Now that it has been approved of by the majority, I want to do the best I can for my province with it. This Bill mentions four places where the work of construction is to be commenced simultaneously. I am sure the hon. Secretary of State and my hon. friend from Victoria (Hon. Mr. Templeman) will agree with me that it is only fair to British Columbia, which will contribute towards the construction of this road, that work should be immediately commenced on the British Columbia section. The trade created by the construction of the work on the Pacific coast will be the principal benefit of this project to British Columbia. If that is not done, the work will be commenced at Winnipeg, and pushed toward the Pacific coast. My hon. friend from Victoria surely cannot object to this motion, which I now move, as part of clause 10:

The construction of that portion of the said railway within the province of British Columbia shall be commenced at, and from the place selected as the terminus on the Pacific coast of the said railway, on or before the first day of June, one thousand nine hundred and five (1905), and shall be prosecuted with due diligence day by day until completed.

Hon. Mr. SCOTT—The provisions set forth in the Bill for the construction of the western division are as positive and direct as any hon. gentleman can ask for. Section 10 of the agreement of last year reads as follows:

10. The work of locating and constructing the said western division shall be commenced forthwith after the ratification of this agreement by the parliament of Canada, and shall proceed with the utmost despatch and shall be completed within five years from the first day of December, 1903, unless prevented by the act of God, the King's enemies, internal disturbances, epidemics, floods or other causes beyond the control of the company. And, in case of the interruption or obstruction of the work of construction from any of the said causes, the time fixed for the completion of the said western division shall be extended for a corresponding period.

It goes on to limit the time for completion. That is ample to protect British Columbia—the company are bound to proceed forthwith. We know, as a matter of fact, the surveys along the Pacific coast and up to Edmonton have been pushed with greater vigour than surveys in any other direction, and I was able to quote the other day the result of investigations made by the engineer. It is quite true their work was easy, because Sir Sandford Fleming, in 1872 and in 1882, in his reports, had pointed out the feasibility of constructing

a road through the Rocky mountains either by the Peace River Pass or by the Pine River Pass, and the engineers had settled down to estimating the cost, although hon. gentlemen questioned the correctness of the figures I gave. My hon. friend may rest assured the work will be commenced long before the time he mentions. It is in the interest of the company; they are getting their supplies in by the Skeena river. They surely would not carry them overland from Edmonton. That would be unreasonable. I will undertake this: If, when the House meets next year, and I should be a member of the government, any government in power at the time would be amply justified in accepting such an amendment as my hon. friend proposes, if it could be shown that the company had not faithfully complied with the terms of the schedule. I think my hon. friend may rest assured that that will be done, and if he brings it up next year I am sure the government would at once bring pressure on the Grand Trunk Pacific to force them to go on with the work.

Hon. Sir MACKENZIE BOWELL—The western division, as I understand, commences at Winnipeg.

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—There is nothing in this case to compel the commencement of the construction of the road from the Pacific coast eastward.

Hon. Mr. SCOTT—You may commence at the Pacific coast or at the eastern end. They will commence at both ends.

Hon. Sir MACKENZIE BOWELL—There is nothing to compel them to commence at both ends. The object of my hon. friend's amendment is to ensure the location and commencement of the work on the Pacific coast, and the construction eastward simultaneously with the construction at the other end. The hon. Secretary of State has quoted paragraph 10 of the agreement to show that the work must be commenced on the western division within a certain time, but you may commence the location and construction of the western division at Winnipeg, and you may not touch the extreme western end of the road for months or years. There is no question about that.

Hon. Mr. SCOTT—It says 'The work of locating and constructing the said western division shall be commenced forthwith.'

Hon. Sir MACKENZIE BOWELL—That may be—they may commence at Winnipeg.

Hon. Mr. SCOTT—Not necessarily.

Hon. Sir MACKENZIE BOWELL—I know that, neither is it compulsory to begin at the western end, as my hon. friend by his resolution wants to compel the company to begin. My hon. friend predicates his opinion on what the Grand Trunk Pacific may do, or if they fail to do it, the government may compel them to do. We have had sufficient experience of railway construction and railway contractors; unless they are bound to do a certain thing, in a certain way, they will do it just when it is to their advantage, and if the desire is to have this work commenced and prosecuted as rapidly as possible, and have the western division constructed, what objection can there be to compelling them to commence work at both ends? The location may take place at the western end of the line, but they could commence to build at the eastern end. In the new Bill there is a provision to compel the commencement of work at certain points on the eastern division; why was that put in? It was put in to satisfy the demands of the maritime provinces, and to meet the cry, if I may use that expression, which had been raised, and the suspicion which existed, that this work on the eastern division would not be prosecuted at all. In order to satisfy the minds of those who took that view in the maritime provinces this clause was added to the Bill. It was not in the Act of last year. It was an amendment moved by the Minister of Justice for the purpose I have indicated But even in this Bill, the latter clause leaves it open to the company to begin just when they please, because it says:

> And that between Quebec and Moncton shall be completed as nearly as practicable at the same time.

Now if it is to be constructed as nearly as practicable at the same time, why not have the same provision applying to the west, because it is in the west we expect the freight to be procured, both cattle and lumber and through freight, to be carried eastward. That is the trade which is antici-

pated will arise from the construction of the road, and the terminus being at a port on the Pacific coast so much nearer to the markets of China and Japan with which we expect to develop a large trade, it is as much in the interest of the company as of the country. We all know the result of the construction of the Canadian Pacific Railway, and the placing upon the Pacific ocean of a line of steamers; trade has grown up between Canada and the Orient, and if this road is to accomplish what is expected of it, being four or five hundred miles nearer China and Japan and the islands of the Pacific than more southern routes, it is in the interest of the company and very much in the interest of the country that the work should be commenced on the Pacific coast and pushed eastward as rapidly as possible. There is a great deal of force in the amendment, and it is no answer to it to quote the 10th clause of the old agreement.

Hon. Mr. SCOTT—The reason the 10th clause is inserted in the agreement is that the eastern division is controlled by the government. We have already made a contract with the Grand Trunk Railway; we cannot undertake to alter it now. The language in the 10th clause was as strong as it could well be made without defining any particular points. It says that work shall be 'commenced forthwith.' It is not to be supposed that the company will not exercise common sense. If my hon. friend had control of the road, he would begin at both ends, and I am sure the company will begin at both ends, because it is so evidently in their own interest to do so, if only for the purpose of getting in supplies. In any case, it is not in our power to amend it now, after we have this contract signed. We are not going to throw it over for another year to have this particular point settled. I do not think the country would approve of it. It is evidently in the interest of the Grand Trunk Pacific Railway Company to build the road as rapidly as possible. Every company that has the means will finish its line as soou as it can be done. In this case, money will not be lacking. The company will have the money to begin at once, and contracts will be let simultaneously all along the line as soon as the route is defined; therefore my hon. friend need not have any fears that the work will not be commenced before we meet again next year. The government would be very glad indeed to bring what pressure they could to bear to see that the views of our friends in British Columbia are met. I think they are reasonable, and if we were making the contract now, we probably would provide for that, but the clause in the new Bill is an afterthought. It was not in the orginal Act. My hon. friend should be quite satisfied with the explanation I have given him.

Hon. Mr. MACDONALD (B.C.)—I fully appreciate the remarks of the hon. Secretary of State, but he will see that the first agreement was so indefinite that it had to be amended, and this agreement states distinctly now that the work must be commenced at Winnipeg. There is no doubt this reference to the western portion applies altogether to Winnipeg, and not to the Pacific end. If the company are in earnest about commencing at the Pacific coast, my amendment cannot do any harm, and I should like to press for its adoption.

Hon. Mr. DANDURAND—If the hon. gentleman was ever taken seriously by this House, his amendment would be rejected with scant courtesy, because he has put himself on record, and if one single member of the House considered that he represented the sentiments of British Columbia, he would be told by my hon. friend that British Columbia does not want this railway. The hon. gentleman says that no one wants this railway. He has been shouting throughout this debate: 'Who wants this railway? Certainly not British Columbia.' He was so well acquainted with the sentiments of British Columbia last session that, as soon as the speech of the leader of the other House had been delivered, he rushed into print. What did we see on the order paper of the 12th August, 1903? A resolution by the hon. gentleman—nay a speech, in which he says among other things:

> That the House does not approve of the Grand Trunk Pacific Railway proposition, as presented by the premier in the House of Commons, and consider its inception incomprehensible, and its fulfilment unnecessary under existing transportation conditions.
>
> That the entering upon a scheme of such gigantic a character as that proposed by the government, without proper surveys and exploration of the route having been first made, is reckless and unjustifiable.

He did not talk then of prosecuting the work on this railway day by day and year by year across the Rocky mountains to reach his province. Further on in the resolution of the hon. gentleman I find the following :

That governments do not operate railways as economically and with the same necessary, close business capacity as private companies do,

That the country has an object lesson before it in the partial failure of the Intercolonial Railway.

That this House should object in the most unqualified manner to railways being constructed and operated by governments.

And this is what he backed last year, by his vote :

That the government—with the public treasury at its command— should consider, and hesitate before doing any act which may lessen and divide traffic on the Intercolonial and Canadian Pacific railways, or cause competition.

And now the hon. gentleman wants the work to be prosecuted without interruption, in order to give the advantage of competition to British Columbia. The resolution continues :

That the one is entirely the creation and an asset of the country.

That the other has been largely aided in its construction by public grants of money and land, and is filling a highly essential place in the commercial economy of the country, and its usefulness should not be lessened.

I did not know what had happened the hon. gentleman after putting that resolution on the order paper, except I heard a strong protest coming from the Pacific coast against his resolution, and as I did not see him again until the beginning of this session, I concluded that he was hiding in the Rocky mountains for fear of being stoned by the people of British Columbia who expressed themselves unanimously in favour of this great project. Now, the hon. gentleman comes here and tries to press the government to hurry on that railway which last year and to-day he has declared to be unnecessary. He is not the only member who has taken this illogical position. What have we seen in the other House as well as here ? Members from British Columbia who declared that this road was unnecessary, east of North Bay, tumbling over each other in their efforts to get the work started simultaneously everywhere. They have stood by their leader, and the true policy of an opposition is to criticise, but now that the principle of the Bill has been accepted they want to force the company to proceed with the work of construction at once on the whole line from end to end. Of course it was the duty of the hon. gentleman to oppose this measure; as an opposition they are in duty bound to be pessimists. It is our duty to be optimists. Pessimism has built nothing in this world. Optimism represents action, and it is because the Liberal party is to-day in power and feels its responsibility, and that to govern is to act, we are proceeding with optimism to the building of this road, and we look pitifully upon our friends, who, from being optimists for a number of years in the past, have become largely recognized as the pessimists of the present. This is a digression from the clause under consideration.

Hon. Mr. LANDRY—Hear, hear.

Hon. Mr. DANDURAND—But it is most pleasant to see what optimists hon. gentlemen may become when their duty to oppose has been fulfilled, and when they are face to face with the clauses of the Bill, how ardent they are to see that this country should, as soon as possible, get a railway constructed from the Atlantic to the Pacific.

Hon. Mr. FERGUSON—The hon. gentleman from de Lorimier has given us an illustration of how he will shine on the stump in the next election, when he does not run the risk of being brought up shortly by somebody who knows something about the subject. My hon. friend has surely not forgetten that when the premier introduced this Bill last year there was what is called an alternative scheme presented by Mr. Borden, one of the main provisions of which was that a new railway should be constructed through the Rocky mountains.

Hon. Mr. McSWEENEY—Where is that scheme now ?

Hon. Mr. FERGUSON—Such quibbling as that may do on the stump, but it is scarcely suited for the Senate of Canada. My hon. friend knows very well that there has not been the slightest departure from that policy ; it still stands before the country. The opposition have not retracted or modified one word in what was put forward by the leader of the opposition on that occasion. All that has been said since is in line

with that plan, and part of that plan was that there should be a railway built through the Rocky mountains—but how ? It was to be built by the government, and placed under joint control, so that the government railway, the Canadian Northern, and the Grand Trunk Railway should use it in common.

Hon. Mr. DANDURAND—According to Mr. Borden's plan of last year, the railway west of Winnipeg was not to be built by the government.

Hon. Mr. FERGUSON—Whether it was to be built by the government or not, that was part of the scheme.

Some hon. GENTLEMEN—No, no.

Hon. Mr. FERGUSON—It can be shown that the line through the Rocky mountains was part of that scheme, and that it was to be used as I have described.

Hon. Mr. GIBSON—No.

Hon. Mr. FERGUSON—Hon. gentlemen say no. My hon. friend from de Lorimier made a positive statement on another subject a few moments ago, where he was found to be astray. The amendment is reasonable, that the company should begin work on the Pacific end as well as at other places, and the company is only asked to do what the government profess and bind themselves to do. The government are bound to begin at four points and work eastwardly and westwardly on the line from those points in order to hasten the construction of the eastern division. Why should not the company be bound in precisely the same way to hasten the construction of the mountain section ? There is this provision that they shall proceed forthwith, but they may build the prairie section, and not expend a dollar on the British Columbia section beyond the surveys for four or five years. They may move on carefully and easily, and say 'we are proceeding forthwith.' My hon. friend from British Columbia is perfectly right in moving an amendment to bind the company as the government are bound.

Hon. Mr. MACDONALD (B.C.)—I am very glad the hon. gentleman from de Lorimier quoted from the resolution I submitted last year. It contains the same sentiments that I hold to-day. There are two evils before the House—one is this Bill, the other government ownership. I favour the smaller evil, government ownership. The hon. gentleman would not have had the courage to put such a resolution as mine on the order paper, even though he shared my views. He would be a sycophant—he would not dare to do it. Last year the hon. gentleman made a speech about this resolution of mine while I was away.

Hon. Mr. DANDURAND—No.

Hon. Mr. MACDONALD (B.C.)—The hon. gentleman said that if I would show my face in this House again, I would come back with a mandate. Well, I show my face here, and I have come back without a mandate. I am free to do as I like. The hon. gentleman in using those words spoke as a criminal lawyer. I believe he is a criminal lawyer, and he knows that these words 'dare not show his face' are generally applied to criminals. I object to those words being used in speaking of me, or of any other member of this House. I believe the hon. gentleman has written a treatise on criminal law ; when he writes a treatise again he should define the meaning of those words.

Hon. Mr. DANDURAND—I said I believed that no one takes the hon. gentleman seriously, and he has just proved it. I have hardly been able to understand the disconnected ideas that he has been trying to put in offensive phrases. He speaks of pocketing the money of the country. I do not know. I have never looked into the hon. gentleman's record I have never branded him as a criminal I look upon every man as an honest man until he has been proved guilty of something. I have never accused him of a dishonest act.

Hon. Sir MACKENZIE BOWELL—Every one will have noticed that whenever an hon. member on this side of the House makes a suggestion as to the improvement of the present Bill, something that he may have said on a former occasion is read to convict him of what they call inconsistency. Does it not suggest itself to the hon. gentleman that my hon. friend might be perfectly consistent in what he said while the first proposition for the construction of this road was under consideration, and he, hav-

ing done all he could to defeat that measure, was acting then in accordance with what he conceived to be his right; but the parliament of Canada, representing the people and both Houses, having affirmed a certain principle, and having declared that a certain work should be done, is the gentleman who oppose the original scheme to be accused of inconsistency because he tries to make the scheme which has been affirmed by both Houses of parliament as perfect as he possibly can? I may have opposed this measure, my hon. friend may have opposed this measure, and he might have been quite conscientious in doing it, but if he were on this side of the House and he were opposing the construction of a road such as we have now under consideration, and his ideas and opinions had been voted down, would it be inconsistent or improper as a representative of the people or as a member of the Senate, for him to make such suggestions as he thought would be in the interest of the province from which he came, or in the interest of the Dominion generally, that that law should contain a certain proposition? The position taken by my hon. friend, and those who have been battering away at the opinions that an hon. gentleman may have held under certain circumstances, that he should not try to perfect a Bill after he has been defeated, seems to be the whole stock in trade of the discussion that has taken place upon this motion. I made a motion myself—and because I propounded a scheme in the House, being defeated on it, am I to be debarred for all time to come from trying to perfect the measure which is being adopted by a majority of the House?

Hon. Mr. DANDURAND—No.

Hon. Sir MACKENZIE BOWELL—Then it was a senseless task quoting my hon. friend's remarks to show that he is opposed to this road.

Hon. Mr. DANDURAND—I admit all that the hon. gentleman says as to improving a Bill once you have voted against the principle of it, but I do not admit that a gentleman having pleaded that he is against building a second transcontinental road as a competitive road, that he is against the spending of money, that he is against assuming the responsibility of building that transcontinental road, that there is no necessity for it—should then move that it should be improved upon, because if he is logical he would have no objection, if this obligation was to be carried on that it should be carried on in the mildest form possible, as a financial obligation assumed by the company. But no; once he has declared that this railway is useless, that it is bad policy to build it, that the country does not want it—once he has said that, he turns round and says 'I want that you should work day by day and hurry up and finish it.' I say that is illogical and is not improving the Bill to make it workable. I see eye to eye with the hon. gentleman opposite, but I do not admit the position taken by the hon. gentleman from British Columbia.

Hon. Sir MACKENZIE BOWELL—To my mind there is just about as much difference in the hon. gentleman's explanation between the acknowledgment of a portion of the position that I laid down, and the objection he takes to the hon. gentleman's position, as there is between tweedledum and tweedledee. A member might conscientiously approve or disapprove of the construction of the road altogether, but having been defeated in that, and parliament having declared that that road shall be built, he is quite consistent and quite logical in trying to have that road built in the manner that suggests itself to him it should be built—quite consistent—just as consistent in that as he would be in the position which I first laid down and which my hon. friend approved. I cannot for the life of me understand the distinction. If the hon. gentleman's proposition is to be acted upon, and to be accepted as logical and correct, then the moment any member of this House votes in opposition to a proposition that may be made, and which is affirmed by the House, then he is debarred for all time to come from trying to improve it or to have anything to say in connection with it other than to try to defeat it altogether. It is not a logical position to take. My hon. friend tried to defeat this Blil, but did not succeed, and he is in the position of one who, though opposed to a scheme that is before the House, desires to make it as profitable to

the section of the country that he represents and to the Dominion as possible. That is really his position. Supposing I had gone the length attributed to me over and over again in the quotations from my speeches; supposing I had declared in favour of government ownership, control and management of a road, and I had been defeated in all that, would it be inconsistent in me to make a proposition to this House, although it might not be strictly in accordance with the views I expressed before and which might have been defeated by the House? It would still be quite correct and logical for me to take such a course as to bring the scheme ultimately adopted as nearly in accordance with the views I held as possible; otherwise the moment the House adopts the principle of a measure, those who opposed that principle are to sit here like dumb brutes and not say a word and make no suggestion as to the way the details of the scheme should be carried out. There are other sections of the contract to which my hon. friend could scarcely make the same objection. I see by the statement of the Finance Minister that they have laid down a policy with regard to the eastern section of the country, but there is no provision in the Bill to carry that policy out. I shall take occasion before the Bill is through to test the views of hon. gentlemen on the proposition which I shall make in connection with the eastern section of the road in order that the policy, affirmed by Hon. Mr. Fielding, may be carried out as to the route between Quebec, Fredericton and St. John. If the government intend, as the Finance Minister says they do intend, to build the eastern section of the road through a certain section of New Brunswick, a great objection urged by the members of the opposition, and by myself in particular at the last session of parliament, will be removed. One of the great objections I took to this Bill was to the construction of the road from Quebec to Moncton as directly as it could be done; for two or three reasons. That it would be constructing a road which would parallel, to a certain extent, the Intercolonial Railway and therefore render it, if this road was ever to be successful, a road for the carrying of local business almost entirely and not carrying the through freight to the sea-board; and one of the objections was—and to my mind a very strong one, and it has not been combated or brought before the House as strongly this year as last year—supposing you can get a route from Quebec to Moncton shorter by 60 miles, and if you can get the grades as it is said can be done, but which engineers deny,—and some of the most eminent of them have told me that it was a mad scheme, that owing to the topography of the country through which it would have to run it would be impossible to get that grade; but if you could get to Moncton by that route how much nearer are you to a Canadian seaport, which it is necessary to reach in order to ship the western grain to the European market, than you are at present? When you reach Moncton you have to go back westward again in order to reach St. John. If you desire to go to Halifax you proceed by the Intercolonial Railway and at present you are in the same position, so far as reaching a seaport is concerned, as you will be after the construction of this road. The only difference will be this: the difference of distance between Quebec and Moncton by the new road and the Intercolonial Railway, as it exists.

Whether the construction of a road from Quebec to Moncton, at an estimated cost of $75,000,000 is a compensation, or is justifiable in order to save the sixty additional miles over the Intercolonial Railway is a question for parliament to decide. If the Canadian Pacific Railway by their short line, a road 200 or 300 miles longer than the Grand Trunk Railway, can carry the freight to St. John at the same rate as the Grand Trunk takes it to Portland, why should not the government with an expenditure of $75,000,000, carry it over the sixty or sixty-five miles of road on the Intercolonial Railway to St. John That is really our position, and what we have contended is that if this transcontinental road is to be continued from Quebec to the maritime provinces in order to reach a seaport, then the nearest possible route should be taken in order to reach that seaport, and that would be St. John. The Finance Minister has pointed out in that speech what he says the policy of the government is, and what they intend to do, and I think it is not only logical but it is in the interests of the whole trade of the country that that

should be made compulsory on the government by incorporating it as a part of the Bill now before us, just in the same manner as my hon. friend desires to have the commencement of the road to be constructed from the Pacific coast eastward at the same time as it is commenced at the eastern end of the western section in Winnipeg. If the road is to be built, let us have it as rapidly as possible. Let it be commenced at Port Simpson on the Pacific coast, and from Moncton westward and from Winnipeg westward, and let us have the advantages which are to arise from the construction of the road as rapidly as possible. I am going to repeat what I said last year. My own view is that the road will not be located through the prairie section of the country on the route that it ought to go to develop the great resources of the Northwest. If the proposition which was originally made, as I understand it, by the Grand Trunk Railway people was accepted, it would have met the views that I have expressed in this House, and that is, that the road should be located north of Lake Winnipeg, and run through the northern part of the Northwest Territories, on the north shore of the north Saskatchewan, or as near to the north Saskatchewan as possible, to Edmonton. Then it would open up a large area of country that will not be opened at all by the route that has been suggested by my hon. friends. This road is to start from Winnipeg between the railways that are now built, running westward. We have the Canadian Pacific running pretty nearly through the centre of the prairie section. We have the Canadian Northern, with its branches, running northward through a section of the country, which are tapping the fertile wheat-growing belt of that country, and this road is to be located in precisely the same direction. It is to supply a section of the country which is already supplied with railways, and over which the Canadian Pacific Railway Company is rapidly constructing branch lines in order to secure that traffic; and what they are not doing still further to the north, the Canadian Northern is doing, and which will supply the wants of that portion of the country. Therefore, there is no necessity at present for the construction of the Grand Trunk Pacific in that part of the Northwest. Any one who has travelled through those prairies over the railways in what you call the central portion of the district lying to the north of the Canadian Pacific Railway, has driven down the northern Saskatchewan from Edmonton to Prince Albert, ought to know what the requirement of that country is, and that is where the road ought to go, and if it did the objections that would be taken to the present route would not be one hundredth part as forcible as they are to-day. I have not had an opportunity of expressing my views upon the route——

Hon. Mr. TEMPLEMAN—The hon. gentleman has been to Moncton. He should get out to Port Simpson.

Hon. Sir MACKENZIE BOWELL—Yes, and I have been a good deal further north than that. I have seen as much of British Columbia, the province from which the hon. gentleman hails, as he has himself, and I have been just about as far north, and I may say without boasting or being egotistical I do not travel without keeping my eyes open and utilizing what intellect I may possess in order to store up as much information as possible, therefore, I am speaking from experience, from what I have seen, and what I know. Whether the hon. gentleman speaks from experience or not I am not prepared to say. I think the proposition of the hon. gentleman from Stadacona is one that ought to be accepted, and if it is not accepted now, I hope that when the third reading of the Bill is moved he will repeat the motion so that we can place ourselves on record.

Hon. Mr. POWER.—I think that perhaps the hon. gentleman is not open to the charge of inconsistency made by the hon. gentleman from de Lorimier. The hon. gentleman from de Lorimier based the charge on the ground that the hon. gentleman from Victoria had been opposed to the construction of this Transcontinental Railway last session, and that now he was not opposed—that he was very anxious to hurry the work through. I think the hon. gentleman from de Lorimier is not quite right. The amendment which the hon. gentleman proposes is one which, if it became law, would probably if not defeat the Bill altogether, postpone it for some indefinite period. The Grand Trunk Pacific Company and the government have entered into a solemn agreement. They have

entered into two agreements, one of which was ratified by an Act of parliament last year; and because there were certain features in that agreement which were not satisfactory to the shareholders of the Grand Trunk that agreement had to be followed by the agreement which is now before the committee for ratification. If we undertake to insert into that solemn agreement, which has been executed by both parties, something new and something which would impose a burden upon one party to the contract, that party will very probably say that they did not enter into that contract; and they would have a good reason for not going on with the work; so my hon. friend from de Lorimier will see that the hon. gentleman from Victoria is not quite so inconsistent as he might have appeared. Apart from that technical view of the matter, I agree with the hon. leader of the opposition in thinking that if an hon. member of this House opposes a measure which he thinks on the whole to be not in the interests of the country, that there is no reason whatever why, when the policy of going on with the measure is adopted, he should not endeavour to make it as perfect as possible.

Hon. Mr. DANDURAND—Contradict himself.

Hon. Mr. POWER—That may be. Consistency is a good thing; but I think the interests of the country are of a great deal more consequence than personal consistency.

Hon. Sir MACKENZIE BOWELL—Hear, hear.

Hon. Mr. POWER—I have already said there is that danger, that if this House were to insist upon amending the agreement in the way suggested by the hon. gentleman from Victoria, it might have the effect of altogether defeating or, at any rate, postponing for some indefinite time the undertaking of the work which he now has so much at heart. But the hon. gentleman will see that if the government have no control over the location of the road, or very little control, from Winnipeg west, the interests of the Grand Trunk Pacific will naturally lead them to locate that road through the prairies, and out to the Pacific ocean, by the best and most advantageous route. Where the government have control—that is from Winnipeg east they have inserted stipulations in this Bill to say that the work shall be commenced immediately at certain points, so as to, as far as practical, insure that the work will be proceeded with almost simultaneously at the principal points from Moncton to Winnipeg. The Bill provides that the whole road shall be completed within eight years. Supposing that we were to insert a provision such as is desired, and if that provision were accepted by the company, I very much doubt whether it would be in the interest of the country any more than in the interest of the company that the amendment should be made. If you build a road from Port Simpson to the Rocky mountains that road by itself will not do much good. It will not have very much traffic. Its traffic will depend largely upon the prairie section, and looking at the thing purely as a matter of business, I think it desirable that the prairie section should be completed rather in advance of the mountain section, because until the prairie section, or a very considerable portion of the prairie section adjoining the mountain section has been completed, there will be no traffic for the mountain section, or no great traffic, and I think the people who are undertaking to build this road are people who are interested in the welfare of Canada. Their own interest points that way. It would be to their own interest to build that road in such a way that it would have at the earliest possible date the largest amount of traffic; and I think it is unusual to interfere with business corporations and to dictate to them how they shall conduct their business. We provide that the work shall be completed within what is deemed by parliament to be a reasonable time, and, within the limit of that time, the company should be allowed to use its own judgment as to the best way the work should be done. I, therefore, hope the hon. gentleman will not persist in fighting this question through any longer. I hope that the road will be completed within eight years; and if it is I think we shall have reason to be satisfied. Hon. gentlemen will remember that when the Canadian Pacific Railway charter was adopted by the country, the contract which was made by the government of that day with the Canadian Pacific Railway syndicate was adhered to. It was not seriously modified in parliament, and we have to deal with this contract as a whole.

The government come and say 'We have made an agreement with this company for the construction of this road, and we submit it for the approval of parliament; we cannot alter this contract now any more than you could have altered the Canadian Pacific Railway contract.'

Hon. Mr. SULLIVAN—Did the hon. gentleman say that the company will have a right to locate the section from Winnipeg west to the Rocky mountains?

Hon. Mr. POWER—Subject to the approval of the Governor in Council.

Hon. Mr. SULLIVAN—But that is already located. Did we not have a map here yesterday showing the way it is to run? That map is issued under the authority of the minister, and on it was pointed out the location of the road.

Hon. Mr. TEMPLEMAN—The approximate location of the road. My hon. friend the Speaker brought the discussion back to the place from which it should never have departed, the original point made by the hon. gentleman from Victoria. The leader of the opposition travelled very far afield, went over the whole line from Fort Simpson to Moncton, and when I suggested that he should take the return journey and get back to the subject, he inflicted on me one of those characteristic lectures he gives to modest members of this House periodically. He advised me that my knowledge of British Columbia was very limited, that he had travelled over the province and knew more about it than other members of the House.

Hon. Sir MACKENZIE BOWELL—I said nothing of the kind.

Hon. Mr. TEMPLEMAN—I frankly admit that the hon. gentleman's knowledge of British Columbia is superior to mine, and it was only because I wanted to bring my hon. friend back from Moncton to the subject under discussion that I interpolated the little remark I did. The hon. member from Victoria is not far astray on this question; he does not misrepresent public opinion on this question as much as he generally does on public questions affecting the great province of British Columbia. My hon. friend from Victoria misrepresented British Columbia entirely on the general question of constructing another transcontinental line of railway. I state unhesitatingly that I do not believe there are half a dozen thinking men in the province of British Columbia on either side of politics who share the views of my hon. friend from Victoria, or support him in the views he expressed in the extraordinary resolution he put on the order paper before leaving for the west last session. When my hon. friend got to Victoria and met the board of trade, a resolution was proposed recording a vote of censure against my hon. friend for having misrepresented public opinion on this great railway question. I must say my hon. friend has got nearer right in his present motion than I ever found him before on a British Columbia question, and I would be heartily in sympathy with his proposition if it were now possible to amend the contract as he suggests? But that cannot now be done without endangering the project or at least deferring commencement of the work. When this contract was made, the question of where the work of construction should begin was not considered. There is nothing in the contract requiring the company to begin construction anywhere. They are not compelled to begin at Winnipeg. They may begin where they please, but I expect, as in the case of the Canadian Pacific Railway which was not required to begin construction at any place in particular, that this company will begin construction on the Pacific coast as well as at other places. The Canadian Pacific Railway, as hon. gentlemen will remember, without being required to do so,—or rather it was the Mackenzie government, previous to the organization of the Canadian Pacific Railway syndicate—commenced construction at Yale, at the head of navigation on the Fraser river, and built easterly fully 100 miles of the most difficult portion of the line, and when the Canadian Pacific Railway Company took over the work they continued the building of the line from the Pacific coast eastward, at the same time building the line from Yale to the city of Vancouver, driving the last spike at a place some 300 or 400 miles from the coast in 1886. The Canadian Pacific Railway could not have been built in the time it was built, or as economically as it was built, if they had not commenced construction from the Pacific end. I take it that if the Grand

Trunk Pacific Company are the men we believe them to be, if they are going to build this railway economically and make a commercial success of it, they must commence construction on the Pacific coast. I cannot conceive for a moment that the Grand Trunk Railway Company would transport all their rails and iron, and the vast quantity of supplies that cannot be obtained in the Northwest Territories, for nearly 4,000 miles, down to the Pacific, instead of beginning construction on the Pacific coast. It seems to me so utterly ridiculous, that I for one cannot conceive it possible that the company themselves would think of building a great transcontinental line in such an unbusiness like manner as that. The railway cannot be built—I am not a railway man but I use my common sense in this matter—in seven or eight years from the present time, seven years from next December, unless work is prosecuted diligently from the west through the Rocky mountains. It will take the seven years to locate the railway, locate and establish the western terminus, complete the surveys and build the five or six hundred miles of the mountain section; so that I say the company, without any stipulation is bound to commence on the Pacific coast. At the same time if the adoption of an amendment of this kind would not imperil the agreement, I would be with my hon. friend from Victoria in support of it. the hon. Secretary of State has stated that if the company do not carry out the conditions of the agreement in its spirit as well as in its expressed stipulations, implied as well as expressed, and do not begin construction on the western end of the line, he is prepared at the next session of parliament to introduce legislation compelling to prosecute the work in British Columbia. I cannot say what particular line of legislation it would be, but it is possible for this government——

Hon. Mr. LANDRY—Or any other government.

Hon. Mr. TEMPLEMAN—Yes, or the government of my hon. friend's, when they come into power—to force the company to carry out the full spirit of the agreement on which we are now entering. This question has been receiving my consideration for several months. I have been in correspondence with the Grand Trunk Pacific people on the subject and have interviewed Mr. Hays and Mr. Wainwright in respect to it. I have a letter from Mr. Hays—it does not contain very much, it is true, but I will give it to the House for what it is worth—in respect to commencing construction on the Pacific coast. The letter is dated June 17, and reads:

> Replying to your recent inquiry relative to the date when construction will begin on the Pacific coast end of the new Transcontinental Railway, I beg to say that it is too early as yet to definitely name a time for the commencement of building operations at either end of the road. Surveys must first be completed and at the western end, the important question of harbour facilities has to be determined. The important work of surveying, which has been in progress for about a year, will, as a matter of course, be prosecuted diligently until finished. It will be the policy of the company to complete the work in the shortest time possible and the work will be continuously carried on until the last rail is laid, which I believe will be before the time fixed under the agreement.

Hon. Mr. MACDONALD (B.C.)—What is the date of the letter which the hon. gentleman wrote to Mr. Hays?

Hon. Mr. TEMPLEMAN—It was several days before the date of this letter. It is quite true, as Mr. Hays says, that the question of harbour facilities and the selection of the line through the mountains has not yet been determined. It is a very important matter. It will take the company another year perhaps to locate the line in British Columbia and agree on the harbour. My hon. friend, in his resolution, only requires that work shall commence twelve months from now on the Pacific coast end of the line. They may not be ready even then to commence. There are so many things involved in selecting the terminus of a great railway, the question of harbour facilities, the question of access to that harbour, and whether it is an open port all the year round—though all our ports are for that matter open in British Columbia. These matters the company, I understand, are now investigating, and it seems to me it will take at least a year before construction can commence at all on the Pacific coast; and if, as I have said, the Grand Trunk Pacific does not in the full spirit of this agreement, carry out the contract in the interest of British Columbia I shall be

prepared to support any necessary legislation next year to compel them to do so.

Hon. Mr. PERLEY—I should like to know if this Bill has passed through the House of Commons without any amendment ?

Hon. Mr. TEMPLEMAN—I understand there were some amendments ?

Hon. Mr. PERLEY—What course had to be pursued to get the assent of the Grand Trunk Railway Company to the amendments ?

Hon. Mr. TEMPLEMAN—I understand that the agreement, as it is in the Bill now, was not amended in passing through the House of Commons. It could not be amended without referring it again to the shareholders of the Grand Trunk Railway Company. The clauses of the Bill, I understand, were slightly amended.

Hon. Mr. PERLEY—What was done in that case ?

Hon. Mr. TEMPLEMAN—I would imagine that any amendment of consequence affecting the agreement would have to be sanctioned by the company's shareholders.

Hon. Mr. DeBOUCHERVILLE—I understand the hon. minister without portfolio agrees with his colleague from Victoria in thinking this amendment desirable, but he says if we amend this Bill we endanger the whole thing—is that the case ?

Hon. Mr. SCOTT—Yes.

Hon. Mr. POWER—What I said was, that if we undertake to interfere with the agreement, not with the clauses of the Bill.

Hon. Mr. DeBOUCHERVILLE — The agreement and the Bill together. I am very glad to see that both the hon. gentlemen from British Columbia agree that we ought not to amend, but if I am not mistaken it has been amended in a very important sense.

Hon. Mr. SCOTT—No.

Hon. Mr. DeBOUCHERVILLE—It has been amended to provide that work shall begin at four different points simultaneously

Hon. Mr. DANDURAND—That is the government section.

Hon. Mr. DeBOUCHERVILLE—I think we have been told that we cannot amend.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. DeBOUCHERVILLE—But it was amended in the House of Commons, to provide that work shall begin at four different points simultaneously.

Hon. Mr. SCOTT—I read from the agreement made with the shareholders the clause relating to the mode of carrying on the work of the western division. That can only be changed by getting another meeting of the shareholders of the company to alter it. With regard to the eastern division, the Grand Trunk Pacific had no voice in it at all; the government controlled that absolutely. They do not lease it to the Grand Trunk Pacific Company until it is finished, so the two changes to which my hon. friend refers are not on the same plane. With regard to the western division, we cannot make any change in that different from the agreement, unless we submit it to the Grand Trunk Railway Company; but with the eastern division we are at liberty to do as we please.

Hon. Mr. LANDRY—The Grand Trunk Railway Company has a voice in the choice of the route ?

Hon. Mr. SCOTT—No.

Hon. Mr. LANDRY—Clause 7, which I shall read shows to the contrary :

7. In order to insure, for the protection of the company as lessees of the eastern division of the said railway, the economical construction thereof in such a manner that it can be operated to the best advantage, it is hereby agreed that the specifications for the construction of the eastern division shall be submitted to, and approved of by, the company before the commencement of the work——

Hon. Mr. DANDURAND—That is the location of the road.

Hon. Mr. LANDRY—The clause continues:

—and that the said work shall be done according to the said specifications and shall be subject to the joint supervision, inspection and acceptance of the chief engineer appointed by the government and the chief engineer of the company, and, in the event of differences as to the specifications, or in case the said engineers shall differ as to the work, the questions in dispute shall be determined by the said engineers and a third arbitrator, to be chosen in the manner provided in paragraph four of this agreement.

That gives the company a voice in the choice of the route.

Hon. Mr. SCOTT—No, it is simply that the grades shall be at least equal to the grades in the western division.

Hon. Mr. MACDONALD (B.C.)—The reference made by my hon. colleague to the resolution of the board of trade I explain in this way; on returning from Ottawa last year, I was invited to meet the board of trade of Victoira. There were about fifteen members present, and I explained my views. I do not know whether there were more Liberals or Conservatives present. At all events, two Liberals framed a resolution to pass a vote of censure on myself for my views, and they were not able to carry it, and did not carry it. The thing rested there, and they never sent me a mandate or resolution or anything to conform to their views. The hon. gentleman from Victoria said I misrepresented the people of British Columbia on every occasion. I want him to withdraw every word of that. If not I shall express my opinion.

Hon. Mr. TEMPLEMAN—I am not very sure whether the Debates will show that I used the words 'every occasion,' but I certainly meant to say 'on many imporant occasions." From that I will not recede.

Hon. Mr. MACDONALD (B.C.)—If the hon. gentleman had not made that statement I would not say a word, but I would remind him that whenever I presented myself as a candidate in Victoria I was elected. The people chose me to represent them and I was elected three times. When my hon. friend went before the electors, what became of him?

Hon. Mr. TEMPLEMAN—I was snowed under.

Hon. Mr. MACDONALD (B.C.)—He did not represent the views of the people then, and I would not have said this much if he had not accused me of misrepresenting the views of the people of British Columbia.

Hon. Mr. FERGUSON—A short time ago I made a statement with regard to the policy of the Conservative party in reference to this National Transcontinental Railway. My hon. friend from de Lorimier had made what, I thought, was something very like a stump speech in which he declared the Conservative party had been against a transcontinental railway, and gave us an illustration of what he would say on the stump when he came to deal with this question. I undertook to show that the leader of the opposition in the House of Commons, very shortly after this Bill was brought down, had given out what was termed an alternative policy, part of which was the construction of a railway through the Rocky mountains from Edmonton to Port Simpson. My hon. friend contradicted me.

Hon. Mr. DANDURAND—I understood the hon. gentleman to say construction by the government.

Hon. Mr. FERGUSON—My hon. friend in the first place, I understood, contradicted the statement in toto.

Hon. Mr. DANDURAND—No.

Hon. Mr. FERGUSON—He went on to say there was no proposal to construct a government railroad at all. However, take it as he puts it himself, that his contradiction only went as far as the construction of a government railway through the Rocky mountains, I undertook to say a few moments ago that he would be found as far astray on this as he was on another matter a short time before. I shall read what Mr. Borden said, and the House will see how far he was justified in making the contradiction he did, and I may say he was supported by a perfect chorus of contradictions of my words coming from gentlemen on that side of the House. I said I would like to look into the matter and find out who was right. Mr. Borden says:

As far as the line from Edmonton to the coast is concerned, I do not believe that at present there is in Canada any call for two railways. We know that the Canadian Northern Railway is looking for an extension to the coast. It has its charter to the coast and it has its line partly built to Edmonton and from Edmonton west. I repeat that you must regard the Canadian Northern Railway as one of the great transcontinental systems of Canada. At some point on this side of the Rocky mountains there should be a common point, a junction between the Canadian Northern Railway and the Grand Trunk Pacific Railway. From that on to the coast there should be one line. That line should be built by these companies under such an arrangement as would give them joint control. Reasonable assistance should be given by the government by a guarantee of bonds in aid of construction. Should there be any difficulty in coming to such an arrangement, the government should build that line itself and maintain and control and give these railways for a term of years

equal running powers over it. There is no reason why we should build competing lines through the Rocky mountains, but there is reason why we should build the Grand Trunk Pacific Railway into the west, because the west is developing rapidly. But from some point near Edmonton to the Pacific ocean, there should be one railway. If these two great corporations, the Canadian Northern and the Grand Trunk Pacific Railway—or the Grand Trunk Railway as it is in fact—had equal running powers over that line to the coast, under independent control, by that means you would have in fact three transcontinental railway lines in Canada, and I think you would have the transportation problem in Canada settled, as to its main features, for the next twenty-five years.

Now, I hope the hon. gentleman from de Lorimier is entirely satisfied that his memory was wrong with regard to this, and that a transcontinental line through the Rocky mountains was a part of the opposition project from the very inception of this discussion.

Hon. Mr. DANDURAND—But not by the government.

Hon. Mr. FERGUSON—Yes, by the government.

Hon. Mr. DANDURAND—If these two companies should fail to come to an agreement.

The amendment was rejected.

Hon. Mr. MACDONALD (B.C.)—Yeas and nays.

Hon. Mr. TEMPLEMAN—Personally I should like very much if my hon. friend would offer that amendment at the third reading, and let us have the votes recorded.

Hon. Mr. MACDONALD (B.C.)—I shall do so.

Hon. Mr. LANDRY—I move that the following words be added to the section :

At the same as the western section will be completed.

If the government will accept this I shall not say a word.

The CHAIRMAN—The hon. gentleman wishes to provide that the eastern section shall be completed as rapidly as the western section ?

Hon. Mr. LANDRY—Yes. Will the government accept it ?

Hon. Mr. SCOTT—No, we cannot.

At six o'clock, the committee rose for recess.

After Recess.

(In the Committee.)

On clause 10,

Hon. Mr. LANDRY—In the contract we find that the western section of the road has to be completed within a period of eight years, but I see nothing in the contract nor in the law that limits the time for the construction of the eastern section. By clause 8 of the agreement of last year, it is enacted that the construction of the eastern division shall be commenced so soon as the surveys and plans have been made and determined for the location thereof, and shall be completed with all reasonable despatch. There is no limitation for the period of construction, and if we turn to the law that contains that provision, clause 21, we find that it is enacted that the Governor in Council may at any time suspend the progress of the work on the eastern division until the next session of parliament. So that from parliament to parliament, from session to session, an Order in Council may be passed at any time to suspend the progress of work upon the eastern division. There is no time limit at all. If we couple with section twenty-one, which empowers the government by a simple Order in Council to suspend the progress of the work on the eastern section, clause 8 of the agreement, we find that there is no limitation at all, although we are told this afternoon that the government intend to complete the eastern section within the same period as the western section, and the nature of my amendment is just to incorporate in the law that wish or desire or will of the government. If the government honestly intend to build the road within the limit they state, there can be no objection to putting it in the law, and, therefore, I move that at the end of clause 10 of the present Bill the following words be added :

And eastward from Winnipeg in such manner that the section between Winnipeg and Quebec and that between Quebec and Moncton shall be completed as nearly as practicable at the same time as the western section will be completed.

I do not think the government should object to the insertion of this clause. It does not interfere with the agreement passed with the Grand Trunk. The idea is that

those two sections may be completed simultaneously and at the same time as the western section will be completed. The law as it stands at present compels the government to work simultaneously on two or three ends of the eastern section from Winnipeg to the east from a point on the junction of the Winnipeg road from Quebec to North Bay eastward and westward, from Quebec eastward and westward and from Moncton westward. By the Act of last session the government is compelled to finish those sections simultaneously, as nearly as practicable, but there is nothing in this Bill that compels the government to complete the road in the same period of time that is given to the western division. I hope the government will look upon this amendment in a most favourable light.

Hon. Mr. WILSON—Perhaps the hon. gentleman would explain the reasons why he wants this to be done. He has given no reason.

Hon. Mr. LANDRY—What is the reason for making a difference in the obligations imposed upon the company for the western section, and the obligations of the government with regard to the eastern section? They are obliged to complete the mountain and prairie sections in eight years. We ask that the eastern section be completed in the same period, as far as it is practicable, leaving the words as they are in the Act. I am addressing myself to the representative of the government in the House, and I suppose if the government accepts my amendment, hon. gentlemen will accept it.

Hon. Mr. TEMPLEMAN—The hon. gentleman has asked my opinion. I do not think the government can accept the amendment. The proposed words to be added would, to my mind, be of no effect whatever.

Hon. Mr. LANDRY—They are not dangerous.

Hon. Mr. TEMPLEMAN—The clause which my hon. friend proposes to amend reads as follows:

> The work of construction on the eastern division of the National Transcontinental Railway shall be commenced, as nearly as may be, simultaneously at Moncton, at Quebec, at the point of junction of the eastern division with the branch southerly to a point at or near either North Bay or Nipissing Junction and at Winnipeg, and shall be carried on westward from Moncton, eastward and westward from Quebec, eastward and westward from the point of junction aforesaid, and eastward from Winnipeg, in such manner that the section between Winnipeg and Quebec, and that between Quebec and Moncton shall be completed as nearly as practicable at the same time.

My hon. friend proposes to add:

> As nearly as practicable at the same time as the western section would be completed.

Which would really spoil the sense of the section as it applies to the various sections of the eastern division.

Hon. Mr. LANDRY—Does the hon. minister mean it would spoil the policy, or the game of the government?

Hon. Mr. DANDURAND—The hon. gentleman is playing a game and he wants to know our game.

Hon. Mr. TEMPLEMAN—It will spoil the sense of the section, and would make it unintelligible to that extent. Furthermore, I do not think the words would have any effect. The amendment merely says that it shall be completed as nearly as practicable at the same time as the western section. That means little or nothing.

Hon. Mr. LANDRY—I am demanding the little.

Hon. Mr. TEMPLEMAN—It will be the policy of the government to complete the eastern division of the road within the time limit provided for the western section. I do not think it would be wise to make this proposed amendment. It would be of no avail or effect, and, unless my hon. friend can show some cogent reason for it, I do not think we should accept it.

Hon. Mr. LANDRY—It would show the country the intention of the government, if the government intend to finish the eastern section in the same period that is allowed for the western section.

Hon. Mr. DANDURAND—The amendment would defeat its own object. It is evident, by the wording of the clause, that the government intends to proceed much quicker and complete the section much earlier than the eight years; but as the government is but the executive of parliament, it retains power, in its discretion, to stop work for whatever cause, and there may be impor-

tant reasons. They can come to the fountain of all power, parliament, and explain the situation, and ask for other powers in connection with the construction, or explain why they stopped work. The hon. gentleman says the eastern shall be completed within the same time as the western section. According to the way they are to proceed, beginning at many sections, it is apparent it will be constructed in less time than the western section; but it is quite clear that the hon. gentleman will supervise, as a member of parliament having superior power to the executive, while parliament is in session, and inquire to what extent the work is being done, because I see he is now quite converted to the scheme and desires it should go on and be completed in good order.

Hon. Mr. LANDRY—It is very easy to overcome the difficulty. We should have a word more—' before or at the same time.'

We do not want to prevent the government from finishing the road in three years if they chose to do some but we want at all events that it should be finished as soon as the western part of the road is finished. I observe that the hon. Secretary of State has just arrived, and I will ask him as leader of the government in this House if they will be kind enough to accept my amendment for these reasons: the law as it stands to-day does not fix any period for the completion of the eastern part. It fixes the period for the completion of the western part at eight years. But by the present Bill the government is not bound to finish in the eight years construction may go on for ten, twenty, thirty, or forty years, and there is nothing in this Bill to prevent the government from letting it run for that time. But if the government desires to finish that eastern section in the same time as the western section, we ask that that amendment be adopted, providing that the eastern section shall be completed, as far as practicable, in the same time as the western, or before the western section if the government desires.

Hon. Mr. SCOTT—It is rather an extraordinary request. The government of Canada is directly under the control of the parliament of Canada. The parliament of Canada is dependent on the views and opinions of the people of Canada, and probably the government of this country respond to public opinion as quickly, or probably more quickly, than the government of any country in the world. The great difficulty in the constitution of the United States is that public opinion may change, and it will be one, two and sometimes three years before the representatives of the people can be made responsible. In Canada they can be made to respond promptly, and the government of the day will necessarily and naturally just finish this road as soon as the interests of the people require it, and as the parliament can justify it. The parliament of Canada will, from time to time, have to vote the money to carry the work on. From my own standpoint I think it is in the interests of the people of the country to build the road at the earliest possible time consistent with securing the very best road that can be obtained? We should not rush it rapidly but we should try to secure the very best grades and curves, and I hope my hon. friend will take that view of it. I think it would be rather unfortunate to send this Bill back to the Commons with a paragraph of that kind, because the House of Commons may say that in a year or two the public mind may change and they might desire to have it postponed.

Hon. Mr. FERGUSON—Hear, hear.

Hon. Mr. SCOTT—Or might want to have the road completed at an earlier day than the day we named.

Hon. Mr. LANDRY—Then I would suggest that the government should not press the Bill at all.

Hon. Mr. SCOTT—I do not think the hon. gentleman is in a position to give direction to the government when his views are so decided. He is absolutely against the Bill, and I do not think it becomes him to direct any detail, more particularly a detail which so directly depends upon the will of the people of Canada.

Hon. Mr. LANDRY—If the will of the people of Canada is to be consulted—and I suppose this is a principle of our system of government—I would humbly pray the government not to go on with the Bill before consulting the people of Canada and ascertaining what they will say on that ques-

tion. because the Bill has been sprung upon us without the people having been consulted at all.

Hon. Mr. DANDURAND—The people of Canada were consulted in by-elections and showed a strong liking for the Bill.

Hon. Mr. LANDRY—I deny that.

Hon. Mr. DANDURAND—Montmagny re-elected a member by an increased majority.

Hon. Mr. LANDRY—Not increased.

Hon. Mr. DANDURAND—Over a hundred majority.

Hon. Mr. PERLEY—I am surprised that the government does not accept the amendment at once, because the eastern end is the terminus of the road. What is the use of building the western part, if you do not provide a terminus at the end of the eastern section, unless you intend that western freight shall go to Portland. I should think it would be the first thing the government would do, to see that the eastern end is completed to carry the freight to our own ports. If the government do not do this, it is virtually saying they do not intend to take it to the maritime provinces, but intend to go to Portland.

Hon. Mr. DANDURAND—I am glad to hear my hon. friend tell us that the eastern section, about which his party has been raving for months, is so important that it should be provided in the law that it shall be constructed within a certain time. It is the best justification of the policy of the government when my hon. friend urges that they should build from North Bay down to Quebec and Moncton, that we should hurry up that eastern section in order to prevent the grain and the produce from the Northwest being deflected through another channel.

Hon. Mr. FERGUSON—It is simply to correct the harm the government have done in giving the Grand Trunk charge of the freight. You have sent the fox to protect the geese.

Hon. Mr. DANDURAND—There is no question about it, that in this House as well as in the other House, the Conservative party were unanimous.

Hon. Mr. FERGUSON—Oh, oh.

Hon. Mr. DANDURAND—The hon. gentleman does not know what I was going to say.

Hon. Mr. LANDRY—Nobody knows.

Hon. Mr. DANDURAND—The party were unanimous, I have the statement of the leader of the party in this very debate and the admission of the important members of the Conservative party in the other House, that if the Grand Trunk proposition as originally made had been accepted by the government, of building from North Bay west with the ordinary subsidies and other advantage they would perhaps have, and which could have been examined, that there was no difference of opinion on that proposition. I have the very words of the hon. leader of the opposition on that point, that there was no difference as to that question. The Grand Trunk Railway proposition would have been granted. The Conservative party of Canada represented in both branches of parliament, would have voted any reasonable amount of subsidy to build from North Bay down to the Pacific coast; but where we ceased to agree was when the government said 'No, we know that the Grand Trunk is interested in going simply to North Bay to make the junction with its own road.' It has been repeated over and over again by my hon. friend's that the Grand Trunk did not want the eastern section and does not want it to-day; but the Liberal party has taken upon itself the responsibility of saying: 'You shall not stop at North Bay and deflect all the produce from the west into the old channels with the possibility of its going to United States ports.' The hon. gentleman from Westmoreland stated that we were allowing the Grand Trunk Pacific to build a branch line to Port Arthur and make a junction at North Bay, and all our work would be in vain in trying to bring commerce to a Canadian seaport, that the produce either by the water route or North Bay would be deflected into Grand Trunk channels. This has been said three or four times in this debate, by the members on the other side of the House. We said: 'Well, this is your conviction, that whatever we do on Canadian soil, the Grand Trunk will see that the commerce of the

west flows into the old channel and goes to Portland.' It is fatal, according to my hon. friend. We say it is not fatal. We are not such pessimists. We will try our very best to attract that commerce to a Canadian seaport, and we will build this 354 miles from North Bay to Quebec to reach a Canadian seaport, let it be Quebec, and via Moncton to St. John or Halifax. My hon. friend from Wolseley now absolutely admits the whole case, when he says: 'Well won't you build the eastern section as quickly as the western section? Are you not afraid that the commerce will be deflected from North Bay to Portland?' Yes, I will say to the hon. gentleman from Wolseley that we were afraid, and it is because we were afraid, that the Liberal party declared that there should be a Canadian route on Canadian territory to Quebec, Halifax and St. John, and in the name of the Liberal party I thank the hon. gentleman from Wolseley for having, at the last hour, admitted the whole story. I believe that it was only his strong Conservative party proclivities that made him vote as he did yesterday.

Hon. Mr. FERGUSON—My hon. friend has made another stump speech. It is another illustration of the kind of speeches my hon. friend will make on the stump on this question. In place of all this rhetoric which he has employed, if he would look into the situation as it would stand under the Grand Trunk proposition of stopping at North Bay; if he would take the trouble of reading the letter of the Grand Trunk Railway promotors what would he find?

Hon. Mr. DANDURAND—I have read it.

Hon. Mr. FERGUSON—Why has he not told the House something about what it contains? By the eighth paragraph, the promoters agree to bind not the Grand Trunk Pacific but to bind the Grand Trunk Railway, to do what? To hand over the traffic at Montreal so that it should be forwarded by Canadian ports, so that if that proposition had been carried out—bad as it might be, I am not one that would support it. Yet there was some assurance that our trade would be retained for our own ports. It would be infinitely better than this scheme in this respect, that the old Grand Trunk Company would be bound to deliver freight intended for export through Canadian ports, at Montreal to the Intercolonial Railway. There is no such binding agreement in this contract in any way, and as hon. gentlemen have pointed out from the time the western division is ready to deliver traffic at North Bay and Port Arthur, and it pours down there, there is no restriction upon either the Grand Trunk Pacific or the Grand Trunk Railway.

Hon. Mr. DANDURAND—This is as we stand just now.

Hon. Mr. FERGUSON—That is just the position. There is no obligation upon any person, because it will be delivered there to the Grand Trunk Company. It cannot be delivered to any other. If the contract could be made on the proposition of November, 1902, we would have the old Grand Trunk Company bound to deliver their freight at Montreal for shipment there during summer, and to the Intercolonial Railway during winter, and that would have been probably very much better than this obligation that binds the Grand Trunk Pacific when the eastern division is completed, but which does not bind the Grand Trunk in any respect. That would be the case at the completion of this contract, but during the long years that will no doubt transpire between the completion of the western division there is no restriction upon anybody and the trade will go en bloc to Portland, and there is no obligation to send it anywhere else. It would have been different if the Grand Trunk had made a contract terminating at North Bay on the terms of their own proposition.

Hon. Mr. WATSON—I should like to say a word about the proposition of the hon. gentleman from Montmagny to add a provision that the eastern section shall be completed at as early a date as the western section, and take the chance of being accused of making another stump speech. Some speeches are not quite as lengthy as that of the hon. gentleman from Marshfield which he delivered yesterday, a second part of which he delivered in committee to-day. I was surprised to hear the remarks of the hon. gentleman who introduced the motion and the reasons given. One is astonished to hear the remarks of the hon. gentleman from Wolseley, giving the reasons he gave

last night. His contention is that we ought to adopt this motion and hold back the construction of the western end until the eastern end is completed. That is his argument.

Hon. Mr. LANDRY—No.

Hon. Mr. PERLEY—Nothing of the kind.

Hon. Mr. WATSON—The hon. gentleman says that he wants it provided, that the eastern section shall be completed at the same time as the western section.

Hon. Mr. LANDRY—That does not force the western section to wait for the eastern section, but it will force the eastern section to be proceeded with and completed as quickly as the western section.

Hon. Mr. WATSON—I say it would not be possible for the eastern section to be completed as soon as the other, because west of North Bay practically all the surveys are made, and the eastern section is through a new territory which has not been surveyed up to the present time. Information has been in the possession of parliament for the last 25 years for practically every mile of road west of North Bay, which has been actually surveyed. I should think the first thing the government would insist on should be the construction of the road from Winnipeg to Port Arthur, and then they should urge the Grand Trunk Pacific to construct their prairie section west of Winnipeg to supply the needs of the western section. You have not to wait for freight. It is there already and you have exactly what the hon. gentleman contended for. You have exactly Mr. Borden's policy—to bring the grain to Port Arthur and then you can take it to Depot Harbour and over the Canada Atlantic Railway and deliver it to the Intercolonial Railway. I say it would be the height of folly to adopt any such proposition as the hon. gentleman proposes, that the eastern section should be completed at the same time as the western section. Reference has been made to the proposition made by the Grand Trunk Railway. I think it was stated last night by the hon. gentleman from Kingston that I was speaking as a party man. If there was any crime in being a party man, I am a pretty strong supporter of the Liberal party, but if the government had adopted the proposition submitted by the Grand Trunk for the construction of a line of railway west and through the prairie section I should have opposed it, and why ? On account of the obnoxious conditions which where attached to it. Probably the same conditions were asked as the government granted to the Canadian Pacific Railway. They asked $6,400 a mile, a land grant of 5,000 acres a mile, they asked for exemption from taxation for all time on rolling stock and road bed, and asked to have material admitted duty free, and that the land should be exempt from taxation for twenty years, the same as the Grand Trunk asked. If the government had considered that proposition, they would not have had my support. They did wisely to refuse it, and undertook to submit a proposition to the Grand Trunk Pacific which we have to-day, that of building the road to Moncton, and the government owning and controlling the road. That was the proposition of the Liberal party years ago at the time of the Mackenzie government, and had they remained in power they would have approved of the Grand Trunk proposition and would have accepted it for building the road from North Bay to Winnipeg and on through to the mountains. I say it would have been the height of folly, so far as parliament is concerned, and the interests of Canada, because the interests of Canada are bound up in the Northwest, to delay the building of this section. The great need for this road is to furnish an outlet for that country with one hundred thousand settlers going in there annually and the millions of acres of land coming under cultivation. We must have an outlet, and if a portion of that traffic can be brought down by the very route suggested by Mr. Borden in his policy of last year, the proposition of routing the wheat from Fort William to Depot Harbour and down the Canada Atlantic Railway to Montreal, and then down the Intercolonial Railway, why you have that route at the present time. With this road we will have an additional outlet, and I trust the hon. Secretary of State acting on behalf of the government will refuse to accept any such proposal as that suggested by hon. gentlemen opposite.

Hon. Sir MACKENZIE BOWELL—The remarks of the hon. gentleman would leave

the impression on the House that if a road from Winnipeg eastward to North Bay be constructed you will then be enabled to use the lake routes. That cannot be urged, neither would it have the slightest effect until the branches which are to be built by the Grand Trunk Pacific Railway from either Nipigon Harbour or Port Arthur northwestward to intersect the main line, for the construction of which this government has given no aid at all, are completed. The Ontario government have, during the last session of the legislature, grated $2,000 a mile and 6,000 acres of land to assist the Grand Trunk Pacific in the construction of that road. Until that road is completed or the Ontario government road from North Bay to Lake Temiscamingue and then Northward to the main line, one or the other must be connected before the benefits which are to arise from bringing out the western traffic to which he called attention can be had.

Hon. Mr. WATSON—The hon. gentleman is perfectly right, and I have no doubt the very first line the Grand Trunk Pacific will build will be the branch line from Fort William to connect with the main line north of Fort William. I take it for granted that the Grand Trunk Pacific will, at the earliest possible moment, insist on the Grand Trunk Railway building the road between Winnipeg and Fort William. The very best branch available to get in their supplies will be from Fort William. There is no question about that. The very first thing they will do will be to build it. The Grand Trunk are not going to pay exorbitant freight rates for materials going in there for construction, and the very first place they will strike will be Fort William, and they will build a branch to get in their supplies. Of course the Grand Trunk Railway will try if possible to get their construction material in by the Grand Trunk Pacific. That is the portion of the road that will pay best, and earliest, because they have the freight waiting for them in Manitoba and the west, and they can get the traffic at once.

Hon. Mr. PERLEY—I am not in favour of this Bill at all. The Bill has been passed against my efforts in every way, but now that the Bill is passed, I am desirous of making it as perfect as I can and that is within my province. Hon. gentlemen are talking about the Canadian Pacific Railway as being some antediluvian affair. They cannot make a speech except it refers to ancient history. The only Bill we have before the Senate is for a railway that will carry out the freight from Winnipeg to St. John or Halifax. You have no line to Fort William. You have to depend upon the Grand Trunk Railway for that, and you have no guarantee about it. The arguments of the hon. gentleman were that they would have, by this project, an all-rail route, and it would be cheaper. If that is the case, why do they want to build to Fort William ? This Bill provides for a road from Winnipeg to St. John. It is common sense to build the eastern section as soon as the other. We do not ask it any sooner, and if that is done they will be able to take the freight right through. I do not wish to injure the Bill, but I wish to make it workable.

Hon. Mr. WATSON—Does the hon. gentleman want to take wheat from the west by an all-rail route ?

Hon. Mr. PERLEY—You do.

Hon. Mr. WATSON—Does the hon. gentleman ?

Hon. Mr. PERLEY—No. The hon. gentleman is in favour of an all-rail route, according to his own statement He would only be able to use this road in winter time, and he cannot take the wheat down by the lakes in the winter time. You cannot take it that way, but you are going to take it down the other way and you have no terminal points. You might as well take a man into the woods a mile, and let him cut lumber with no means to get it to the shore. You say you are going to take the road to a maritime port, and if you do you want to provide that the road to that port will be open as quicky as to any other port. That is common sense. I should think the government would freely adopt the clause suggested by the hon. gentleman.

Hon. Mr. POWER—There is no constitutional objection in the way of adopting the amendment moved by the hon. gentleman from Stadacona. This particular portion

of the measure is one which the government can deal with and which parliament can deal with; we are not bound by any agreement with a third party.

Hon. Mr. PERLEY—They have no faith in the government.

Hon. Mr. POWER—The first question is whether that is a desirable amendment, and then whether it is necessary. If it is not necessary I do not think we should undertake to make it, even though it be a desirable one. I am free to confess that when the hon. gentleman first moved the amendment, it occurred to me that it was probably calculated to do good; but on looking at the original agreement, and looking at the wording of the clause which is now before the committee, I have come to the conclusion that it would be a mistake to adopt the amendment, and I wish to submit very briefly the reasons which have led me to that conclusion. I submit them to the hon. gentleman from Stadacona with the hope that he may possibly see the thing as I do. The eighth paragraph of the original agreement is as follows :—

The construction of the said eastern section shall be commenced so soon as the government has made its surveys and plans and determined upon the location thereof, and shall be complete with all reasonable despatch.

That is a pretty strong and clear statement of what is to be done. As soon as the surveys are made—and the surveys are being made now—the construction is to be begun. You cannot begin construction until the surveys have been completed; you want to know that you are locating the line in the right place, and then you go ahead, and the work is to be completed with all reasonable despatch.

That, I think, is a reasonable provision, and it will be noted that last year when this original agreement was before parliament no such amendment as the one now submitted was proposed. That paragraph No. 8 in the original agreement, is still in force. What does this clause 10 provide ? It provides that the work of construction, from Winnipeg East.

Shall be commenced, as nearly as may be, simultaneously at Moncton, at Quebec, at the point of junction of the eastern division with the branch southerly to a point at or near either North Bay or Nipissing Junction, and at Winnipeg.

Hon. Mr. POWER.

So that as soon as the work is begun at Winnipeg and carried eastward towards North Bay, the work must be begun at Moncton, at Quebec, and eastward from North Bay. Is there any probability that there will be any unnecessary delay in beginning work eastward from Winnipeg ? I think hon. gentlemen must feel there is not, because until the portion of the road between Winnipeg and the place where the branch runs down to Fort William has been built, the Grand Trunk Railway will have no connection with their prairie road so that the road from Winnipeg East is essentially one of the first portions of the work to be completed.

Hon. Mr. LANDRY—Up to the junction.

Hon. Mr. POWER—That gives the Grand Trunk Pacific a summer route, but the Grand Trunk Pacific requires a winter route, and they must continue on to the point where their branch to North Bay intersects. Clearly the interests of the Grand Trunk Railway, the Grand Trunk Pacific and the government are all identical, that the road from Winnipeg to North Bay junction must be built at the earliest possible date. This section, which I am glad to see in the Bill before us, provides that the work east of that, in Quebec and New Brunswick, shall be begun and continued simultaneously with that on the road from Winnipeg to North Bay junction. I do not see what further guarantee we want. For my part, I think that is perfectly satisfactory. You do not want anything stronger. The most essential part of the whole line to the Grand Trunk Pacific, and Grand Trunk Railway and the government, is the road from Winnipeg to North Bay junction, and you have the guarantee that the other eastern portions of the road shall be built simultaneously with that.

Hon. Sir MACKENZIE BOWELL—How does the hon. gentleman reconcile paragraph 10 in the Bill before us with paragraph 8 of the old contract to which the hon. gentleman referred a moment ago ? The argument of the Speaker, I think, would be unanswerable if the paragraph in the original agreement did not exist. However, they may be bound under clause No. 10 to commence the work at different points

simultaneously. No. 8 provides distinctly that the construction of the eastern section

> Shall be commenced so soon as the government has made the surveys and plans and determined upon the location thereof, and shall be completed with all reasonable despatch.

I understand a survey has been made from Winnipeg to North Bay or Fort William. Now, if I understand the position of the Grand Trunk Pacific, or the Grand Trunk Railway, that they have a road pretty well surveyed and ready to commence work upon at once from Winnipeg eastward, in order to accomplish the object that has been so forcibly laid before the committee by the hon. gentleman from Portage la Prairie, then we have no knowledge, nor has information been given, that even a survey has been attempted yet on that eastern portion of the road running from Quebec, and if there was a survey there, and they were ready to commence, is it reasonable to suppose, or can they under clause 8, go on simultaneously with the two? The one says that the different points to which the hon. Speaker called attention, shall be commenced east and west; the paragraph in the original agreement says the eastern section shall be commenced as soon as the surveys and plans have been determined, and then prosecuted with all possible despatch.

Hon. Mr. POWER—I think paragraph 8 is quite consistent with clause 10. Paragraph 8, which was deemed sufficient last year, is as follows:—

> 8. The construction of the said eastern division shall be commenced so soon as the government has made the surveys and plans and determined upon the location thereof, and shall be completed with all reasonable despatch.

That is a general proposition, applying to the whole line. I think it is quite possible—I have not kept myself au courant with what is going on in the other House—that because the surveys were being made immediately east of Winnipeg a little more promptly than on the other sections of the eastern division, clause 10 was inserted in this Bill at the instance of members from the province of Quebec and from the maritime provinces to guarantee that the work would be done all along the eastern section at or about the same time. It says the work of construction shall be commenced, as nearly as may be, simultaneously, so if they are bound to carry on the work at all these different points, we have the best possible guarantee that the work will be done. Then I would invite the attention of the hon. member from Stadacona (Hon. Mr. Landry) to this fact, that while there is little doubt that the contracting company will build a road, at any rate into the prairie section at a very early date, they may take the whole limit of time before they complete the whole road. They naturally would not at first build across from the neighbourhood of Edmonton to the Rocky mountains; and this amendment really, instead of helping to accelerate the work on the eastern section, might postpone it, because it is not at all impossible that the work west of Edmonton will not be done as soon as the work between Winnipeg and North Bay.

Hon. Mr. DANDURAND—I should like to correct, with all humility, the hon. gentleman from Marshfield who made the extraordinary statement that if they favoured the Grand Trunk Pacific proposition it was that the Grand Trunk Railway offered—not the Grand Trunk Pacific but the Grand Trunk Railway, and he emphasized that point—to bind itself to deliver over grain to the Intercolonial Railway at Montreal. The hon. gentleman reproached me for having failed to read very carefully the letter of November 3, 1902, addressed to Sir Wilfrid Laurier, but I had read it sufficiently to convince myself that it was the Grand Trunk Pacific Railway Company—it was signed by Mr. Cox himself and by the president of the Grand Trunk Railway Company—so that the important argument he drew from that letter falls to the ground in so far as it bound the old Grand Trunk Railway to deliver that freight to the Intercolonial Railway. But there is another thing to which I want to draw the attention of this chamber, and that is if the hon. gentleman styles himself, and is proud to do so, a farmer, he can turn around as quickly as any Philadelphia lawyer to find an argument to get out of a hole, because he said yes, we were in favour of the Grand Trunk Railway proposition in preference to the other, because it was the Grand Trunk Railway and not the Grand Trunk Pacific that was to deliver freight at Montreal to the Intercolonial Railway in order that it should reach a Canadian sea-

port. I draw the attention of the House to the fact that the whole of the present scheme was opposed by the hon. gentleman from Marshfield, and the whole party to which he belongs, last session and this session also before they knew anything about this proposition of the Grand Trunk Pacific made on the 2nd November 1902, and which was only put before the House on the 28th May, 1904. When I stated that I was glad to see that admission from the hon. gentleman from Wolseley, that the eastern section was important to prevent a diversion of the traffic to the old Portland route, I had in mind a very strict contract made by the Grand Trunk Pacific Company with the government to carry all the unrouted freight by the new line to Quebec and to a Canadian seaport, and the importance that we attached to this binding agreement that this unrouted freight should go through that Canadian channel. We attached still some importance to the fact that the Grand Trunk Railway Company has bound itself to see that we receive three per cent on all our outlay, because it will be a sufficient inducement for them to have that road produce that amount of interest.

Hon. Mr. FERGUSON—My hon. friend tries to get out of the difficulty in which he finds himself placed in by that stump speech he made, accusing all the Conservatives of favouring the construction of the Grand Trunk Railway to North Bay only, and not favouring the extension of the line eastward. I distinctly stated that although some members of the party had expressed themselves in favour of that, I never was favourable to it; but that would have been better than the terms of the contract before us now so far as securing trade to Canadian ports, because there was section 8 in the proposition of November 2, 1902, by which there was to be an interchange of traffic at Montreal.

That in order to provide for connection with the Atlantic seaboard all the year around and through an all-British territory route, your petitioners will be prepared to enter into an arrangement with the government for an interchange of traffic or other satisfactory agreement with the Intercolonial Railway at Montreal, or to consider such other proposal as the government may submit.

My hon. friend says that this letter was on behalf of the Grand Trunk Pacific Railway Company; the letter was written by the promoters, but could they bind the Grand Trunk Railway? Who was to deliver the freight at Montreal? Who was to have possession of it? Not the Grand Trunk Pacific but the Grand Trunk Railway, and they undertook to have this traffic handed over at Montreal and they say they would enter into such a proposition as the government might submit.

Hon. Mr. DANDURAND—Who was to enter into that agreement if not the Grand Trunk Pacific?

Hon. Mr. FERGUSON—Messrs. Hays, Cox and Wainwright offered first to make this agreement, but the traffic they were agreeing about would be in possession of the Grand Trunk Railway Company, and, surely my hon. friend does not say his government would be satisfied, after the traffic would be in possession of the Grand Trunk Railway, to proceed on the mere word of Mr. Cox or Mr. Hays or any of these men, that that traffic would be handed over to the Intercolonial Railway? The Grand Trunk Railway would be in possession of the traffic, and they said they were willing any such arrangement should be made as would be satisfactory to the government. Therefore my hon. friend will see that this proposition would be better for the country, as far as carrying Canadian freights to Canadian ports is concerned, that this contract now before us when it is finally and fully completed, because there is no obligation that would bind the Grand Trunk Railway, whereas in the North Bay proposition it is plainly indicated there would have been.

Hon. Mr. DANDURAND—Oh, no.

Hon. Mr. FERGUSON—My hon. friend says that Mr. Hays approached the government and said if you meet our proposition we are ready for an interchange of freight at Montreal by which there will be a Canadian route found for Canadian products, and we are willing to consider any proposition you may make to carry that out. Who supposed for one moment that the government or Mr. Hays imagined anything else than that the Grand Trunk Railway would bind itself to deliver at Montreal the traffic which was brought to it at North Bay and at Port Arthur. Otherwise it would have been a farce. I have said

that that proposition, if carried out, would be better than the proposition contained in these agreements, because the old Grand Trunk Railway is not bound at all in these. Traffic may be handed over to them; they get it into their possession and they are not bound to deliver it at Montreal. In this contract the Grand Trunk Railway are not bound at all in the way they would have to be bound if these men were sincere in their proposition to the government of November, 1902. If the government were not a set of fools they would insist that what the company proposed should be carried out to the letter, and in the spirit as well. But contrast the position of affairs under this contract, on the assumption that the western division will be constructed years before the eastern division. What will happen then? The trade gathered up in the Northwest will be handed over at North Bay to the Grand Trunk Railway which is not bound to make an interchange as was offered in the proposal of 1902. Does my hon. friend see the difference? If he does not I despair of convincing him of anything.

Hon. Mr. DANDURAND—The hon. gentleman asks me what will become of freight passing Fort William and North Bay, before connection is made between the eastern and western sections. Undoubtedly it will find its way to the seaboard through the ordinary channels, as it has been doing up to this date.

Hon. Mr. FERGUSON—And nobody is bound?

Hon. Mr. DANDURAND—What amuses me is to see how my hon. friend finds any agreement with the Canadian Pacific Railway and the Grand Trunk Railway to transfer freight at Montreal how solemn and sacred an agreement it is; how impossible it is for these companies to deviate from this contract; but when we show them a similar contract as strict as any contract could be, forcing those people to send their unrouted freight through a Canadian channel to a Canadian seaport, 'Oh no', says he 'it will come by Port Arthur to the Grand Trunk Railway and will find its way through the old channel to Portland', if that contract is as binding on the Grand Trunk Pacific and Grand Trunk Railway at Montreal. Notwithstanding all the arguments made by a half dozen of my hon. friends in this chamber, and two or three dozen in the other chamber, that the freight is bound to find its natural channel down the old system of the Grand Trunk to Portland,—I am glad to find that the contract we are making is solid and strict enough to be restricted by both parties, and we will get all the advantage of it and will find that all the unrouted freight will follow the Canadian route to a Canadian port.

Hon. Mr. FERGUSON—My hon. friend misses the whole point between us when he admits that this contract will permit the freight to follow ordinary channels. Before connection is made between the eastern and western sections what is its natural channel? Portland of course. The hon. member admits the whole thing, whereas, if he will turn to this other proposition which the government concealed until the other day, he will find that Canadian ports would have secured the trade.

Hon. Mr. DANDURAND—The difference in time between the completion between the eastern section and the western section may be a few years, and possibly only a few months.

Hon. Mr. FERGUSON—We are trying to make it as short as possible, but my hon. friend is trying to leave the door open as long as possible, and we know the Grand Trunk Railway will have an interest in keeping it open as long as possible. The hon. gentleman admits the whole thing when he says the traffic will go by its natural channel, which is Portland, while he is forced to admit that somebody at all events was going to be bound that the freight should be delivered at Montreal to the Intercolonial Railway by the original offer.

Hon. Sir MACKENZIE BOWELL—Do I understand the hon. gentleman from de Lanaudière to say in answer to my hon. friend from Marshfield, that an agreement entered into under an arrangement with the Grand Trunk Railway, has not been carried out—that is to hand over to the Intercolonial Railway the unconsigned freight going eastward?

Hon. Mr. DANDURAND—No, I did not say that. I said I was glad to find that my

hon. friend was sure that if that offer of the Grand Trunk Pacific of November 2, 1902, had been accepted, the freight would have been delivered at Montreal to the Intercolonial Railway. I draw from his affirmation that a contract of that kind could be made sufficiently binding, evidence that the present contract will be equally binding in its terms and that the unrouted freight would be sent by that eastern section of the Grand Trunk Pacific Railway.

Hon. Sir MACKENZIE BOWELL—Unless I misunderstood the hon. gentleman, he said he had experience of other contracts.

Hon. Mr. DANDURAND—No, I did not refer to any other contract.

Hon. Mr. FERGUSON—Thus far they would be on a par, with this difference, that somebody would be bound to hand the freight over in case the other proposition had been accepted, while nobody but the Grand Trunk Pacific is bound in this case.

The amendment was rejected.

Hon. Mr. LANDRY—I should like to know the distance from Winnipeg to the North Bay junction.

Hon. Mr. SCOTT—It is over 900 miles, I think, to the point of junction connecting with North Bay—it may be 1,000 miles from Winnipeg.

Hon. Mr. MACDONALD (B.C.)—I would call attention to clause 42 of the original contract, which deals with freight going through Canadian channels. I would ask the hon. gentleman to look at the amendment. There is nothing in this part of the agreement which provides for freight and merchandise from China, Japan, and other eastern countries being carried over the line to Canadian ports. The company might transfer that to the Grand Trunk Railway at North Bay and send it on to any port they like. I do not move an amendment because I know the House will not accept it, but the amendment which I would suggest is as follows :—

The construction of that portion of the said railway within the province of British Columbia shall be commenced at, and from the place selected as the terminus on the Pacific coast of the said railway, on or before the first day of June, one thousand nine hundred and five (1905), and shall be prosecuted with due diligence day by day until completed.

Now that is a far better section than the one in the original contract. It is more comprehensive and clear.

Hon. Mr. SCOTT—My hon. friend will see that we could not, of course, alter the agreement at all, but section 42, and 45 bear on that point. Section 45 is as follows :—

45. The company shall arrange for and provide, either by purchase, charter or otherwise, shipping connections upon both the Atlantic and Pacific oceans sufficient in tonnage and in number of sailings to take care of and transport all its traffic, both inward and outward, at such ocean ports within Canada, upon the said line of railway, or upon the line of the Intercolonial Railway, as may be agreed upon from time to time, and the company shall not divert, or, so far as it can lawfully prevent, permit to be diverted, to ports outside of Canada any traffic which it can lawfully influence or control, upon the ground that there is not a sufficient amount of shipping to transport such traffic from or to such Canadian ocean ports.

And there is also section 42, which is in the same direction. I think it is pretty well guarded.

The clause was adopted.

On the eleventh clause.

Hon. Mr. LANDRY—What is the meaning of this clause ?

11. Section 9 of the National Transcontinental Railway Act is amended by striking out the word 'three' in the fourth line thereof and substituting the word 'four.'

Hon. Mr. SCOTT—There are four commissioners instead of three.

Hon. Mr. LANDRY—Why are there four ?

Hon. Mr. SCOTT—Because the country is pretty wide and there are so many localities which should be represented.

Hon. Mr. LANDRY—Has the country grown wider since last year.

Hon. Mr. TEMPLEMAN—Oh, yes.

Hon. Mr. LANDRY—Is it true that one of the four positions has been offered to the premier of Quebec ?

Hon. Mr. SCOTT—I have not heard that it was. I have heard no more than I saw in the newspapers.

Hon. Mr. LANDRY—What will be the salaries of those positions ?

Hon. Mr. SCOTT—I do not know.

Hon. Mr. LANDRY—Are they fixed ?

Hon. Mr. SCOTT—I am not sure.

Hon. Mr. LANDRY—Has the Hon. Mr. McClelan of New Brunswick been offered the presidency of the board ?

Hon. Mr. SCOTT—The hon. gentleman knows just as much as I do about it. All I have seen is what appeared in the newspapers. I have not heard the name mentioned in the council chamber.

Hon. Sir MACKENZIE BOWELL—I suppose the truth is, none of those commissioners have been appointed ?

Hon. Mr. SCOTT—No, none of them.

Hon. Sir MACKENZIE BOWELL—There is a great deal of force in the suggestion that three would be ample, unless it is necessary to find a place for some supporter of the government and add to the expense of building the road. There cannot possibly be necessity for four commissioners.

Hon. Mr. LANDRY—If two are on one side and two on the other, how will a disputed question be decided ?

Hon. Sir MACKENZIE BOWELL—In that case the motion will be lost.

The clause was adopted.

On the schedule.

Hon. Mr. LANDRY—Will the Chairman please read the clauses of the schedule.

Hon. Mr. SCOTT—No, the schedule is never read. By the first clause we adopted the schedule and it is unnecessary to read it.

Hon. Sir MACKENZIE BOWELL—It just amounts to this ; we have a Bill laid before us which we have no power to amend or alter ; if we do it vitiates the whole contract. We were told the same thing last session when the original agreement was adopted, yet just as soon as the Act was passed the Grand Trunk Railway people took exception to it and altered it as they thought proper and brought it back to the government and with all humility the government accepted the changes.

Hon. Mr. SCOTT—That is true.

Hon. Sir MACKENZIE BOWELL—And yet they boasted that the contract was so tight and fast that no change would be accepted. At the dictation of the Grand Trunk Railway Company they consented to change it in very important particulars, and it is brought back to us and we have the same story over again. You may just as well swallow it without debate.

Hon. Mr. SCOTT—We made a contract with the Grand Trunk Railway in Canada. We thought it was fair and reasonable on both sides. The company refused to accept it. Communications passed backwards and forwards for two or three months. The company demanded more than is here. We had either to throw it over or make such changes as are necessary.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman has to accept whatever the Grand Trunk Railway dictates. They will have nothing to do with the matter unless they have their own way. The government are mere puppets in their hands. It is only verifying what has been said repeatedly, that the Grand Trunk Railway owned the government instead of the government owning the railway.

Hon. Mr. SCOTT—I remember an incident which occurred in 1881. I remember perfectly well when negotiations were on foot for two or three months. I remember gentlemen who represented the company brought the government to those terms, and those terms were a good deal more onerous than these. If you think it is in the interest of Canada to enlist the co-operation of the company in any enterprise you have to meet them thoroughly, and that is what we did.

Hon. Mr. FERGUSON—If my hon. friend would allow us to deliberate on those clauses I think we would get on faster. It is a matter of infinite satisfaction to know that the dangers which threatened us as a people a little over a year ago have passed away. We were told then that owing to the danger of the abrogation of the bonding privilege, we had to do something in very great haste. We were in danger of having the Canadian Pacific Railway on the north shore of Lake Superior destroyed by United States gunboats. We are delighted to know that hon. gentlemen opposite have got over their alarm. We never had any feeling of the kind ourselves.

Hon. Mr. DANDURAND—We were never so concerned as to think that a few months would make a great deal of difference, inasmuch as it was patent to every one that this road could not be constructed in one half year. On the face of the contract it-

self, it appeared that it would take at least five years to construct the line, so, notwithstanding the dangers, we had to wait for five years. The condition of things described by the leader of the government in the other chamber still exists—those bonding privileges can be denounced any day. We hope they will not be until we are absolutely independent, but these conditions must be faced, every year the hon. gentleman from Marshfield might say, well, let us bless the Almighty that those impending dangers have not fallen on us.

Hon. Sir MACKENZIE BOWELL—Does the hon. gentleman not utter the same prayer.

Hon. Mr. DANDURAND—We will join with the hon. gentleman. It is simply childish to repeat at every sitting of this House that the dangers with which we were threatened no longer exist. They do. These are conditions which we may have to face at any time. We hope our neighbours will not denounce the bonding privileges, especially within the next seven or eight years. until we have a trancontinental railway built exclusively on Canadian territory.

Hon. Sir MACKENZIE BOWELL—I want to call the attention of the hon. Secretary of State to the position taken by himself and most of his supporters who have discussed this question; whenever any objection is made to the terms of this contract, we are reminded of the contract with the Canadian Pacific Railway Company. Now, in the last speech my hon. friend made he referred to a contract of some kind in 1881. I shall be inclined, if I hear much more of this, to go into the history of the Canadian Pacific Railway.

Hon. Mr. TEMPLEMAN—Oh.

Hon. Sir MACKENZIE BOWELL—My hon. friend must know that it is totally irrelevant. The contract with the Canadian Pacific Railway was entered into under altogether different circumstances to those which prevail to-day. I might go on for a couple of hours to show the difficulties that presented themselves to the Mackenzie government, because they were just as great as those with which the Conservative government were confronted, and what resulted from those difficulties in the expenditure of money and otherwise. Now I do not desire to do that. Let us take this question before on its merits and deal with it without reference to any other. The country in 1904 is altogether different to what it was in 1874, when the hon. gentleman assumed office under his colleague (Hon. Alex. Mackenzie), and the circumstances and difficulties which presented themselves at that time prevented Mr. Mackenzie from going on with the road. I know, and my hon. friend knows what Mr. Mackenzie had to encounter, and after the change in government those same difficulties presented themselves. Why should we have that continually thrust forward whenever any objection is made to this contract? I have no objections to enter into a discussion on the subject of the Canadian Pacific Railway from 1874 to the present time, but it would be of no advantage in discussing this Bill. If it is to go on, I promise my hon. friend to deliver a half day's speech on that question in defence of the government of which I formed a very humble member. I had something to do with the giving out of that contract, the construction of the road and the loaning of the money of which we have heard a great deal. I heard a whole speech delivered the other evening by the hon. member from St. Thomas (Mr. Wilson) about the loan of $30,000,000, which had as much to do with the matter before the House as if I had read a chapter from Gulliver's Travels.

Hon. Mr. SCOTT—My hon. friend entirely misunderstands me. I said it was a most unusual thing to read a schedule attached to a Bill. I have never known it to be done. It was not done under similar circumstances in 1881, or on any other occasion. I presume hon. gentlemen are familiar with it. I have no objection to its being read, only I thought it could only be read with a view of criticising it.

Hon. Mr. FERGUSON—In connection with the Drummond Railway matter we read that contract. This very schedule was read in the House of Commons. My hon. friend the leader of the House was very anxious, when we were reading the clause about the common stock, to explain how the rolling stock was going to be provided. I am constrained to ask for information on

that subject, more particularly as my hon. friend was anxious to enter upon an explanation when we were discussing the common stock. I am more anxious for an explanation, in view of the words used by Sir Chas. Rivers-Wilson at a meeting of the shareholders of the Grand Trunk Railway Company. The report of that meeting has been very fully presented to the public in one way or another. Hon. gentlemen who have read it will remember that Mr. Allen had raised a question with regard to the liabilities and obligations of the Grand Trunk Railway Company, and he counted the deposit as an obligation, and he also put in the $20,000,000 for rolling stock as another obligation which he said the Grand Trunk Railway Company would have to assume in connection with this scheme. In reply to Mr. Allen, Sir Chas. Rivers-Wilson said :

> As regards the five millions for rolling stock, it is not five millions—it is estimated at three millions. With that the Grand Trunk has nothing to do. That rolling stock will be provided by the Grand Trunk Pacific Company, and, as the general manager will tell you, they have laid their plans for providing that rolling stock by a trust fund. Therefore, you may wipe it out and call it four millions. And as regards the one million deposit, that deposit will not cost you one single half-penny. Therefore, the liability comes back to the sum which I have just mentioned—namely, about three millions, and I have stated distinctly and clearly that that is what we estimate the liability of the Grand Trunk to be—eventually a possibility of three millions of capital and, under any circumstances, not more than £118,000 of interest per year.

Now, Sir Chas. Rivers-Wilson made that statement at a meeting of the shareholders of this company, and Mr. Hays, the general manager of the Grand Trunk Railway Company sat at his side and he never would have made that statement and outlined to the meeting what Mr. Hays' plan was and the intentions of the company without the authority of Mr. Hays. Now, in the speech on the second reading of the Bill the hon. leader of the House informed the House that the Grand Trunk were assuming obligations of fifteen million dollars on rolling stock. I should like him to explain to the House how that is, in view of the statement made by Sir Chas. Rivers-Wilson.

Hon. Mr. SCOTT—I am quite unable to explain Sir Charles Rivers-Wilson's statements to the shareholders. Like many other statements, they were rather of a rose-ate character. He was interested in having the agreement settled.

Hon. Mr. McMILLAN—He would not mislead them surely ?

Hon. Mr. SCOTT—I do not know anything about the statement I never read it. I heard it quoted but paid very little attention to it. I regarded the Grand Trunk as the endorser of all the Acts of the Grand Trunk Pacific ; they were practically going to control the road. They would control it by its stock, and they necessarily are at the bottom, and no doubt it was an indirect round about way of bringing them in. But having gone into it, it would be practically the Grand Trunk road.

Hon. Mr. FERGUSON—My hon. friend surely is not serious when he says that in such an important matter, Sir Charles Rivers-Wilson speaking before the shareholders of the Grand Trunk Railway, with all the responsibility that that involves, and it is a great one, would misrepresent the facts ? We remember the case of Whitaker Wright —and it would be almost as bad as Wright's case, if Sir Charles Rivers-Wilson should make such a statement and it was erroneous and had no foundation for it. He made the statement with Mr. Hays by his side, and, surely, the hon. gentleman is not serious when he tells us that statement was erroneous. I think I can show hon. gentlemen in this House that Sir Charles Rivers-Wilson was fully authorized to make that statement. Of course we know he must have been authorized by Mr. Hays to make it, but from the legislation on the subject that has been passed by the parliament of Canada, we now see clearly and emphatically that the statement was made with the fullest knowledge of the law relating to this subject, and we wish to point out to the hon. Secretary of State what is the relation of the statutes that we passed this year and last year with regard to that question. I will turn first to the Act of incorporation of the Grand Trunk Pacific Company, as passed by this parliament last year, and if my hon. friend has the Act, and will turn to section 13, he will find the following clause adopted by this parliament. I am sorry the hon. gentleman from de Lorimer is not present so that I might have the benefit of his views with regard to these

provisions, but if my hon. friend the Secretary of State will kindly give the matter attention for a few moments, he will find that Sir Charles Rivers-Wilson did not make an erroneous statement.

Hon. Mr. SCOTT—I did not say he made an erroneous statement. I said he was giving a roseate statement to the shareholders, and that I always regarded the Grand Trunk as being behind the proposition.

Hon. Mr. FERGUSON—I thought the hon. gentleman used the word erroneous. My hon. friend did not use the strong word I thought he had used. I am surprised that he did not correct me sooner, but I think if we investigate a little closer we will find it amounts to about the same thing, although my hon. friend is more polite than I gave him credit for being. If it is not true that the plans had all been arranged, and that the Grand Trunk Pacific Company was enabled under this contract to raise the money for the rolling stock in another way than by providing it out of their own resources, in other words if it was not correct that they were enabled to raise that money by means of a trust and pay for it out of earnings, Sir Charles Rivers-Wilson must have made a roseate statement to the shareholders and an erroneous statement to them, and the conclusion I must draw from my hon. friend's remark, although he does not say 'erroneous,' nevertheless he would be justified in using it if that conclusion is right. If the hon. gentleman will look at section 13 of the Bill of last year, not as it appears in the statutes, he will find that it reads as follows :—

And the company may issue such bonds, debentures or other such securities in one or more separate series, and limit the security for any series to such of the franchises, property, assets, rents and revenues of the company, present or future, or both, as are described in the mortgage made to a trustee or trustees to secure such separate series of bonds, debentures or other securities and every such limited series of such bonds, debentures, or other securities, if so issued, shall, subject to the provisions contained in section of the Railway Act, form a first charge upon, and be limited to the particular portion, section or sections of the railway, and to the franchises, property, assets, rents and revenues of the company with respect to which they are issued and which shall be described in the mortgage made to secure the same.

This is the power which the Grand Trunk took to themselves, under their Act of incorporation, with regard to giving the first lien on that property. That is subject to the provisions of the General Railway Act. If we turn to the general railway Act we can find what its provisions are. Turn to section 112, which is, as I explained, precisely the same section in the Revised Act as section 94 in the old Act, and reads as follows:—

The company may issue such securities by a mortgage deed creating such securities mortgage charges and encumbrances upon the whole of such property, assets and revenues of the property, present or future, or both as are described therein, but such property, assets, rents and revenues shall be subject in the first instance to payment of any penalty then or thereafter imposed upon the company for non-compliance with the requirements of this Act and next to the payment of working expenditure of the railway.

On turning to the interpretation clause of the General Railway Act I find what is the interpretation placed on the words 'working expenditure.'

Hon. Mr. SCOTT—I have not the references, and my hon. friend must not expect me to give a professional opinion. I have not been able to follow it.

Hon. Mr. FERGUSON—I will wait until the hon. gentleman gets it.

Hon. Mr. SCOTT—I am not prepared to give a professional opinion.

Hon. Mr. FERGUSON—What are we here for. Is there no gentleman on the other side of the House who is prepared to discuss such an important point as this. Is it that my hon. friend will sit back in his seat and say that he is not called upon to give a professional opinion ?

Hon. Mr. SCOTT—I have given my opinion as a legislator and as I understand the Bill, I am not bound to give a professional opinion.

Hon. Mr. FERGUSON—The hon. gentleman is not called upon to give a professional opinion, but as the hon. leader of the House, in charge of this Bill, he is entitled to give us an explanation of the Bill, and to show us what it means, and if he cannot do that, it is a very strange state of things. It is remarkable.

Hon. Mr. SCOTT—I am not responsible for my hon. friend's interpretation. I do not interpret it that way.

Hon. Mr. FERGUSON—Nothing is to be gained by treating the House in this way.

Hon. Mr. SCOTT—I am not going to be brow-beaten by the hon. member.

Hon. Mr. FERGUSON—I am not brow-beating the hon. gentleman.

Hon. Mr. SCOTT—Yes, the hon. gentleman is.

Hon. Mr. FERGUSON—No. I am undertaking in the most reasonable manner to discuss the provision with regard to rolling stock. My hon. friend volunteered to give us information regarding it at an earlier stage in the discussion this evening when we were talking about the common stock. He said: 'We will discuss it when we come to it,' and he sits back now and says he is not here to give a professional opinion and will not deliberate with us. Is that the position?

Hon. Mr. SCOTT—I gave the hon. gentleman my view of the rolling stock when I addressed the House on the second reading, and I think it is plain to any that reads it. I do not propose to be brought into an elaborate discussion of a variety of Bills. This has no reference to this question at all.

Hon. Mr. FERGUSON—It has no reference to this question?

Hon. Mr. SCOTT—No.

Hon. Mr. FERGUSON—My hon. friend was willing to admit it had full reference to the question when we were dealing with common stock, and he was ready to give the explanation then. How is it he has lost the desire to give an explanation when we reach the very question that a few hours ago he was most anxious he should explain. I submit I am approaching this subject in a most reasonable manner. I am undertaking to show that there is not one dollar obligation resting upon the Grand Trunk with reference to the rolling stock. I am proceeding to show from the statutes of Canada that we have so provided that we are only going to have the security of a first mortgage. All the security that we are going to have is that first mortgage upon the property of this railway. I am showing that under the law as we have made it this rolling stock is not a property that can be included in that first mortgage. That is the position that I take, and I think it is due to this House that my hon. friend should explain the attitude of the government in regard to it. He should explain the different provisions of the Bill. I propose to lay my views before the House with regard to it. And I propose to do it as I always do in a reasonable manner, and I think I shall be able to convince every hon. gentleman who will follow me and take the trouble of looking into the law, that the Grand Trunk are not going to be bound to put up one dollar of their own money to pay for this rolling stock. I have already quoted the provision of their Act of incorporation, which provided that any mortgages they would give would be subject to the general provisions of the Railway Act, naming the 94th section. I have read to the House that same section that parliament has re-enacted as section 112, which declares that the working expenditure of the road, and any penalties imposed upon the company for violation of the law, should be charged upon the road before the interest of any mortgage which might be made upon it. And I have showed by the interpretation clause that rent of rolling stock let to the company shall be included as working expenditure, and then, in order to make the matter clear, there is another clause in the Interpretation Act which says that the expression 'rolling stock' means and includes any locomotive, car, car-tender, snow-plough, or any description of railway equipment designed for movement on wheels over the tracks of the company. Here we have the definition of rolling stock. We have an interpretation of what working expenditure means. It includes rolling stock. Then we have a provision in the law which declares that we have working expenditure including rent, or rolling stock, where rolling stock is let to the company, shall be a charge on the earnings of the road having priority over a first mortgage. We have the matter complete. These explanations show most clearly what is meant by Sir Charles Rivers-Wilson, when he said the Grand Trunk intended to raise the money to buy that rolling stock by a trust fund. That might be roseate, but it certainly was not erroneous on his part.

Hon. Mr. SCOTT—I did not use the word erroneous.

Hon. Mr. FERGUSON—I know the hon. gentleman did not say that, but I say if the statement which the hon. gentleman made that the Grand Trunk Railway Company are to find $15,000.000 of their own money to pay for the rolling stock, is correct. Sir Sir Charles Rivers-Wilson's statement was roseate, not simply roseate but erroneous.

Hon. Mr. SCOTT—No, no.

Hon. Mr FERGUSON—If that is so, we have the whole matter completely admitted. That is the words of Sir Charles Rivers-Wilson, that the Grand Trunk would not be called upon to put up any money for the rolling stock, that Mr. Hays had all his plans made to raise it by a trust fund, and we find under the different laws of Canada, that that can be carried out completely. That the rent of the rolling stock can be included in the working expenditures.

Hon. Mr. SCOTT—The hon. gentleman knows that there are $5,000,000 in the bank of Montreal, and he will see now that the $5,000,000 canot be taken out until $5,000,000 worth of rolling stock is placed on the eastern division The Grand Trunk has contributed that.

Hon. Mr. FERGUSON—The Grand Trunk can put that on the road without purchasing it, and I do not find any fault with them.

Hon. Mr. SCOTT—They no longer own it, when it is put on our road.

Hon. Mr. FERGUSON—My hon. friend cannot have paid the slightest attention to the subject, because it is expressly provided in the law that it may be continued to be rented, that it shall not be the property of the Grand Trunk Pacific, and that the rent shall be embraced under the head of working expenditure until the principal amount is paid. I am not finding fault with this method of doing it, although it comes all the worse on the people of Canada, because we have to get the working expenses paid before anything else. The working expenditure is the first charge upon the railway, and the working expenditure, including as it does the rent of rolling stock —that is the position I take—it will make the working expenditure just that much greater. It will be greater to the extent of this rent, and the consequence will be that we will be just that much further off realizing the amount of money with which to get our interest on the government bonds, and of course it will be so much further away from paying a dividend. I admire the candor of Sir Charles Rivers-Wilson in informing the shareholders what the company intended to do. It was open and candid, and I believe every word of it. He was working a plan that was feasible under Canadian law. But I do find fault with the statement of the Secretary of State when he said, on moving the second reading, that the Grand Trunk were putting up $15,000,000 of their own money, and on that account their obligations should be counted up very much larger than they would otherwise be. I have put this view before hon. gentlemen. I have very little hope indeed from the spirit and temper of my hon. friend the leader of the House who is generally very courteous, but the temper with which he received my remarks and the readiness with which he dismissed them, does not encourage one to discuss the question. This is a specimen of the way this matter has been treated by the government from the start, and I think their supporters should insist on proper explanation in order that they should know what they were voting upon.

The clause was adopted.

On the fifth clause of the schedule.

Hon. Sir MACKENZIE BOWELL—If the eastern terminus of the mountain section has been determined, at what point is it supposed the prairie section will begin? From the remarks made by the hon. gentleman in introducing the Bill one might be led to suppose that the mountain section would begin at or near Edmonton.

Hon. Mr. SCOTT—It is an uncertain point. I think the clause provides in case they are unable to agree upon the exact point where the rise takes place, and what is considered the Rocky Mountains, it shall be left to an impartial engineer to decide. It is thought to be two or three hundred miles west of Edmonton.

Hon. Sir MACKENZIE BOWELL—In travelling over the Central Pacific you reach the summit in the state of Wyoming, long before you reach the mountain. I think in our own country you get near the mountain before you reach the summit. On the Canadian Pacific Railway you are in the mountains before you reach the summit, and it may possibly be that when you go as far north as Edmonton the height of land may be before you reach the summit.

Hon. Mr. SCOTT—On a map of British Columbia, about two hundred and fifty or three hundred miles before you reach Edmonton, there is an area marked Grand Plain, so it is still prairie country up to that point, I suppose, although undulating.

The CHAIRMAN—There is a large district there called Grand Prairie.

Hon. Mr. SCOTT—I suppose it will be west of that.

The clause was adopted.

On the sixth clause.

Hon. Mr. FERGUSON—I wish to have some explanation about this clause. At the second reading, my hon. friend the Secretary of State made the statement that for seven years the interest would be paid by the government, on the bonds which the government guarantee, and then, for a period of five years after that, the net earnings would be applied to the payment of interest, but where the earnings were not sufficient it would be provided for out of capital. My hon. friend confused the Bill in this respect. Last year's agreement contained a seven years' period in which the government paid the money without recourse. There were then three years following in which the company were bound to provide it if they had earnings sufficient, or to the extent those earnings would go. My hon. friend said that was the provision, and that under this Bill the three years is extended to five years. Certainly that is not the situation the new contract creates. There are the seven years for which the government pay the interest, then three years in which the whole, or a portion of it, may be provided out of capital, and a five years period after that under this new agreement during which the government cannot enforce the payment of interest. I think it is a most objectionable clause, and I cannot refrain from expressing my surprise that the government appear willing to have this contract put through without amending it. My hon. friend from Wellington expressed his doubt with regard to this question when we were discussing the Bill at the second reading. If hon. gentlemen will read the sixth section carefully they will find it increases the obligations of the government:

6. Notwithstanding anything in the said contract contained, the government shall not exercise any rights in respect of possession, foreclosure or sale, by reason of non-payment of interest by the company under the thirty-first, thirty-second or thirty-third paragraphs of the said contract, or under all or any of them, unless and until there shall be such default to the extent in the whole of a sum equal to five years of such interest, as the company is not relieved from payment of or permitted to defer or capitalize by the provisions of the said paragraphs.

My interpretation of that clause, and I do not think it will be seriously disputed, is that it creates an additional period of five years during which the government cannot enforce their claim in any way whatever. It is not five consecutive years, but a default extending on the whole over five years. Now I assume such a state of things as this: The company allow this interest to get into arrears for four and one-half years, or four years and nine months, and then pay three months' interest. They are not then in default for five full years. Not until there is a default amounting to five full years has the government any remedy at all by appointing a manager. It will enable the company to get into default with impunity; they may make their minds perfectly easy about it, there is no remedy in the agreement for such a state of things. They may go on so long as they take care not to get into a default equal to five full years; by taking that precaution they may continue in definitely without paying that amount. If any other construction can be put on that clause I should like to hear it. I have never heard it, and I should like to have the hon. gentleman's views.

Hon. Mr SCOTT—As the agreement stood last year, there were the seven years in which the government were to pay the in-

terest Then there were three years in which, if the receipts were not sufficient to pay the interest over and above working expenses, it was to be capitalized after the three years. Now my hon. friend says that those two periods would still be considered under the amended agreement—that is the seven years and the three years—and five years beyond that. I do not so read it. It says:

6. Notwithstanding anything in the said contract contained, the government shall not exercise any rights in respect of possession, foreclosure or sale, by reason of non-payment of interest by the company under the thirty-first, thirty-second, or thirty-third paragraphs of the said contract.

They were bound after the seven years to pay the interest, so that the three years is absorbed in the five years. It practically gives them two years more.

Hon. Mr. FERGUSON—No.

Hon. Mr. SCOTT—It is quite clear where the interest is in default for the three years, the company were not being released from any liability; they were simply being allowed to make that part of the capital and pay interest on it as part of the capital. That was the original agreement. I will read part of paragraph 32:

The government shall not, during the next succeeding period of three years following the period of seven years above-mentioned, be entitled to exercise any rights of foreclosure or sale against the company, or to take possession of the said railway, if the default of the company consists in failure to pay during the said period of three years the interest upon an amount of bonds equal to the principal amount guaranteed by the government.

Five years supersedes all that. My hon. friend shakes his head. I have made a study of the Bill, and that is my opinion; I may be wrong of course. The courts may decide it differently, but that is the interpretation, as I understand it, and I think the language is practical and clear because it is very sweeping. Under the 33rd paragraph they were bound to pay the interest for seven years. I hope the provision in the amended paragraph makes another arrangement; it certainly disturbs the three years proposition, because it gives greater latitude to the company; Instead of three years they get five years during which nothing can be done, and it is widened a little more as my hon. friend contends. It need not be five consecutive years, but anything equal to five years arrearages would entitle the government to take proceedings to put an independent authority in possession of the road. Then my hon. friend says it will be to the interest of the company not to disturb that, but to let it go on. I cannot see it in that light. They are certainly losing the interest on their proportion, because they only get 25 per cent over the running expenses while we get 75 per cent.

Hon. Mr. WOOD—That would be after a default had been made and the road had been put in the hands of the receiver; but if the company were in default only four and one-half years, the road could not be put into the receiver's hands if they kept paying a certain amount of interest each year, so as to keep it in default less than five years continuously. They would still be in possession.

Hon. Mr. SCOTT—They would soon be in default. Their object would be to get the interest on their bonds.

Hon. Mr. WOOD—They would get the interest on their bonds.

Hon. Mr. SCOTT—They would get only their proportion.

Hon. Mr. WOOD—Who is to apportion it? There is to be no apportionment until it gets into the receiver's hands, because the Grand Trunk Pacific Company control the interest and can pay it as they like.

Hon. Mr. SCOTT—I cannot understand how such a state of things could arise. Just now we had a long discussion about the value of this stock. Where would the stock be during all this time, the stock that you thought was to be of so much value?

Hon. Mr. FERGUSON—When we were talking of the company's stock, my hon. friend wanted to get to the rolling stock; now he wants to get back to the common stock again. My hon. friend only read about one-half of this clause to the House, and he stopped short. I was surprised when my hon. friend expressed that view at the second reading. I thought it was a slip. I have read all the important statements made by the leaders on both sides, and never heard the view put forward by my hon. friend on the second reading of the Bill

here. I shall not read the whole clause through but ask his attention particularly to the last three lines. The last three lines are as follows :—

Unless and until there shall be such default to the extent in the whole of a sum equal to five years of such interest, as the company is not relieved from payment of or permitted to defer or capitalize by the provisions of the said paragraphs.

Nothing can be plainer. It covers two cases, the seven years, and the further period of three years, during which the interest may be capitalized, and then the five years commences from that time under the contract. and my contention is that five full years default must occur before enforcement. It may be many years before the default of five complete years takes place, and the government cannot step in and collect it.

Hon. Mr. WOOD—The hon. Secretary of State took the view that it would be to the interest of the company to have the interest paid on the bonds which the government guarantee. I differ from him on that point. It appears to me it would be entirely in the interest of the company to let this interest stand unpaid. As the hon. member from Marshfield has just pointed out. the first seven years' interest is paid by the government The next three years they are allowed to capitalize under section nine, under that agreement, in case the earnings are not sufficient to pay the interest by an issue of forty years' bonds. Then this clause provides that interest must be five years in arrears before the government can ask a receiver to be appointed to take possession of the road. The two points my hon. friend made seem to me to be very well made under these clauses, first that the government are helpless, they cannot take action to protect themselves until the end of fifteen years, and, second, the government can keep the interest on the bonds guaranteed by the government in arrear as long as they do not allow five years interest to become in arrears. The government will have to pay and the company can always keep it in arrears and the government have no remedy.

Hon. Mr. SCOTT—For the first seven years the government pay the interest. But the hon. gentleman says that for eight years after that. the three years and the five years, the government may not be able to recover that interest.

Hon. Mr. WOOD—The hon. gentleman does not quite understand me. During the last period of five years, the company can always keep the amount in arrears and the government have no means of collecting it. I presume the government will not accept any amendment, but it appears to me that an important contract like this should be more clearly worded, so that it could not be open to any misunderstanding or doubt about its construction.

Hon. Mr. SCOTT—It is perfectly idle for us to be discussing it. because we cannot alter it. The courts must settle it. We cannot do anything about it If we differ on the interpretation it will be finally for the judicial committee of the Privy Council to decide.

The clause was adopted.

On the seventh clause.

Hon. Mr. FERGUSON—Perhaps the hon. gentleman will inform the House whether the words 'working expenditure' include rolling stock ?

Hon. Mr. SCOTT—I am not prepared to say off-hand. The hon. gentleman and I do not agree on the question of rolling stock. On the question of rolling stock attached to the eastern division, which is the one we are particularly interested in, it is absolutely the property of the eastern division, and cannot be removed from it, because we have to be satisfied of that before we give up the $5.000.000 deposit.

Hon. Mr. FERGUSON—There is no provision in any of the contracts that it shall be owned by the government.

Hon. Mr. SCOTT—In the discussion the words 'ear-marked' were introduced. It was understood that rolling stock to the value of $5.000.000 was to be 'ear-marked,' which means that it is to belong to the eastern division exclusively

Hon. Mr. FERGUSON—It is to be assigned to the eastern division, but it is not said to be the property of the easteru division.

Hon. Mr. SCOTT—So long as nobody can take it away. that may be considered ownership.

Hon. Mr. WOOD—The government and the country are interested in the rolling stock on the western division also. In case the road does not pay the interest on the bonds, and a receiver has to be appointed, the question then arises which my hon. friend has brought up, and if our interpretation of these contracts is correct, the company is in this position, that it can hire the stock, have it in the hands of trustees under a certain rental, and that rental will have to be paid out of the earnings before any portion of the earnings can be distributed to pay the interest on the bonds which the government is guaranteeing. That appears very clear to me, and the ownership of that rolling stock is an important point. If it was owned by the company there would not be any prior claim on the earnings for the use of the rolling stock, but if it is in the hands of trustees for which they have to pay rental, as Sir Charles Rivers-Wilson says, a charge for rolling stock will come ahead of the security which the government have for interest on the guarantee.

Hon. Mr. SCOTT—For the purpose of having a fine discussion the hon. gentlemen are conjuring up things which cannot possibly arise. Does any body conceive that fourteen years from now that road will not pay running expenses and interest on the bonds? If so, we had better not build it, that is all I can say.

Hon. Mr. WOOD—If we are to assume that, there is no need of taking any security at all. When we are taking security it is well to look into the terms of the security.

Hon. Mr. SCOTT—We are told by gentlemen from the Northwest that for 1,000 miles, at all events, this road will pay from the hour it is opened. The company will be making money out of it while we are paying interest. We are agreeing to pay interest for seven years, yet hon. gentlemen are conjuring up the prospects that fourteen years from now this road will be practically bankrupt.

Hon. Mr. FERGUSON—The Grand Trunk Railway Company have taken that into consideration. They are wise, and the fact that the agreement is allowed to stand as it is now, shows that the company have the government absolutely in their power, and can make them do as they like.

Hon. Mr. SCOTT—Does my hon. friend think, if this is a good thing, that we should break with the Grand Trunk Railway Company, because they, not having the confidence in the future of this country that we have, should have those absurd provisions inserted in the contract? We do not regard them as of any value whatever, because it is a condition that cannot arise. Surely my hon. friend has more confidence in the great west as to what it will be fourteen years from now, when the population will be three or four millions?

Hon. Mr. FERGUSON—My hon. friend does not dispute the contention of the hon. gentleman from Westmoreland and myself, but he thinks we are conjuring up a contingency that is never likely to occur. If that is the case there is no need of any security at all, but as the Grand Trunk people have taken such immense care to have every contingency provided for, is it not a little strange these contingencies have not been provided for by the government for the protection of Canada?

The paragraph was adopted.

On paragraph 10.

Hon. Mr. FERGUSON—This clause calls for an explanation. It provides that at the termination of the lease at the end of 50 years when the government undertakes to operate the eastern section, the Grand Trunk shall have running powers for another 50 years over it. This is something more than the running rights and privileges we have been giving to the government or to the companies in last year's agreement or that of this year. It provides that they shall have such haulage powers and running rights as shall be necessary for continuity of operation between the western division and the Grand Trunk system in the east upon such terms as may be from time to time agreed upon. My view is that there would be nothing unreasonable in that were it not that it goes so far as to say these haulage rights and running rights shall be such as to secure the continuity of such operation between the western division and the Grand Trunk system —that is in the older provinces. That might be construed into almost a continued

lease of the road or the operation of the road to such an extent that the government could not operate it advantageously itself, or that they could not lease it to any other companies who would without that provision be willing to pay a higher rent. I think if it had been simply running rights, without qualifying them in this way it would be better. We are not railway men and we do not know what that would involve. Who ever would determine that point would have to hear evidence and make an examination of what are these haulage rates, &c., for the 50 years that would be required in order to connect their western system with the system of the Grand Trunk in eastern Canada.

Hon. Mr. KERR (Toronto)—Continuity of operation explains that.

Hon. Mr. FERGUSON—That would be a question of evidence and they might be able to show as a matter of evidence that they required such a use of that road, assuming their road in the east would continue to grow and prosper and the west would develop, it might mean they had a business which would require an outlet over that road to such an extent as would almost monopolize the whole road and the government would get no use of it.

Hon. Mr. KERR—They would have to pay for all they got.

The clause was adopted.

Hon. Mr. WOOD—Before the committee rises I would like to make a suggestion. The two points which were raised by my hon. friend from Marshfield appear to be points of importance, and I presume the Secretary of State not having had his attention called to them was not as well prepared to give explanations as he might be if he had time to look into the matter a little further, and I should like to suggest that the committee rise to-night and have another sitting to-morrow.

Hon. Mr. SCOTT—Oh, no.

Hon. Mr. YOUNG from the committee reported the Bill without amendment.

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

Hon. Mr. MACDONALD (B.C.)—I move an amendment that the Bill be not now read the third time, but that it be referred back to a committee of the whole House to be amended by adding to section 10 the following clause :

The construction of that portion of the said railway within the province of British Columbia shall be comenced at, and from the place selected as the terminus on the Pacific coast of the said railway, on or before the first day of June, one thousand nine hundred and five (1905), and shall be prosecuted with due diligence day by day until completed.

Hon. Mr. FERGUSON—Has the rule been suspended ?

Hon. Mr. SCOTT—It is not necessary.

Hon. Sir MACKENZIE BOWELL—It cannot be read without the consent of the House.

Hon. Mr. SCOTT—Where a public Bill is reported from committee without amendment, it can be read a third time.

Hon. Sir MACKENZIE BOWELL—I should like to have this question decided if the Bill can be read a third time if an objection is taken to it.

The SPEAKER—Rule 41 reads as follows :

No Bill shall be read twice the same day ; no committee of the whole House shall proceed on any Bill the same day the Bill is read the second time and no Bill shall be read the third time the same day that the Bill is reported from committee when any amendments have been made in committee.

In this case no amendment has been made. The rule with respect to private Bills is different.

Hon. Sir MACKENZIE BOWELL—This implies that it might be read the third time provided no amendment is made. I admit that in the first place, but if an objection is taken to the third reading, can the promoters of the Bill insist upon its being read ?

The SPEAKER—Yes, there is nothing to hinder it being read the third time if the majority vote for the third reading.

The House divided on the amendment which was lost on the following division :

Contents :

The Hon. Messieurs

Bernier,	Landry,
Boucherville, de	Macdonald (P.E.I.),
Bowell	Macdonald (Victoria),
(Sir Mackenzie),	McDonald (C.B.),
Carling (Sir John),	Montplaisir,
Dobson,	Perley,
Ferguson,	Sullivan—13.

Non-Contents :

The Hon. Messieurs

Black,	Power (Speaker),
Bostock,	Robertson,
Church,	Scott,
Cloran,	Shehyn,
Coffey,	Templeman,
Dandurand,	Tessier,
Frost,	Thibaudeau (Rigaud),
Gibson,	Thibaudeau
Kerr (Cobourg),	(de la Vallière),
Lovitt,	Watson,
Mackay (Alma),	Wilson,
McGregor,	Yeo,
McSweeney,	Young—26.
Mitchell,	

Hon. Mr. WOOD—Before the Bill is read a third time I move seconded by Hon. Mr. MacKeen, that the Bill be not now read the third time, but that it be resolved that it is not expedient to ratify the contract as it is contained in the National Transcontinental Railway Act as amended by this Bill until the people of Canada have had an opportunity of expressing their opinion on the same at the next general election.

The House divided on the amendment, which was lost on the following division.

Contents :

The Hon. Messieurs

Bernier,	Landry,
Boucherville, de	Macdonald (P.E.I.),
Bowell	Macdonald (Victoria),
(Sir Mackenzie),	McDonald (C.B.),
Carling (Sir John),	Montplaisir,
Dobson,	Perley,
Ferguson,	Sullivan—13.

Non-Contents :

The Hon. Messieurs

Black,	Power (Speaker),
Bostock,	Robertson,
Church,	Scott,
Cloran,	Shehyn,
Coffey,	Templeman,
Dandurand,	Tessier,
Frost,	Thibaudeau (Rigaud),
Gibson,	Thibaudeau
Kerr (Cobourg),	(de la Vallière),
Lovitt,	Watson,
Mackay (Alma),	Wilson,
McGregor,	Yeo,
McSweeney,	Young—26.
Mitchell,	

Hon. Mr. LANDRY—I move, seconded by the Hon. Mr. Montplaisir, that the Bill be not now read the third time, but that it be referred back to the Committee of the Whole House, with instructions to amend it by adding at the end of clause 10 in place of the words 'at the same time' the following :

No later than the western section.

The House divided on the amendment which was lost on the following division :

Contents :

The Hon. Messieurs

Bernier,	Macdonald (P.E.I.).
Boucherville, de	Macdonald (Victoria),
Bowell (Sir Mackenzie),	McDonald (C.B.),
Carling (Sir John),	Montplaisir,
Dobson,	Perley,
Ferguson,	Sullivan.—13.
Landry,	

Non-Contents :

The Hon. Messieurs

Black,	Power (Speaker).
Bostock,	Robertson.
Church,	Scott,
Cloran.	Shehyn,
Coffey,	Templeman,
Dandurand,	Tessier,
Frost,	Thibaudeau (Rigaud),
Gibson,	Thibaudeau
Kerr (Cobourg),	(de la Vallière),
Lovitt,	Watson,
Mackay (Alma),	Wilson,
McGregor,	Yeo,
McSweeney,	Young.—26.
Mitchell,	

Hon. Sir MACKENZIE BOWELL—Before the motion for the third reading is put, I desire to call the attention of the House on the third reading, to a statement of the hon. Finance Minister in the House of Commons, in which he defined the route which should be taken through the province of New Brunswick; and as there is no provision in the Bill to carry out the policy which was then enunciated and laid down by the Minister of Finance, I take it for granted that there can be no objection to having a clause inserted in the Bill to adopt the route which he declared to be the policy of the government. It may be said that having announced their intention to take a certain route through New Brunswick, that ought to be sufficient guarantee to the people in New Brunswick and in other portions of the Dominion, that the policy which he there lays down as to the route would be carried out. It might occur that before these gentlemen had an opportunity of carrying out their policy, there might be a change of government and there might not.

Hon. Mon. TEMPLEMAN—Oh, oh.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman from Victoria says 'oh, oh.' Changes of government have taken place, and I am sure if there were a change in government the hon. gentleman would have no

confidence in the incoming government. I think there is little doubt about that. Therefore there should be no objection to a provision in this Bill for the purpose of carrying out the policy of the present government and to prevent the possibility of others, who might have to deal with the question, violating their policy. The hon. Finance Minister spoke as follows :—

We are making the scheme larger——

And he was referring to certain propositions and charters which had been granted in the past for the construction of railways through that province. He says :

We are making the scheme larger, because instead of starting from Edmundston and using the Intercolonial Railway down to Rivière du Loup, our policy is to start from the Quebec bridge, run through the counties of Quebec, until you turn the corner of American territory at Edmundston, and down through the centre of New Brunswick to Fredericton.

I should like to call the attention of my hon. friend from Wellington to that statement of the Finance Minister, that in the construction of this road which he claims was to be of so much benefit in case of difficulty with our neighbours, that they intend to build the road through New Brunswick until it turns the corner of United States territory at Edmundston, and then down through the centre of New Brunswick. The contention of the opposition has been in the past that the road should run through New Brunswick on such a route as to reach the nearest seaport on the Atlantic, and this proposition of the Finance Minister, or this pledge of the Finance Minister, as to what they intended to do, is only acceding to the request which has been made by the opposition in the past, and if it is the intention to adopt and carry out the policy which he here lays down and declares to be the policy of the government, there should be no objection on the part of the hon. Secretary of State and his followers to make it a part of the Bill. This portion of the Bill which we are trying to amend is not of the character of the laws of the Medes and Persians, as is the contract that is entered into. This portion of the Bill has been amended in the Commons, and, certainly, that can be no objection, if the government intend to do what they have pledged themselves to do in this declaration of the Finance Minister, to accept the amendment which I propose to make. I therefore move, seconded by the hon. gentleman from Wolseley, that the Bill be not now read the third time, but it be referred back to the Committee of the Whole with instruction to add after the word 'time,' in the 39th line of section 10, the following :—

Provided that that portion of the eastern division of the National Transcontinental Rail way commencing at the Quebec bridge shall run through the counties of the province of Quebec until the corner of the American border at Edmundston is reached; thence down through the centre of New Brunswick via Fredericton to St. John.

The proposition which I ask the House to affirm is literally copying the words of the Finance Minister with the addition of the words 'To St. John.' We all know that if you go to St. John or Fredericton you necessarily go down the valley of the River St. John and by that means you reach by the nearest possible route the nearest Atlantic port, and then you would accomplish really what we have been contending should have been accomplished.

The House divided on the amendment, which was rejected on the following division :—

Contents 13. non-contents 26.

Contents :

The Hon. Messieurs

Bernier,	Macdonald (P.E.I.),
Boucherville, de	Macdonald (Victoria),
Bowell (Sir Mackenzie),	McDonald (C.B.),
Carling (Sir John),	Montplaisir,
Dobson,	Perley,
Ferguson,	Sullivan.—13.
Landry,	

Non-Contents :

The Hon. Messieurs

Black,	Power (Speaker),
Bostock,	Robertson,
Church,	Scott,
Cloran,	Sheehy,
Coffey,	Templeman,
Dandurand,	Tessier,
Frost,	Thibaudeau (Rigaud),
Gibson,	Thibaudeau
Kerr (Cobourg),	(de la Vallière),
Lovitt,	Watson,
Mackay (Alma),	Wilson,
McGregor,	Yeo,
McSweeney,	Young.—26.
Mitchell,	

The motion for the third reading of the Bill was adopted on the following division :

Contents 26. non-contents 13.

Contents :

The Hon. Messieurs

Black,	Power (Speaker),
Bostock,	Robertson,
Church,	Scott,
Cloran,	Shehyn,
Coffey,	Templeman,
Dandurand,	Tessier,
Frost,	Thibaudeau (Rigaud),
Gibson,	Thibaudeau
Kerr (Cobourg),	(de la Vallière),
Lovitt,	Watson,
Mackay (Alma),	Wilson,
McGregor,	Yeo,
McSweeney,	Young.—26.
Mitchell,	

Non-Contents :

The Hon. Messieurs

Bernier,	Macdonald (P.E.I.),
Boucherville, de	Macdonald (Victoria),
Bowell	McDonald
(Sir Mackenzie),	(Cape Breton),
Carling (Sir John),	Montplaisir,
Dobson,	Perley,
Ferguson,	Sullivan.—13.
Landry,	

The Bill was read the third time and passed.

The SPEAKER—It is moved that the House do now adjourn.

Hon. Mr. WATSON—Quite a number of gentleman are absent to-night. They have been paired, and have requested me to have their names recorded. I have a list of them, and I will read them and they will be placed on the record.

Hon. Mr. LANDRY—I rise to a question of order. There is nothing before the House.

Hon. Mr. GIBSON—There is a motion to adjourn.

The SPEAKER—There was a motion that the House should adjourn.

Hon. Mr. WATSON—I rise to a point of order. I was interrupted by an hon. gentleman on a point of order and I have a right to speak now.

Hon. Sir MACKENZIE BOWELL—Let us have the Speaker's decision on the point of order.

Hon. Mr. WATSON—It has been decided. The point of order was taken that there was nothing before the House and the Speaker ruled that there was.

Hon. Mr. LANDRY—I rise to another point of order. When a point of order is taken and a member is on his feet he sits down, and he cannot speak afterwards without the consent of the House. I am right in that.

Hon. Mr. WATSON—Oh, no.

Hon. Mr. DANDURAND—It would be very easy to shut off a member from speaking if that were so.

Hon. Mr. LANDRY—Ask the Speaker's ruling.

Hon. Mr. DANDURAND—What is the rule?

Hon. Mr. LANDRY—The hon. Speaker knows the rule.

Hon. Mr. KERR (Toronto)—The hon. gentleman from Stadacona, a few days ago, put forth a contention the very reverse of what he states to-day. He said to an hon. member :

You should sit down until the point of order is decided, and then rise and make your speech.

The SPEAKER—Any senator called to order shall not proceed pending the decision of the question of order.

Hon. Mr. WATSON—The list of pairs reads as follows :

PAIRS.

For the Bill.	Against the Bill.
King,	Wood,
Thompson,	Kirchhoffer,
Kerr (Toronto),	Baker,
Pelletier,	McMillan,
David,	Hingston,
Godbout,	Poirier,
Jones,	Lougheed,
Domville,	Owens,
Ellis,	McKay,
Béique,	MacKeen,
Edwards,	Bolduc,
Wark,	Gowan,
Fulford,	Forget,
J. P. B. Casgrain,	Casgrain (Windsor),
McHugh,	McLaren,
McMullen,	Merner.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman from Portage la Prairie has taken advantage of a motion to adjourn in order to accomplish that which he could not otherwise accomplish, namely, having the pairs recorded. Now it is supposed—and it is a mere supposition I must admit, that the conduct of this House should follow the practice of the House of Lords in England as nearly as practicable. Such a proposition as that which the hon. gentleman has made was never heard of in England, and the question is whether we should reduce this House to the position of the

Democratic branch in every particular. The hon. gentleman has taken advantage of the motion to adjourn to accomplish that which he could not accomplish in any other way. In the House of Commons it is an understood thing that the pairs shall be recorded, in order that the constituencies may see how their representatives would or would not vote. I am not personally opposed to the course pursued, but I ask in all seriousness whether we should adopt the principle that is carried out in the Democratic branch altogether in matters of this kind. It is very well known that it should be done where the members have to appeal to their constituents, where they may be brought to account for not being present to cast their vote. Then it is quite proper to say: It is true I was not there; I had to leave upon private or other business, but my vote would have been recorded in favour of or against the measure, and in order to establish the fact that I had not opposed the measure, or was in favour of it, I paired with so-and-so, who held views different to mine. That is really the rule, and I think it is a great pity that we are introducing in the Senate the practice of the Democratic branch in the manner in which we are doing. We have travelled within the records a good while. I am not saying I am less guilty than the rest, but the closer we adhere to the practice in England, the more it will be to the credit of the Senate in this and some other matters. I give my views upon this question, because I am in favour of adhering as closely as practicable to the usages of the House of which we are supposed to be the counterpart, so far as our Democratic institutions and the circumstances of our country would admit.

Hon. Mr. WATSON—I would just like to say that I do not think that the hon. leader of the opposition wants to read me a lecture for doing what I have done.

Hon. Sir MACKENZIE BOWELL—No, I am just giving my opinion.

Hon. Mr. WATSON—Last session, on a vote on this same measure the pairs were recorded.

Hon. Mr. LANDRY—I rise to a point of order. The hon. gentleman has already spoken.

Hon. Mr. WATSON—The hon. gentleman is quite right. I have no right to speak. But I shall see that the hon. gentlemen keeps in order after this.

Hon. Mr. CLORAN—I am quite prepared to agree with the views of the hon. leader of the opposition as far as the past is concerned, but when the hon. leader of the opposition wants to impose upon this House of progress and modern ideas the methods and ideas of the past, I think I am in a position to protest against that. The hon. leader of the opposition suggested that this honourable House should follow the procedure and practice which has been followed for the past seven years in the old country. We are here in an era of progress and development of ideas, and I do not think the hon. leader of the opposition——

Hon. Mr. DeBOUCHERVILLE—Will the hon. gentleman allow me one word? It is stated in our rules that we should follow the practice of the House of Lords.

Hon. Mr. CLORAN—If it is in our rules, we are old enough to remedy the rules, if necessary. I do not oppose the ideas of the hon. gentleman as coming from old stock, but we of the younger generation do not propose to be governed by ideas that prevail three or four or five hundred years ago.

Hon. Mr. PERLEY—The hon. leader of the opposition is not that old.

Hon. Mr. CLORAN—But he speaks to practice and ideals that are three or four hundred years old.

Hon. Sir MACKENZIE BOWELL—They are just as much in force to-day as ever.

Hon. Mr. CLORAN—They should be enforced to-day if accepted, but I, as one of the younger members of the House, representing the young ideas of the country, the development of thought and progress, do not wish to say that the ideals of the past are not worthy of respect and veneration. Far from it; but I say here to-night in response to the hon. leader of the opposition that when action is taken, just as the hon. member from Portage la Prairie has done, that it should not be thrown in his face that he is violating the rules of the House because such rules were adopted one or two hundred years ago. Under these circum-

stances I do not think the hon. member should be called to order by the hon. leader of the opposition.

Hon. Mr. FERGUSON—I hope my hon. friend from Portage la Prairie will give this matter his earnest consideration, because I think it a pity we should depart from what has been the custom of the House. I know it was done last year. Members scarcely observed what my hon. friend had done. He had come from the other branch of parliament; and it was done before it was fully realized that the record was made in this way. It was the first time, I am told that such a record had ever been made in the Senate of Canada, that is what other members have told me. I think it is a pity that we should depart from the traditions of the House of Lords, which we are bound by our rules to follow. There is another reason why we should not do it, and that is, it may be all very well in an assembly such as the House of Commons, which is recognized to be a partisan House, with two parties, but the impression is generally held in this country that this House is more judicial in character and that members cannot be counted upon with certainty beforehand as to their views on any measure, as they are in the other branch of parliament. I hope that is the opinion of members of this House. How can any hon. gentleman therefore make out a list of members' names stating how they would have voted if they had been here, on motions that they could not possibly have any notice. They knew that on the third reading of the Bill the principle of the Bill was to be decided, and there would be no harm in counting them in the way they agreed between their brother members that they should pair with other members.

Hon. Mr. WATSON—I only give it on the third reading of the Bill.

Hon. Mr. FERGUSON—My hon. friend narrows it down to the third reading of the Bill. I do not think that that should be done. If it is permissible in one case, it would be permissible in other cases. I hope it could not be positively certain how every member would vote on the motions which came up here to-night. That being so, is it not more in keeping with the dignity of the House that such a record should not be made. It is all very well to make it in the House of Commons, but our House is differently constituted, and we should make an effort to keep this chamber from being regarded as a mere popular branch, echoing the views of the two parties in the country. Then section 124 of our rules provides :

> In all unprovided cases the rules, usages and forms and proceedings of the House of Lords are to be followed.

This is an unprovided case. There is no rule with reference to it. The rule is all in favour of a different course with the exception of last year and I think there is nothing to be gained, but much to be lost in the way of the dignity of this House in adopting this practice.

Hon. Mr. YOUNG—There has been an endeavour to place the hon. gentleman from Portage la Prairie in a false position. He was not permitted to make an explanation, a courtesy which is generally allowed to all members in this House. He was shut off by an hon. gentleman who made himself particularly objectionable by standing up and forcing the rule and he possibly is the one who violated the rules in every shape and form more than any other member of the House, and trespasses more on the patience and good will of the House than any hon. gentleman. The hon. member from Portage la Prairie was merely explaining that he was not imposing his views on the House at all. He was only giving information to the House of the views that certain members hold here, who were absent, for and against the Bill, and he was doing this at the request of many of those members, members representing both sides of the question in so far as voting for or against the Bill. He wished to have this information recorded in the debates so that they could refer to it afterwards as having been placed on record on this measure and I notice that while my hon. friend from Marshfield would suggest that in these votes it is impossible to foretell how hon. members would have voted who are absent, if we look at the record of the vote taken here to-night, there is a remarkable coincidence that in all the different measures, so far as either side was concerned, they were wedded to their opinions and stuck to them.

Hon. Sir MACKENZIE BOWELL—Wedded to their party.

The Senate adjourned.

THE SENATE.

Ottawa, Friday, June 24, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

MOTION.

Hon. Mr. CLORAN, from the committee appointed to investigate the position in Canada of the Mutual Reserve Life Association of New York, presented their fifth report as follows :—

The Senate,
Committee Room No. 8,
Friday, 24th June, 1904.

The Select Committee appointed, by the Senate made 19th May, 1904, to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York, beg leave to make their Fifth Report, as follows :—

1. In the course of the inquiry now being made by Your Committee, George D. Eldridge, of the City of New York, Vice-President of the Mutual Reserve Life Insurance Company, formerly known as the Mutual Reserve Fund Life Association of New York, having been duly summoned, appeared as a witness before Your Committee and was examined upon oath.

2. During the examination of the said witness this day certain questions were put to him by the Honourable Mr. Landry, which questions the witness declined to answer. The said questions and the replies made thereto were taken down by the shorthand writer employed by Your Committee, as follows :—

"Q. What is the salary of the President ?—A. I respectfully decline to answer.

"Q. What is the salary of the Vice-President? —A. I respectfully decline to answer.

"Q. There are two Vice-Presidents ?—A. Yes.

"Q. The same answer applies to both vice-presidents ?—A. Yes.

"Q. What is the salary of the Secretary ?—A. I respectfully decline to answer.

"Q. What is the salary of the Treasurer ?—A. I respectfully decline to answer.

"Q. Is there any other officer ?—A. The Comptroller.

"Q. What is the salary of the Comptroller ?—A I respectfully decline to answer.

"Q. What is the salary of the Medical Director ?—A. I respectfully decline to answer.

"Q. Is the counsel a member of the Association ?—A. I think he is a constitutional officer under the present constitution.

"Q. At all events, if he is, what is his salary? —A. I respectfully decline to answer.

"Q. Is there any other officer ?—A. There are two Assistant Secretaries that are constitutional officers, I think.

"Q. What are the salaries of each of the two Assistant Secretaries ?—A. I respectfully decline to answer.

"Q. Do you know what those salaries are ? —A. From memory I could state some of them, and from memory I could not state exactly others.

"Q. You could tell what is your own ?—A. I could.

"Q. But you decline ?—A. I respectfully decline to answer.

"Q. Why do you decline ?—A. Because I regard the information as coming to me confidentially in my position as Chairman of the Executive Committee. I regard it as a matter of great detriment to the policy-holders of the Company to have this information spread upon the public records to be printed and scattered broadcast. In addition to that, under the law of the Dominion of Canada to which we are subject, there is an officer established who has the absolute power to visit our office, and ascertain any information that he may desire in connection with the Company ; and in addition to that I have to say that the Insurance Department of New York, in the State of New York under our jurisprudence gives absolute credence and faith to every Act of the Insurance Department with reference to Canadian companies, and we are entitled to the same credence and the same treatment in reference to the Acts of our own Insurance Department as the Acts of the Canadian Department are given in reference to Canadian companies. And furthermore, that my declining to answer is by advice of my counsel."

3. And being thereupon ordered by Your Committee to answer, the witness persisted further in his refusal.

4. Your Committee being of opinion that the questions should be answered, as being material to the investigation, report the refusal of the said George D. Eldridge to comply with the Order of Your Committee in these particulars, and request the action of the Senate thereon.

All which is respectfully submitted.

H. J. CLORAN, Chairman.

He said : It now rests with me to move immediate concurrence in the report, or that it be considered at a future day. In the opinion of the committee it is well that the Senate should pronounce at once upon the merits of this issue. A witness, Mr. Eldridge, vice-president of this company, has been under examination through the hands of counsel and members of the committee and has refused to answer questions put to him, as shown by this report. The committee did not desire to take action then. Finally the committee deemed it necessary that an answer should be given, although refused in the first place. The question being put and finally refused, the committee deemed it necessary to report the fact to the House. What action the House shall take is quite indifferent to me as chairman of the committee, but it is for the Senate to say whether a witness should be compelled to answer questions which have a direct bearing on the subject of in-

vestigation. I therefore move that this report be concurred in.

Hon. Mr. DeBOUCHERVILLE—This is a matter of such importance that it should be discussed with closed doors.

Hon. Mr. SCOTT—It cannot be discussed until we know something of the report. I understand that the report has been very much emasculated, that a good deal of the evidence given this morning has been struck out. It ought to be referred back to give us the facts as they appeared. They may be in the report, but certainly it cannot be adopted now. It must stand until a future day.

Hon. Mr. CLORAN—As chairman of that committee, I cannot allow the accusation to go forth to the country that the report is emasculated. I am not responsible for the information furnished the hon. Secretary of State, but I am responsible for what has transpired in the committee, and this is what I say: The hon. senator from Stadacona (Hon. Mr. Landry), a member of the committee, objected to only one point, and that was the refusal of the witness to answer his questions. He did not object to the evidence that had been taken for three hours during the morning; he simply asked the committee to put on record this fact, that the witness George D. Eldridge, vice-president of the company, refused to answer questions put by him specially, and that is the only matter referred to the Senate. The hon. gentleman is perfectly within his rights in referring to what he considers an irregularity in the taking of the evidence; so the hon. Secretary of State should not say that the report of the committee is emasculated.

Hon. Mr. SCOTT—I understood the committee was to report the evidence to the House, and that a good deal of the evidence taken this morning is not reported.

Hon. Mr. CLORAN—Certainly.

Hon. Mr. SCOTT—We should have the whole of it before us.

Hon. Mr. McMULLEN—Whoever has told the hon. Secretary of State that a good deal or a portion of the evidence given this morning has not been reported, or has been struck out, has done it for the purpose of poisoning his mind against the committee. It could not be for any other purpose. What are the facts? I submitted a statement with regard to the amounts received from policy-holders of the New York Mutual Reserve Fund Life Association from 1886 down to 1902. Unfortunately, in copying the figures out of the annual returns, I took the reports of the New York Mutual Life instead of the reports of the New York Mutual Reserve Fund Life Association. My hon. friend laughs; he will laugh differently, if he is in the interest of the company, when I tell him the other side of the question. When they drew my attention to the fact that I was in error I suggested that that should be struck out, and I would substitute the correct figures. I went to the library, took down the annual returns for sixteen years and extracted the correct figures and submitted them to the committee. Now, what are they? They are virtually this: the New York Mutual Reserve Life admit that they have drawn in assessments out of the policy-holders and those who have been policy-holders in Canada since 1886 down to the present time a little over $5,100,000. They claim they have paid to the policy-holders something in the neighbourhood of $3,060,000, which leaves a balance that should be in their hands of $2,100,000. They claim that out of that they have paid $990,000 for expenses during the sixteen years, or a little over $56,000 a year, which their branch of business in Canada is costing them. Taking that out, they should have over $1,000,000 to the credit of the policy-holders, but all they have is $228,000 in the hands of the Dominion government. These are the figures I submitted in place of the figures to which the hon. Secretary of State has drawn attention, as having been eliminated. When we found the mistake we made the correction. I am very glad the investigation is being made. I only hope the people of Canada will have their eyes opened to the true state of affairs.

Hon. Mr. FERGUSON—Have we any report of this committee with their finding in regard to the transactions of this company before us?

Hon. Mr. CLORAN—Not yet.

Hon. Mr. FERGUSON—Then why is my hon. friend discussing the position of the company without any report before us ?

Hon. Mr. CLORAN—He is discussing a charge made here against the committee.

Hon. Mr. FERGUSON—That has nothing to do with what purports to be a fact ascertained by the committee, that such and such is the record of the company. Is there any report of the committee making a finding of that kind ?

Hon. Mr. McMULLEN—What led me to make the statement as submitted is this : The hon. Secretary of State drew the attention of the House to the fact that a considerable portion of the evidence given this morning had been eliminated from the evidence required to be brought to the House.

Hon. Mr. KERR (Toronto)—I rise to a point of order.

Hon. Mr. McMULLEN—I have made my statement in reply to that.

Hon. Mr. KERR (Toronto)—I do not understand there is a question about it. As I understand the chairman of the committee. the whole of the evidence taken this morning had been omitted.

Hon. Mr. CLORAN—The evidence taken this morning will be submitted to the Senate.

Hon. Mr. KERR (Toronto)—Is it before us now ?

Hon. Mr. CLORAN—All the evidence will not be here until the printers furnish printed copies. The hon. gentleman from Stadacona, as a member of the committee, with due power to examine the witness, put certain questions to Mr. Eldridge which, in the opinion of the committee, were perfectly legal and in the interest of the policy-holders in Canada. The witness refused to answer. All that the hon. gentleman from Stadacona wishes to do is to call the attention of the House to the fact that Geo. D. Eldridge, vice-president of the company, has refused to answer the question.

Hon. Mr. SCOTT—We cannot discuss the report until all the evidence is before us.

Hon. Mr. CLORAN—I humbly beg to differ from the hon. Secretary of State with reference to that matter.

Hon. Mr. SCOTT—I object to the motion to adopt the report to-day.

Hon. Mr. CLORAN—This is not a regular report ; it is simply a report of an incident in the investigation, which the committtee has a right to submit at any time. The hon. member from Stadacona is perfectly within his right as a member of this House, to bring the matter to the attention of the Senate. This honourable House can deal with the matter as it pleases.

Hon. Mr. MACDONALD (B.C.)—You want to compel an unwilling witness to give evidence ?

Hon. Mr. CLORAN—Yes.

Hon. Mr. YOUNG—The point before the Senate is whether this report shall be considered now or at a future day.

Hon. Mr. SCOTT—When we have all the evidence.

Hon. Mr. YOUNG—The hon. Secretary of State has pointed out that it is unfair to ask the House to pass an opinion until they have time to examine the circumstances, because this report is somewhat unusual in character. Therefore, we must proceed with greater care and caution, and when the hon. senator from Welllington made his explanation a moment ago I fancy he misunderstood the hon. Secretary of State. The leader of the House did not refer, I fancy, to the incident which he mentioned, but to the fact that only a portion of the proceedings which surround this incident we are asked to pass judgment on has been reported to the House. Possibly if that explanation had been made by the hon. Secretary of State, the hon. senator from Wellington would not have been called upon to make any statement at all. I am not finding fault with him, because if he felt it applied specially to what he refers to, he was justified in defending himself. The question is whether we are in a position to-day to discuss this report. This is a very delicate and somewhat intricate matter, and it would be well to postpone the consideration of this report to a future day, as the judgment of the House may decide. Certainly the good sense of the House will not dictate that the report should be considered now. when no one outside of those who sat on the committee is familiar with the cir-

cumstances surrounding the incident which has elicited this special report from the committee.

Hon. Mr. PERLEY—I understand that the witness would not answer certain questions. I expected the hon. gentleman would move some resolution referring to the refusal to answer. I do not see how we can discuss the question until the witness answers the questions.

Hon. Mr. LANDRY—The matter brought before the House is very simple. The committee was going on with the business when the witness refused to answer certain questions. What had we to do? We could only report to the House that the witness refused to answer. We were obstructed in the work we were doing, and the hon. Secretary of State pretends that we come here with a false report.

Hon. Mr. SCOTT—No. I said that they were reading the report, when I came in, and until I knew what it contained it was not fair to ask my approval.

Hon. Mr. LANDRY—If he does not know what the report contains, what right had he to criticise it?

Hon. Mr. SCOTT—Because I understood a portion of the report had been suppressed.

Hon. Mr. LANDRY—It was not suppressed. We just took the incident which occurred in the committee and made a special report of it to the House. This is not the first time that such a case has come before parliament. In 1891, in the House of Commons, when the Connolly affair came up, Michael Connolly, one of the witnesses, refused to produce certain papers, and hand over his books. What was the course taken on that occasion? The committee reported the fact to the House.

Hon. Mr. DeBOUCHERVILLE—Michael Connolly was a British subject, was he not?

Hon. Mr. LANDRY—Yes.

Hon. Mr. YOUNG—Does the chairman of the committee consent to postpone the report of the committee?

Hon. Mr. LANDRY—I am not speaking about the report of the committee.

Hon. Mr. YOUNG—I am not addressing the hon. gentleman; I am addressing the chairman of the committee.

Hon. Mr. LANDRY—The hon. gentleman has no right to interrupt me when I am speaking. I say in 1891 the report of the committee was laid on the table. No motion was made to adopt the report, but the Minister of Justice, Sir John Thompson, made a motion. In this House the government do not seem inclined to take action. They are in the dark, and dare not take their proper position in this House. It is left for private members to vindicate the honour of the Senate. I find in the Votes and Proceedings of the House of Commons for 1891, page 222, the following entry:

> On motion of Sir John Thompson it was resolved that Michael Connolly, the witness named in the first report of the Standing Committee on Privileges and Elections, be ordered to attend at the bar of this House on Monday next, the 8th inst., at three o'clock in the afternoon.

What had Mr. Connolly refused to do? He had refused to answer a question and to obey the order of the committee to hand over books in his possession. The committee reported the facts to the House of Commons, and the Minister of Justice offered a motion to compel Mr. Connolly to attend at the bar of the House, a few days later. A day was fixed, but, in the meantime, the death of Sir John Macdonald occurred, and it was postponed until after the funeral. Basing my action on this precedent, I move:

> That an order of this House be issued for the attendance on Tuesday the 28th day of June inst., at three o'clock in the afternoon, at the bar of the House, of Geo. D. Eldridge, of the city of New York, now in Ottawa, vice-president of the Mutual Reserve Life Association Co., the witness named in the report of said committee appointed to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada.

The House may take what course seems best when the witness appears at the bar. We shall have the reasons presented then. Our position will be defined by the action of the House when Mr, Eldridge appears and is examined at the bar.

Hon. Mr. SCOTT—That must stand as a notice.

Hon. Mr. LANDRY—I do not give it as a notice of motion

Hon. Mr. SCOTT—Otherwise I shall move an amendment that it stand until Tuesday next.

Hon. Mr. LANDRY—If I understand the hon. gentleman he asks to have it stand as a notice of motion.

Hon. Mr. SCOTT—It can stand as a notice of motion until Tuesday.

Hon. Mr. LANDRY—I do not offer it as a notice of motion; it is a motion.

Hon. Mr. SCOTT—The hon. member should let it stand until Tuesday.

Hon. Mr. KERR (Toronto)—As I understand, the hon. gentleman is entirely out of order in making a motion at all. There is the motion of the chairman to concur in the report, and the hon. gentleman is entirely out of order.

The SPEAKER—The motion of the hon. gentleman from Stadacona is in order. We have a precedent in our own House; in that case the motion was that the report be adopted. The report was adopted first, and then a motion of this character was immediately proposed and passed, inasmuch as there was nothing in the report which required that it be adopted. This report simply states facts, and I do not think there is any necessity for the adoption of the report as preliminary to the introduction of this motion. Further, inasmuch as this is a matter which affects the business of a committee of this House, which cannot be conducted without action, the motion is a proper one. If the motion was that Mr. Eldridge be called to the bar this afternoon, I should see an objection to it; but it is that he be called to the bar next Tuesday, and that gives Mr. Eldridge time to prepare to act then. I am not trying to influence the House, I simply say, as a matter of order, the motion of the hon. gentleman from Stadacona is, in my opinion, perfectly in order, and I therefore shall put the motion.

Hon. Mr. YOUNG—Notwithstanding the other motion.

The SPEAKER—Yes. I think some disposition should be made of the other motion first. I understand the hon. gentleman from Victoria (Hon. Mr. Cloran) to move that the report be adopted. He must either withdraw his motion or take this as an amendment.

Hon. Mr. CLORAN—I fully concur in the remarks of the hon. Speaker and his decision. He has set forth the situation in a perfectly correct manner. There was absolutely no need for myself or any member of the committee to move the adoption of the report. I therefore, with the consent of the House and my seconder, ask permission to withdraw the motion I made. The duty of the committee was to report the facts to the House, and leave any member of the committee to take action. The hon. member from Stadacona has taken action on that report. I therefore, with the consent of the House and my seconder, withdraw my motion.

Hon. Mr. KERR (Toronto)—The assent of the House must be given.

Hon. Mr. CLORAN—Yes.

Hon. Mr. KERR (Toronto)—Then I call the attention of the Speaker to the fact that until the motion is withdrawn, which can only be with the consent of the House, I am perfectly in order in saying that the hon. gentleman from Stadacona cannot move his motion.

Hon. Mr. LANDRY—One motion is an amendment to the other.

Hon. Mr. CLORAN—There is no necessity for an amendment; with the concurrence of the House and my seconder, I ask permission to withdraw my motion as unnecessary.

Hon. Mr. McMULLEN—As seconder I give my consent.

Hon. Mr. KERR (Toronto)—I object to the motion being withdrawn. Let us see where we are.

Hon. Mr. YOUNG—I submit that this report, if we follow the practice which has prevailed in the past, must stand over, for future consideration. I refer to page 555, of the last edition of Bourinot, with reference to concurrence in reports, where it is laid down that motions for concurrence in reports of select committees are allowed to pass, but it is the general course to give notice, and it is always done when objection is taken by one or more members and a debate is likely to arise. This is a subject which the House should be seized of before discussing it. Out of this report arises a proposed action which is unusual.

Hon. Mr. DeBOUCHERVILLE—I must still call the attention of the House to the importance of this motion. If Mr. Eldridge were a British subject we would have a full right to put him under arrest, but he is a foreigner—I think that is the word—and it would be well to refer the question to a sub-committee to inquire if we have really a right to compel him to appear before the bar of the House. At all events if we discuss this publicly as we have done, these things will be in the papers, and we shall have to-morrow probably articles in the United States and perhaps in the English papers, saying that we are conducting affairs too hastily, and without taking time for reflection. I move an amendment that the consideration of this report be postponed.

Hon. Mr. WATSON—I fully concur in what has been said by the hon. member from Montarville. This is a matter of very serious importance. Mr. Eldridge, no doubt, from the position he occupies, is a prominent citizen of the United States. He certainly has been very patient in answering questions of all kinds, giving all necessary information, and cheerfully repeating it over and over again, up to one point. When he is asked to state the salaries of individual officers of the New York Mutual Reserve Fund Association, he declines to answer, because he is advised by his counsel to refuse. I am informed that corporations of that description, insurance companies, banks, loan companies, &c., take a lump sum for the payment of salaries. The annual report does not state what the salaries of the individual officers are. Mr. Eldridge stated to the committee that the Inspector of Insurance, who had the right to go to New York and ascertain any of those facts, if he thought fit to do so, but he was advised by counsel that he should not state the individual salaries. The only object of getting at the salaries is to ascertain the cost of doing business in Canada, and if the lump sum is stated, that is all the information that is necessary. I say it would not be fair treatment, and I submit to some members of that committee and to all members of this House who have heard the investigation, that Mr. Eldridge has been subject to a most absurd examination. He has been told——

Hon. Mr. LANDRY—I rise to a point of order.

Hon. Mr. WATSON—I have the floor.

Hon. Mr. LANDRY—The hon. gentleman must sit done when I rise to a point of order.

The SPEAKER—The hon. gentleman from Portage la Prairie must take his seat until the point of order is decided.

Hon. Mr. LANDRY—My point of order is this: the hon. gentleman is making reference to what took place in the committee, and he says the examination in that committee was the most absurd thing he ever heard. He has no right to say that, and I want the ruling of the Speaker.

Hon. Mr. WATSON—I am speaking of the report before the House which deals with that question. If I am out of order the report is out of order.

Hon. Mr. LANDRY—I ask the ruling of the Speaker on that question—he said the examination was most absurd.

Hon. Mr. WATSON—I do say that.

Hon. Mr. SCOTT—We do not want to have the Senate gagged. The hon. gentleman (Hon. Mr. Landry) thinks he is free to state what he likes as to what was done in the committee, while no one else is permitted to do so.

The SPEAKER—The hon. member can discuss the report of the committee, but not the means taken to arrive at it.

Hon. Mr. WATSON—I shall refer to what has been admitted in this chamber. A member of the committee has stated that he examined Mr. Eldridge at length about a different company altogether from the one under examination. Why bring a witness from New York to examine him about a company he does not belong to, and then tell him that he is a fraud?

Hon. Mr. SCOTT—That he is a perjurer.

Hon. Mr. WATSON—As a member of that committee, having taken part in the proceedings since I was appointed to it, I am in a position to say that Mr. Eldridge

has been a cheerful witness. He has been examined, cross-examined, and re-cross-questioned. It is a serious matter to bring a citizen of the United States before the bar of this House.

Hon. Mr. MACDONALD (B.C.)—Not a bit.

Hon. Mr. WATSON—I agree with the hon. gentleman from Montarville (Hon. Mr. De Boucherville) who says it is a serious matter. There is no comparison betwen the case of Mr. Connolly, which has been cited, and this—no comparison at all. Connolly was charged with fraud as a contractor, having wrongfully secured public money from the Dominion of Canada, and I say we ought to go slow and have the evidence before this House before we attempt to even suggest that this gentleman ought to be brought to the bar of the House to answer questions. I say he has been advised, and I am informed by bank managers and presidents that it is usual for loan companies and institutions of that kind, to do what the Mutual Reserve has been doing, submitting these things in lump sums with no details, and I consider it is drawing the line very tight to say that when this gentleman will not come before us and answer questions which are not answered by bank managers and presidents of other financial corporations, he should be brought before the bar of the House.

Hon. Mr. MACDONALD (B.C.)—If a committee of this House has the power to summon any witness before it, it does not matter whether they have the power to make the witness give his evidence; they have the right to come back to this House for power. It is in the power of the House to compel this witness to give his evidence. It does not matter if he comes from Jericho.

Hon. Mr. CLORAN—The question has gone outside of the limits of the report, but not through any fault of mine. I have simply asked the House to endorse the action of the committee, when a certain witness was asked a certain question and declined to answer that question. The opinion of the committee was that the witness was bound to answer the question, but the witness still declined. Our power ceased there: we have no power to imprison a witness or inflict a fine. We have no power to send him to jail for contempt of court.

Hon. Mr. WATSON—That is very fortunate.

Hon. Mr. CLORAN—We simply report his declining to answer the question, and all the House has to do is to say whether he shall be compelled to answer the question—not to discuss the actions of the committee and say that they were absurd.

Hon. Mr. WATSON—They were absurd.

Hon. Mr. CLORAN—The hon. gentleman has no right to rise in that capacity, and say the action of the committee was absurd. All that the chairman of this committee asked is whether this House will consent to force Mr. Eldridge to answer the question, yes or no, and nothing else. That is the question we have to decide. The hon. senator from Toronto has objected to my withdrawing the motion. I cannot withdraw it if he objects.

The SPEAKER—I did not put the motion of the hon. gentleman, and it is not before the House.

Hon. Mr. CLORAN—Then the next motion before the House is the motion of the hon. gentleman from Stadacona. What is it? He asks this honourable House to call the witness to the bar and ask him why he does not answer, and if he does not answer it is for the House to take action.

Hon. Mr. BAKER—There is a motion that the matter shall be postponed till Tuesday, and I confess that the request of the leader of the government of the House would be sufficient for me to support his proposition, because he is the constitutional leader of the House, and so far as some matters of procedure are concerned, although I do not always see eye to eye with the hon. Secretary of State in everything pertaining to the control of the House, unless under very exceptional circumstances, I should feel constrained to support him, and I shall vote for the amendment of my hon. friend to my right.

Hon. Mr. McHUGH—I may say in reference to the report, it sets forth some facts. It says that certain questions were asked of the witness, which he refused to answer. I take it for granted that all the questions that he objected to answer are the ones included in that report, and he gave as a

reason for refusing to answer those questions, that there was an officer of this government who had authority to go and examine their books, and another reason that he thought it was unfair to the company to have it spread on the minutes and proceedings of that committee, and go broadcast over the country, as to what salaries the company were paying their officers. I think the committee might very well accede to that, because the government officer can go there and he can furnish any member of that committtee with the information they are trying to obtain. I think, in justice to that company, that he should not be asked to expose something that might injure them in the business they are doing. If he gave it in a lump sum, that is all that is necessary for the protection of the policyholders.

Hon. Mr. DOMVILLE—We have that now.

Hon. Mr. McHUGH—Then let them get it through the Superintendent of Insurance, and then each member can see it and it does not become public property and go into public print, and for these reasons believing the witness was perfectly in his right, and acting in the interest of the company, I think we should not take the course suggested.

Hon. Mr. WILSON—We were informed in the first place that the evidence given in the committee to-day was not before the House; that we were not seized of the facts in a sufficient manner to act upon the information. We were also told that the report was emasculated to a very great extent. What are the facts ? The hon. gentleman who moved the first resolution, merely stated what actually took place in the committee. He asked for no further instructions, and nothing else. Those facts were before the House and were read by the hon. gentleman and placed on the record, and everyone knew perfectly well what were the grounds of his moving in the matter. Therefore, I say the House was seized of all the information necessary to enable them to act. Have we not the information that this witness, Eldridge, was deliberately asked several times to answer certain questions. Is that information not before this House ? Is the House not seized of those facts sufficiently to give an intelligent vote ? I regret exceedingly that any hon. gentleman of this House should not be in a position to record his vote one way or the other. So much for the report. I believe that all the necessary information respecting this report is before the House. As far as the charge that the report is being emasculated is concerned, that report was not before the House. It is not a question that is before the House. Therefore, I contend that it is not right that we should discuss this report. Some hon. gentlemen say we should move slowly, that we shall get ourselves into difficulty. Are we in any way to sacrifice the honour and integrity of this chamber by allowing the witness—it may be Eldridge to-day and someone else another day—to refuse to give us the information we are entitled to ? One hon. gentleman says : 'Send an expert to New York.' That might be all right on this occasion, but on some future occasion the witness might be from some other foreign country in Europe, and we could not send an expert for evidence. The hon. gentleman said that the special committees are not permitted to compel a witness to answer every question that is put. Would that be a reasonable proposition ? Are you going to hamper the authority of this legislature in that manner ? If you do you are lowering the dignity of this House, and I for one, feeling that that witness should be obliged to answer the question put to him in the committee, say that he should be called before the bar of this House and compelled to give his reasons. It is said it is customary in banking institutions and organizations that nothing more than the ordinary lump sum is given. We can get the salaries of each and every one of the officers of every society in the Dominion of Canada. It is said in this case that absurd questions were asked. Who is to be the judge of the absurdity of questions—hon. members in this House or the hon. member who asked the information ? It is easy for us to report idle words, but it is difficult for us to feel fully seized of the facts, of whatever question the examiner might feel disposed to ask of a witness. It was not an idle word or absurd question put when he was asked the salary of these officials, and in future, when the report comes up, and his evidence is before us, we will be able to show why these questions were put, and

we will be able to show they were not answered, and that they were important questions, and should have been answered. Feeling that way I shall vote for the motion of the hon. gentleman from Stadacona.

Hon. Mr. WOOD—The hon. gentleman who has just resumed his seat appears to have expressed the mind of a great many hon. gentlemen of this House, that Mr. Eldridge had no right to refuse to answer the questions which were put to him by a member of this committee this morning and that, consequently, upon this report the Senate is not guarding sufficiently its own dignity if it does not take immediate action upon the motion of the hon. gentleman from Stadacona to have this man summoned to the bar of the House. While that opinion may be correct, I feel that I am not sufficiently convinced of the correctness of the position to take the responsibility of voting for a motion of that kind on this occasion, and I should like to remind hon. members of this House that when the question was put which this witness refused to answer he did so under the advice of counsel, and, as I am informed since, under the advice of most eminent counsel. We have not so far had the advice of eminent counsel to assist us in deciding whether the gentleman's course was right or not, and for my own part I think it would be much more becoming the dignity of the Senate if we proceeded, as the hon. Secretary of State has suggested, cautiously in this matter, and only adopt such line of action as has been marked out, after the most careful consideration and after consulting the best constitutional advisers we can find. We must remember that this gentleman is, as my hon. friend has said, a foreigner. How that effects his position here I am not prepared to say.

Hon. Mr. MACDONALD (B.C.)—It makes no difference.

Hon. Mr. WOOD—I will not pretend to express any opinion, but as a member of the committee who consented to the report which has been presented to the House, I did not see any reason why the witness should not have answered the questions which were put to him; but he took that course deliberately after taking the advice of eminent counsel, and it would become us now, under those circumstances, to proceed cautiously before we adopt any such steps as are proposed. I am sorry the hon. gentleman from Stadacona did not accede to the request of the hon. Secretary of State, to allow this to stand as a notice of motion, and no doubt the Secretary of State will be able; in the meantime, to confer with the hon. Minister of Justice, and the best legal advisers whom the government have, and give us some light upon the question, so that we can act more intelligently on Tuesday next, and if the matter is pressed to-day I shall certainly vote for the amendment to defer it until Tuesday next.

The amendment was adopted.

BILLS INTRODUCED.

Bill (37) An Act to amend the Exchequer Court Act.—(Hon. Mr. Scott.)

Bill (39) An Act to amend the Yukon Territory Act.—(Hon. Mr. Scott.)

Bill (101) An Act to amend the Steamboat Inspection Act, 1898.—(Hon. Mr. Scott.)

Bill (54) An Act to amend the Dominion Fire Insurance Act.—(Hon. Mr. Young.)

Bill (102) An Act to amend the Shipping Casualties Act, 1901.—(Hon. Mr. Templeman.)

Bill (131) An Act to incorporate the Farmer's Bank of Canada.—(Hon. Mr. Sullivan.)

TIMAGAMI RAILWAY COMPANY BILL.

DEBATE ADJOURNED.

The Order of the Day being called resuming the adjourned debate on the consideration of the amendments made by the Standing Committee on Railways, Telegraphs and Harbours to (Bill 94) An Act respecting the Timagami Railway Company.—(Hon. Mr. Landry.)

Hon. Mr. EDWARDS—This Bill is one which stands in my name. A discussion took place on it a few days ago, when I was absent. The object of the Bill is to extend the time for the construction of the road, and to remove from the provisional directors of the company the names of certain persons. A good deal of time was taken in the discussion of this Bill in committee. I am not myself a member of that committee, and I admit that when the Bill was handed to me I knew nothing of its merits so far as the removal of the direc-

tors is concernel, and, therefore, took no part in the debate upon it before the committee. With regard to the internal affairs of a chartered company I do not think they should be interfered with by this House. Parlament should not deal with such a matter. If finally, it becomes apparent that the provisional directors of the company cannot work together and there is nothing wrong, let proper evidence of the facts be brought before parliament, but to simply say that an arrangement has been made by them, whereby certain directors are to disappear and that they cannot have a meeting of their board because of the absence of some of their directors, I do not think it is at all a reason why parliament should interfere. Let the company have their meeting and they can then displace any of the directors they feel disposed to drop. It is easy for a gentleman to appear here and make statements that some of the gentlemen have sold out; this House has nothing at all to do with that matter. If they have sold out, then it is a matter for the company to deal with, and not a matter for parliament. Further, one of the provisional directors who is interested says that he has matters of considerable importance to bring to the notice of the committee. That gentleman should be given a hearing. He should have every opportunity of bringing before the committee every matter which he considers important in connection with the Bill, I therefore move:

That the amendments made in committee affecting Bill 94 be not now concurred in, but that said Bill be referred back to the Committee on Railways, Telegraphs and Harbours for further consideration.

Hon. Mr. KERR (Toronto)—This Bill has been before the Railway Committte on two occasions, occupying practically the whole sitting on each occasion. On the first occasion, after a long discussion, at the request of Father Paradis, a postponement was had in order to enable him to bring a witness who would establish his contention with reference to the position he occupies towards the company. On the second occasion, the witness appeared, and the result of the whole business, of his own statement in writing and of the statement of the witness who was called afterwards, the facts were all brought out, and the House is as able to deal with it now as if the Bill went back to the committee. I shall, therefore, trouble the House with a recital of the circumstances. This company was incorporated some years ago for the construction of a railway in north Ontario. The railway was not built within the time required, and an extension of time was granted, that extension being granted to the same persons who had been incorporated before. They were still unable to make arrangements for the building of the road. Ultimately Mr. Bremner, who was in this country representing capitalists in England, who have purchased and established very large works at Sturgeon Falls for the manufacture of pulp and paper, made an arrangement to purchase the charter and rights of the company from Father Paradis and the other provisional directors, in order that he might place it before capitalists in England, and secure money to build the road, which was of great importance to the large works they have established at Sturgeon Falls. An arrangement was made with Father Paradis. For $100 he sold out his interest in the company, and executed an agreement acknowledging the receipt of the money then paid to him, and which he admits he has retained ever since. It was agreed that if the charter should be sold, there should be paid in addition to that one-thirtieth of the profit realized from the sale of the charter in England, that one-thirtieth to be divided among the other provisional directors, who also had largely sold out their interests in the road. Father Paradis gave the most ample authority to act in his name by power of attorney. Under a power of attorney of that kind, there is no power to represent a provisional director. A man must appear in person at the board, so long as he remains a member of the board. That was the arrangement. He desired the opportunity of calling Mr. Armstrong to sustain his contention, that he was entitled to something more, and he stated there was, contemporaneously with that agreement, another agreement by which Mr. Armstrong was to protect him and have some say in the matter. When Mr. Armstrong was called a document was produced which left it in the hands of Mr. Armstrong to determine what was to be done with reference to the consideration that was to be paid Bremner out of the proceeds of the sale

—in other words, what apportionment of the expenses there should be, and in the absence of any apportionment, of course, Father Paradis would be entitled to only one-eighth of the one-thirtieth part of the consideration. It also appeared from Mr. Armstrong that one part of the arrangement was that Father Paradis was to retire at once from the board.. On that, Mr. Bremner went to England to place the matter in the hands of capitalists, who took up the scheme, and who have been ready to go on with the construction of the road. He spent a large sum of money in the preliminary work, and made arrangements for the completion of the road.

It is necessary that the time should be extended, and it is under those circumstances that they come here to parliament and ask for an extension of time, and for a change in the names of the provisional directors who will have control of the expenditure of the money in the construction of the work. It seems to me that this is a proposition that should be received and acted upon. Father Paradis, having agreed to retire from the board, having sold his interest for $100 and this proportion of profit which Mr. Bremner is to account for, should be no longer considered in the matter. The other provisional director whose name is to be stricken out is dead, and the name should therefore be removed, not merely because he cannot attend, but because his name being there he would figure in the number of the quorum required to transact business. Under the circumstances, it seems not unreasonable that this Bill should pass. The agreement covers the whole ground that Father Paradis should drop out of it, that his consideration has been secured to him by Mr. Bremner, and he has since proven his claim by filing it with the trust company on the estate of Mr. Bremner, who died after the sale of the charter in England. Everything, therefore, so far as Mr. Bremner is concerned, is to be carried out, because the estate is liable, and the trustee who holds it would be accountable. Everything the present owners have arranged to be done can be carried out. They have done their part, and are ready to go on and build the road. It is of considerable consequence for the large enterprise at Sturgeon Falls that they should be allowed to go on with the work without interference on the part of people who have ceased, or ought to have ceased, to have any right to take part in the proceedings of the company. Under the circumstances, I oppose the reference back to the committee. The whole of the facts were known; it received a great deal of consideration, and the conclusion was arrived at finally that the only thing to do after hearing the representative of the English capitalists who is here, and who showed the large amount of interest they have taken in the work, and their readiness to go on with the construction of the road, and it is only right that the Bill should pass.

Hon. Mr. LANDRY—It is alleged that Father Paradis sold his rights, and that the bargain is complete. I dispute that. The bargain is not complete. The transaction took place between Father Paradis and Mr. Bremner. Certain conditions were to be fulfilled which have not yet been fulfilled, and parliament is asked to intervene and declare by legislation that Father Paradis is no more a director of the company. Father Paradis, like the other directors of the company, sold out his share under certain conditions. They all sold to Mr. Bremner, and Mr. Bremner had power of attorney to negotiate in England, but there were conditions attached to his power to negotiate which were not fulfilled. The other directors, as soon as Mr. Bremner came back, were taken into the company with the exception of two, and Father Paradis was one of the exceptions. This Bill asks for an extension of time; no one objects to that, but it also asks that the name of Father Paradis be dropped from the provisional board of directors. Have we a right to interfere in a family quarrel? The law is there. If the directors want to dispense with the services of Father Paradis or any other director they have the means in their own hands. Let them meet and choose their own directors, but let us not attempt by law to settle a dispute which is now pending before the courts. My hon. friend from Toronto said that Father Paradis had signed an agreement. That agreement provides that:

In consideration of $100 of lawful money of Canada paid to me (that is, Father Paradis) at or before the signing thereof, on the allotment to me of my share of thirty per cent

interest to be allotted among the provisional directors of the Timagami Railway, I do assign &c.

Father Paradis assigned for $100 and thirty per cent, that is nearly one-third, not one-thirtieth. But besides that condition which has never been complied with, Mr. Bremner, who is the party in the case, signed another agreement which I hold in my hand, which contains the following :—

Referring to the agreement of even date, I am willing and agree to pay you on the basis that may be approved by Mr. L. O. Armstrong in addition to the terms named in said agreement.

Mr. Bremner, by this document, confesses that there are other conditions, and that Mr. Armstrong is the party who will settle the whole thing. Well, Mr. Armstrong has never settled that difficulty. The bargain has never been completed, and we are asked to strike out the name of Father Paradis and thereby do what the directors or the shareholders could do themselves. I hope that this Bill will be returned to the Committee on Railways, Telegraphs and Harbours for further consideration, to provide that no injustice shall be done to Father Paradis or any one else. We do want the committee to be neutral in the question, but if the company wants an extension of time, to grant it and let them settle their own internal quarrels among themsives.

Hon. Mr. GIBSON—Under the rules of the House, I am not permitted to state what occurred in committee, but the motion made to refer the report back to committee simply because the hon. gentleman who makes the motion and who had charge of the Bill was not present, is showing want of confidence in the committee. This matter was not dealt with in a hap-hazard way. The Bill was discussed at two different sittings of the committee and the whole time of the last sitting was given to this particular Bill. Every detail was considered. Father Paradis came there with a witness to substantiate what he complained about, and when the evidence was brought out that very witness warned the people to have nothing to do with Father Paradis. The gentlemen connected with the railway are not the men who formed the railway company originally. A new company bought out the first promotors of this enterprise. It was felt by the first promotors that the name of Father Paradis was not a source of strength, and Father Paradis admits, and the receipt was laid before the committee, that he took $100 to retire from the directorate of the company. He admitted that the money was paid to him on a Sunday, but he waived the legal question that might arise on that account. A bargain was made, which he signed, with regard to his retirement from the provisional directorship. Mr. Bremner said before he would go to England with the charter that he had to remove the name of Father Paradis from the directorate ; otherwise he could not sell the charter. Father Paradis had sold out his position but he was not debarred from receiving a proportion of the proceeds of the sale of this charter, and it was agreed by Mr. Bremner that thirty per cent of the money received from the sale should be equally divided among the other directors on the provisional board.

Now, the hon. gentleman who got the money for this charter got it in good faith, and without the name of Father Paradis, and on the strength that Father Paradis had sold out his directorship. The claim of Father Paradis against the Bremner estate is still good, and as the estate amounts to about $60,000, the security is ample. The hon. gentleman says we are not to interfere is a family quarrel ; that is a good reason why we should not take up the case of Father Paradis, because he has parted with his interest by barter and sale. It has been pointed out in the committee that ever since the commencement of this railway, that Father Paradis has been its most persistent opponent. My hon. friend from Stadacona is incorrect when he says that Father Paradis was the only man removed from the board. Changes were made, and new members were put on the board, and Father Paradis' name was allowed to drop because he had expressed a desire that it should, and because he had sold out. Now he asks this honourable House to reinstate him after he had sold out all his interests in the directorship. This legislation will not deprive Father Paradis and his co-directors of the thirty per cent of the amount paid for the charter. I understand the English capitalists paid $12,000 for the charter. They were fools to pay it, because they could have

come to parliament and got a charter for nothing. However, Mr. Bremner agreed to give his colleagues 30 per cent of the proceeds, which would amount to $3,600. According to the undertakings given by Mr. Bremner to Father Paradis, that amount should be divided according to Mr. Armstrong's arrangement. They are applying for this $3,600, and I hope they will get it. No member of either side of the House has any desire to deprive Father Paradis of his fair proportion of this $3,600. When this report was presented to the House, a motion was made by the hon. member from Stadacona to hold it up, and I therefore move that the report of the Committee on Railways, Telegraphs and Harbours be now concurred in.

Hon. Mr. LANDRY—I rise to a point of order. The amendment cannot be a mere reversal of the main motion.

Hon. Mr. KERR (Toronto)—The motion which was made before was to concur in the report. Then the hon. member from Stadacona moved that the consideration of the report be postponed.

Hon. Mr. GIBSON—What the hon. member from Stadacona asked for, was a postponement of a consideration of the report, and that motion was never concurred in.

Hon. Mr. EDWARDS—With regard to the suggestion made by the hon. member from Toronto, the motion to which he referred is not before the House, is not on record, is not formally dealt with at all, and therefore is the same as if it had not been made.

Hon. Mr. GIBSON—I ask the Speaker's ruling with regard to it.

The SPEAKER—A good deal depends upon the condition of the record. But if the motion which the hon. gentleman from Toronto says he thinks he made, was actually made, then the motion moved by the hon. gentleman from Rockland would be an amendment to that. If no motion of that kind was made, then the hon. gentleman's amendment would be out of order. There was no motion before the House to amend.

Hon. Mr. SCOTT—Would there not be a motion before the House to adopt the report ?

The SPEAKER—The chairman of the committee on Railways, Telegraphs and Harbours reported the Bill, and some hon. gentleman moved that the report be concurred in ; but I do not think the question was actually put from the chair, and it was suggested that the consideration of the report be postponed, because the hon. gentleman from Rockland was not here ; and the same thing happened when the matter came up again. The hon. gentleman from Stadacona asked that the matter stand over until the hon. gentleman from Rockland was present. Now he is here and substantially, of course, the question is whether the report of the committee be adopted or whether this amendment shall be adopted.

Hon. Mr. EDWARDS—It seems to me that the order as it appears on the paper to-day sets forth the whole question. It is a resumed debate upon that report. There is no motion before the House except the one which I made.

Hon. Mr. McMULLEN—I was in the Railway Committee when this question was fully discussed. Father Paradis had every opportunity of presenting his case. If my hon. friend in presenting the resolution he has to-day for a reference of this Bill was prepared to state before this House that new evidence had come to light that it would be well in connection with this Bill to place before the committee, there might be some reason why we should seriously consider whether it would be proper on our part to refer the Bill back, but every single point that has been referred to by the hon. gentleman from Stadacona was fully threshed out in committee. I cannot see any ground at all for referring the Bill back to committee, unless my hon. friend is prepared to show to the House that things have since transpired which can be brought forward to prove that a great injustice has been done to this man. I do not think we should interfere with the bargain. I have no doubt Mr. Bremner's estate is equal to any covenant he entered into, and I cannot see what can be gained by a further reference, for the committee, after fully threshing out the whole question and considering every point that has been mentioned to-day, decided to make this report and it is now before the House. I do not see on what ground we should refer it back.

Hon. Mr. McHUGH—This honourable House has given a good deal of attention to this particular Bill. It was before us in 1898, and again in 1900. The records of the House show that they spent two full days discussing this question. Father Paradis was here opposing the legislation that the promoters of the Bill wanted at that time. Matters occupied a good deal of time in the other House. The Bill came from the other House and the Senate made certain amendments to it—and I must say that when Bills come from the other House and are amended and are sent back, the custom of the House is to accept our amendments; but, on that occasion, they felt that they could not agree to the amendments. They were looking after the interests of the company, and if they were going to give them a Bill at all they wanted to give them one that was useful. They felt that the interests of the company would suffer by the amendments made by the Senate; that they were made only for the purpose of blocking the enterprise and to work a villainy. They asked the Senate to reconsider their amendments, and they were taken out of the Bill. I feel that—and I speak in all fairness of Father Paradis—in the interests of the company his name should be stricken from the Bill. I think it is doing him a kindness to have him removed from the board where his colleagues do not want him. It would be doing him and them a kindness. It will place the company in a position that they can go and carry out the completion of the road. For that reason, I will support the amendment.

Hon. Mr. MACDONALD (P.E.I.)—The argument advanced by the hon. gentleman who has just spoken should operate in the very opposite way from that in which he advanced it. If one member differs from the rest of the board, is that board to come to parliament and ask us to legislate in order to put out a person who is a member of the board? I say it is most extraordinary legislation and should not be countenanced by parliament. There is a proper place for settling matters of that kind and that is before the courts, and I think the arguments that have been advanced here respecting this matter ought to tend in the opposite direction from that advanced by hon. gentlemen on the other side. The fact that this legislation has been before parliament at three different times, and that at each time parliament has rejected such a Bill as was attempted to be passed, is a very good reason that we should again follow the same course. If this gentleman has not at this moment any interest in the charter or in the road which has been chartered, it is very easy for those who are holders of the charter and who are members of the corporation to put him off if he deserves it, or if it is in the interest of the company that he should be put out of the board; but it is not good legislation for this parliament to legislate a man off a board to which he was elected, and on which he certainly had a right to be as long as his name was in the charter granted to that railroad.

Hon. Mr. FERGUSON—Before the motion is put to the House, I wish to say I am a member of the committee, and attended one of the meetings for a short time. I was called away, and was not able to hear the whole statement of the case. As far as I did hear it, it seemed to me to be rather complicated, and it was rather difficult to find out the merits of the case as between Father Paradis and Mr. Craig, who, I think, represents the other interest in the question; but to my mind, there is one consideration which appears almost conclusive, and that is that the hon. gentleman who had charge of the Bill, who proposed it to the House and had charge of it in the committee, the hon. gentleman from Russell, a gentleman who has had a great deal of experience in such matters as this, after the Bill went through the committee, and this action was taken, on a careful survey of the situation, thinks that justice had not been done, and he moves that it be sent back to the committee. Under the circumstances, and from the regard which we all have for the opinion and judgment of the hon. member from Ottawa, I think this step should be taken.

Hon. Mr. WATSON—The hon. gentleman from Marshfield has just stated that because the member who had charge of the Bill asks to have it referred back, the House should refer the report. The hon. gentleman explained to the House a few moments ago that he was not at the committee, and was not aware of the arguments advanced before that committee.

Hon. Mr. FERGUSON—He is not a member of the committee.

Hon. Mr. WATSON—No, but everybody on the committee knows this matter was debated at length, that all the evidence we have here was heard, that it was sent back for one week to afford Father Paradis an opportunity to bring a witness there, and his witness came, and his evidence was really against Father Paradis.

Hon. Mr. LANDRY—No.

Hon. Mr. WATSON—He wrote letters to the gentleman who owned and controlled the charter, which he produced, warning him that he had better have Father Paradis off the board. That letter was read by a gentleman who had put his money into the charter, and expected to build the road. It seems to me nothing can be gained by sending the Bill back to the committee. We had put in two hours on it, listening to all the evidence, and the conclusion was practically unanimous.

Hon. Mr. EDWARDS—It is quite true that I did not hear the second day's proceedings in the committee, but I heard the first day's proceedings, and what I am arguing for it not what one gentleman or another may have said. What I am arguing for is a sound principle, that parliament having granted a charter should not step in and interfere with the internal matters of a company so chartered. I am not defending Father Paradis at all, nor finding fault with any one on the other side, but I contend firmly for the principle that parliament should not interfere with the internal affairs of the company in this respect. It is evident to every one that there is a quarrel between them. This parliament granted the charter, and under it certain provisional directors are named. It is quite in order for that company to meet. They have never met. They admit that. When they meet they can arrange their own affairs, and I hold that it is entirely improper for parliament to interfere. The hon. gentleman from Lincoln made the statement that I was disrespectful to the committee in my action. I am not here to represent the views of any committee. I have a right to my own opinion, and it is my opinion, and always will be my opinion, that parliament should not be exactly as paternal as parliament sometimes assumes to be. The internal affairs of a company should be dealt with by the members of the company, and parliament should not interfere at all until it becomes evident that it is absolutely necessary in the interests of the people that it should do so. There is no evidence that that is the condition in this case.

Hon. Mr. KERR (Toronto)—I want to call attention——

Hon. Mr. MACDONALD (B.C.)—The hon. gentleman has spoken.

Hon. Mr. KERR (Toronto)—I have a right to speak to the amendment. What I want to point out is this : that the general rule or principle that the hon. gentleman from the Ottawa district has cited is a very sound one, and I should like to see it applied; but this is entirely different. This is not the case of a company coming to have a director removed. It is the case of a company who has had a charter with this gentleman's name in it, and the time for the operation of the charter has expired or is about to expire, and parliament is practically granting a new charter for a new company, and it says the conditions and terms on which they should grant it is without that name in it.

Hon. Mr. McGREGOR—Just before the hon. gentleman from Rockland rose to speak I was about to express the same opinion as he has placed before the House. I entirely agree with the position he takes.

The SPEAKER—It is moved by the hon. gentleman from Rockland that this Bill be referred back to committee, and then it is moved in amendment by the hon. gentleman from Lincoln that the report be concurred in.

Hon. Mr. LANDRY—The main motion is the concurrence.

Hon. Mr. MILLER—Hear, hear.

The SPEAKER—I quite agree that in an ordinary case, the hon. gentleman would be right ; but this Bill appears to be singular in various respects, and as a matter of fact no motion was made for concurrence in the report. Some hon. gentleman moved, but the motion was not seconded, and no question was put, and some hon. gentleman —the Hon. Mr. Tessier, I think—moved that

the further consideration of the report be postponed till a future day. When the consideration of the amendment came up today it was moved by Hon. Mr. Edwards—and that was the first motion—that the report be referred back to the committee. Then it was perfectly legitimate for the hon. gentleman from Lincoln to move that the amendments be concurred in.

Hon. Mr. LANDRY—Allow me a word in explanation.

Hon. Mr. YOUNG—Order. The Speaker has given his ruling.

Hon. Mr. LANDRY—I want to know if there is any motion at all?

Hon. MEMBERS—Order, order.

Hon. Mr. LANDRY—If there is no motion at all why should—

Hon. MEMBERS—Order, order.

Hon. Mr. FERGUSON—The hon. gentleman has the consent of the chair.

Hon. Mr. LANDRY—If that Bill was in the orders of the day, does that fact not suppose there was a motion to refer it?

The SPEAKER—The report got on our order paper from the motion moved by the Hon. Mr. Tessier, seconded by the Hon. Mr. Landry, that the further consideration of the report be postponed, and it was postponed, so that the hon. gentleman from Rockland might be present; the hon. gentleman from Rockland being present today and having to deal with the report of the committee, moved that the report be referred back to the committee, and then the hon. gentleman from Lincoln moved that the amendments recommended by the committee be concurred in.

The House divided on the amendment, which was carried on the following division:

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Hon. Mr. MILLER—I paired with the Hon. Mr. Sullivan.

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

Hon. Mr. LANDRY—I rise to a point of order. I do not think the hon. gentleman has a right to make that motion when the hon. gentleman in charge of the Bill is here.

Hon. Mr. WILSON—The Bill is the property of the House, and after the report of the committee has been adopted anyone can move that the Bill be proceeded with.

Hon. Mr. EDWARDS—It seems to me to be futile to offer any further opposition. I am not going to raise any objection.

The Bill was read the third time and passed.

SECOND READINGS.

Bill (123) An Act to incorporate the Kingston and Dominion Central Railway Company.—(Hon. Mr. Sullivan.)

Bill (126) An Act respecting certain Patents of Siegfried Gironcoli.—(Hon. Mr. Poirier.)

Bill (130) An Act respecting the Huron and Ontario Railway Company.—(Hon. Mr. Kerr, Cobourg.)

CANADA TEMPERANCE ACT AMENDMENT BILL.

Hon. Mr. LOVITT moved the second reading of Bill (119) An Act to amend the Canada Temperance Act.

Hon. Sir JOHN CARLING—Will the hon. gentleman explain the Bill?

Hon. Mr. LOVITT—It is a copy of the old law with the exception of the words 'With or without hard labour.' It gives the magistrate the option of inflicting hard labour.

Hon. Mr. SCOTT—This Bill has passed the House of Commons, and it is asked for by a considerable number of persons in the

provinces, particularly in Nova Scotia, where the Canada Temperance Act is in force, and in the county from which the promoter of the Bill comes, I am informed, a license has not been issued for over forty years. At the same time, there is a pretty general sale of liquor by men of straw, who are put up at the instance of other parties, and who, when called upon to pay a fine, are quite unable to do so. This Bill, therefore, provides a month's imprisonment for the first offence. Under the law as it stood the penalties are not different from the penalties under this Bill. It is simply the substitution for the earlier penalties of imprisonment. Under the law as it stands, a man had to be convicted, I think, twice before he could be imprisoned. I will read the words of the statute as they stand now. They are exactly the same down to the twelfth line. The clause of the present Bill reads as follows :

100. Every one who, by himself, his clerk, servant or agent, exposes or keeps for sale, or directly or indirectly, on any pretense or by any device, sells or barters, or in consideration of the purchase of any other property, gives to any other person any intoxicating liquor, in violation of the second part of this Act, shall, on summary conviction, be liable to a penalty for the first offence of not less than fifty dollars, or imprisonment for a term not exceeding one month, with or without hard labour, and for a second offence to a fine of not less than one hundred dollars, or imprisonment for two months, with or without hard labour, and for the third and every subsequent offence, to imprisonment for a term not exceeding four months, with or without hard labour.

This proposes to give the power of imprisonment at the earlier stages, not waiting for the commission of the third offence. The penalties are the same, fifty dollars for the first, and a hundred dollars for the second. The only change really is in the imprisonment, the imprisonment being rather at the earlier stages than on the third condition.

Hon. Mr. MILLER—My attention has been called to the fact that this gives very arbitrary powers to magistrates without any appeal.

Hon. Mr. SCOTT—It does not change the law as it stood with reference to the question of appeal in any way.

Hon. Mr. MILLER—I was told that it did.

Hon. Mr. SCOTT—No. Under the law as it stood, imprisonment could not be imposed except after the second offence. It must be on the third charge that imprisonment should be imposed. This Bill proposes to allow the convicting magistrate to impose imprisonment on the first and second offences.

Hon. Mr. LANDRY—Is that a government Bill ?

Hon. Mr. SCOTT—No, it is not. As I happen to be familiar with the law, Mr. Lovitt asked me to speak about it.

Hon. Mr. CLORAN—I should like to say a word or two with regard to the principle of the Bill before it is endorsed. I understand it went through the House of Commons without any scrutiny and it is now in the hands of the hon. senators.

Hon. Mr. McGREGOR—Where did you understand that ?

Hon. Mr. CLORAN—From parties interested on both sides of the question—those who want the amendment and those who are opposed to it. At the present moment I speak not only on behalf of those who are opposed to the amendment of the law, but from my experience in regard to the administration of license law. The amendment proposes to place in the hands of the magistrates who are charged with the administration of the license law, whether under the Scott Act or under the provincial license law, it proposes to put in their hands power which would be dangerous. I am not speaking now from personal experience but from what I have heard from persons who are suffering from the administration of justice. Statements are made that magistrates in certain counties where the Scott Act is enforced, have too much power already. This amendment proposes to give them further power, namely, to send a man to jail with hard labour. To-day their powers are restricted to fine and imprisonment, or both. These defendants can be sentenced to hard labour—they cannot be called criminals because that has been decided in Quebec, in a case in which I took part, that a man violating the license law is not a criminal. I was prosecutor in a case in which I asked the court to have the defendant sentenced to the penitentiary on that ground, but the court would not hold with me. It is a serious thing to put in the heads of ordinary magistrates such

a power. I have here a statement made on behalf of the interests which are opposed to this amendment. It is a circular sent forth by the Nova Scotia Hotel Association. I suppose these men have some rights, as well as the men who are favouring the amendment. I will not assume responsibility for the statement, but this is the statement which they send out and for which they are responsible :

> We further beg leave to point out that there is no appeal from the magistrate's court, who, in most cases, is not graced with legal acumen, but is selected mostly for his known sympathy with the prosecution and has been known on several occasions to carry a typewritten judgment, in favour of the inspector, with him for immediate use after the trial. His prejudices being one-sided, he frequently convicts without evidence worthy of the name.

Now, that is a very serious charge made against the magistracy of this country.

Hon. Mr. McGREGOR—Who is making it?

Hon. Mr. CLORAN—The Hotel Association of Nova Scotia, signed by D. McDermott, secretary, I suppose a responsible body. We have a similar association in Ontario, the Licensed Victuallers, a very respectable body, who cater to the wants of the public, and I suppose the Nova Scotia Hotel Association is on a similar basis, and commands the respect of the community in which they reside. This is the statement made by that association, so that I do not think it is proper to ask this House to consent at once to endorse the principle of increasing the power of magistrates who are able to act this way. I am speaking on behalf of people I do not know, but I like fair-play and justice. I know in our own province, Quebec, there is great repugnance to inflicting upon the defendant in a liquor case the full penalty of the law. I know in my own case, as prosecutor, the judges have asked me time and again to allow the minimum penalty to be inflicted. It depends upon circumstances whether the offence against the law is a serious or a trivial one. A hotel-keeper who will give liquor to a child or a drunken man is not in the same position as the hotel-keeper who will sell liquor to a man who comes off the train at three o'clock in the morning, and wants a stimulant ; and we cannot put these discretionary matters in the law. So that to increase the power of magistrates who are openly charged before the Senate and before the public as being incompetent to administer the law as it exists, would not be proper.

Hon. Mr. FERGUSON—This Bill only interests, directly at all events, such parts of the country as have adopted the Canada Temperance Act. I believe that is not the state of the affairs in the larger provinces of Quebec and Ontario. In Quebec the evil effects which my hon. friend appears to anticipate, will have no effect because the Canada Temperance Act is not adopted there. I come from a province where we have the Canada Temperance Act in force in all the counties, and I may say there is a very strong feeling amongst the people of the province of Prince Edward Island in favour of making the provisions of that law more stringent than they are.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. FERGUSON—I do not know that the present amendment has been suggested from my province in any way. I have not heard that it was, but I do know from the knowledge I have of the people there, and their views on this question, that they regard this as a very useful amendment in helping them to carry out what is the will of the people of the province of Prince Edward Island or the will of the majority of them.

Hon. Mr. McSWEENEY—I come from a province in many parts of which we have the Canada Temperance Act. In the city to which I belong we have had it for twenty-two years, and I must say it has worked very badly. Before we had the Canada Temperance Act we had thirteen houses where liquor was sold under licenses. Under the Canada Temperance Act we have fifty people selling without license, and they have been at it for twenty-three years. It is going from bad to worse, and I am perfectly satisfied that instead of decreasing drunkenness is increasing. I see many people now under the influence of liquor, particularly on Sunday, minors passing in the place where I live, half dozen at a time, drunk, and I never saw it under the old license law. They have made every effort to improve the condition of affairs. They have sent some to Dorchester ; they have fined others, and imprisoned some, yet still it is worse than ever. What are the facts ?

In the first election, in 1884, the Temperance Act was carried by a majority of thirty-one. In a district (Ward No. 5) where the majority of the liquor-sellers were, the vote stood forty-one to ten. Those people were perfectly satisfied ; it suited them down, because they knew that under a license law they could not get a license, but under the Scott Act they could sell without license, and they have been selling. Who are the people that are now fined ? The respectable hotel-keepers, who run houses to accommodate the public ; while the illicit sellers are not touched. In Moncton they have an arrangement by which they fine the leading hotel people fifty dollars every quarter, which is equal to a license fee of $200 a year. In Fredericton they are doing the same thing, and all over the provinces the Act is a dead failure. It is the same in Prince Edward Island, as the returns show. There is more rum brought into Prince Edward Island now than ever there was. In some parts of Nova Scotia, where the Scott Act is in force, it is a dead letter. It is so in Cape Breton. It is a perfect humbug to amend this law. Under the present Act there is a fine of not less than fifty dollars for the first offence, and this law is to be administered by the magistrates throughout the country, many of whom, as we know, are irresponsible people, and it is proposed to give these magistrates power to add to the fine, imprisonment at hard labour. Look at the position in which that puts a respectable man.

Hon. Mr. WILSON—A man who violates the law is not respectable.

Hon. Mr. McSWEENEY—The proprietor of the Queen's hotel in Fredericton was put in jail for violating the law, and he had a perfect levee in jail, and the very first man that called on him was the Anglican Bishop. What is the use of having a law on the statutes which is a dead letter ? For a second offence, the fine is the same as for the first, but for the third offence there is added two months' imprisonment.

Hon. Mr. SCOTT—For the third offence the punishment is the same as the present law.

Hon. Mr. McSWEENEY—They have added two months. It was two months' imprisonment, now it is 'not exceeding four months.' It is a bad Act.

Hon. Mr. McGREGOR—I am sorry I cannot agree with the hon. gentleman from Northumberland.

Hon. Mr. McSWEENEY—I am sorry too.

Hon. Mr. McGREGOR—This assertion that the sale of liquor has been increased because of the Temperance Act is all nonsense, and is always the argument used by those who violate the law. In the county from which I come the Act has been in force for years.

Hon. Mr. McSWEENEY—How does it work ?

Hon. Mr. McGREGOR—Very well. Those who violate the law say there is more liquor sold than before we had the law, but that is absurd. In any business the more public you make it, the more business you do. The more stores you have, the more you will sell, and the man who says that because you have a more stringent law there will be more people to buy liquor and get drunk, states what is absurd. Some hon. members besides myself have received a circular from the Nova Scotia Hotel Association. I consider the sending of such a circular to hon. members a piece of impropriety. Some of the members of this association are violators of the law, and they are the people who are anxious to have the Scott Act repealed. The circular states :

> We further beg leave to point out that there is no appeal from a magistrate's court, who is not in most cases graced with legal acumen, but is selected mostly for his known sympathy with the prosecution, and has been known on several occasions to carry a typewritten judgment in favour of the inspector with him for immediate use after the trial. His sympathies being one-sided, he frequently convicts without evidenec worthy the name.

I never heard of such a thing. I do not believe there is a justice in the county where I live who would be guilty of carrying a typewritten judgment in his pocket, ready to be delivered before he heard the evidence. I am sorry to have to make these remarks, but they are called for by the language of the circular. Who are the people who are anxious about this ? The circular says :

> We further beg leave to point out the visionary character of the men who are hounding on legislation of this sort.

What are the difficulties now? When these hotelmen are convicted of a first offence, and afterwards of a second offence, they drop out and hire a young man to take charge of the bar. He will be fined for a first and second offence also. They never will get a third conviction against him. For the first and second offence they go to the prosecutor and say, 'we accept service and will confess judgment,' and then they change bar-keepers, and the trouble is you can never catch them on a third offence. They are afraid that the magistrates may have the power to imprison them at hard labour for violating the law. I approve of the Bill and shall give it my support.

Hon. Mr. McMULLEN—We should be very careful about adopting this clause. The Scott Act is a permissive law; each municipality must adopt it before it goes into force. It has been adopted in many parts of Canada; if we now amend its provisions and declare that a first violation of the law renders the offender liable to imprisonment, we insert a penalty which the law did not contain when it was adopted by the people.

Hon. Mr. CLORAN—That is a good point.

Hon. Mr. McMULLEN—If we so amend a law, and a case arises under it which is carried to the higher courts. I am inclined to think the conviction would be quashed on the ground that the conviction was under a law which was not adopted by the people. Can parliament amend a permissive law of that kind and insert provisions which have not been adopted by the people? The point is well worthy of consideration. I have known cases where men have been, unfortunately, tempted to sell liquor in violation of the law. If those men could on a first offence be sent to jail for thirty days, it would be a very serious and arbitrary act. I do not like the idea of giving a police magistrate power to impose such a penalty.

Hon. Mr. DOMVILLE—We have had a trial of the Scott Act. The people of Ontario must have had some wisdom when they tried it and kicked it out. In the province of Quebec the experience has been the same, and they now echo the sentiment of the song:

Hang his eyes if ever he tries to rob a poor man of his beer.

Hon. Mr. McGREGOR.

Instead of passing this Bill, it would be better if the government introduced a Bill to repeal the present Act, and if such legislation is considered expedient to pass a law applicable to all parts of Canada alike. Is it right to give the people of Ontario the power to decide what they shall eat, drink and wear and deny to the people of the maritime provinces the same freedom, if by a catch vote this Act can be brought into force? By the revenue returns, we find that the consumption of liquor is increasing in this country and it must be used surreptitiously in many parts of the Dominion where the Scott Act is in force. The government have no objection to drawing a revenue from the importation and sale of liquor, and they should not sanction such legislation as this. This measure proposes to put a terrible instrument in the hands of country magistrates, whose intentions may be good, but whose prejudice might lead them to render unfair decisions from which, as I understand, there is no appeal. It might often happen that a worthy man who furnishes ale to his guests, might be sent by a vindictive magistrate to prison, as was done in Fredericton in the case of Mr. Edwards, a very respectable man. We know how it works in the maritime provinces. The fines are imposed as the substitute for license fees. I am not justifying the use of liquor; I am objecting to putting an arbitrary power in the hands of the magistrate. Under present conditions a respectable hotelkeeper pays fines amounting to $200 a year; under this Bill, by threatening imprisonment, the fines could be increased to $300 per year. I ask the hon. Secretary of State to take time to consider this question, and the promotor of the Bill to allow it to stand until next week.

Hon. Mr. LOVITT—It has already been hanging over for some time.

Hon. Mr. SCOTT—It can be discussed in committee.

Hon. Mr. DOMVILLE—I am opposed to the principle of the Bill, and I do not want to affirm the principle by voting for a second reading. I should have to ask the House to divide on the question whether it is right to give a magistrate the arbitrary power of sending a man to jail because he has sold liquor. It is not a question whether the temperance principle is right or

wrong, but whether such an arbitrary act may be committed under a law which is in force, in my opinion, unfortunately, in the maritime provinces. My friends tell me that it is not working well, that it would be better to have a high license Act, and not lead people to drink in secret. Let us have a high license Act and proper inspection, and see that only good liquors are sold. I shall move the adjournment of the debate.

Hon. Mr. CLORAN—In view of the very serious point raised by the hon. senator from Wellington, I think it would be in the interest of the administration of the law to submit the point to the Department of Justice whether this amendment is ultra vires or not. We should have an opinion on that before passing the Bill.

Hon. Mr. LOVITT—The Minister of Justice put this through the House of Commons.

Hon. Mr. CLORAN—This point was not raised.

The motion was agreed to.

Hon. Mr. SCOTT moved that when the House adjourns it stand adjourned until Tuesday at three o'clock.

Hon. Mr. DOMVILLE—I would point out that our witnesses are here at great disadvantage to themselves, and great loss of money and time. They are prepared to go on with the investigation into the condition of the Mutual Reserve Fund Association. They would have gone off to-day at four o'clock to their homes had they known that this adjournment was to be proposed.

The SPEAKER—The hon. gentleman has a right to object to the adjournment.

Hon. Mr. DOMVILLE—Then I object.

The Senate adjourned until Monday next.

THE SENATE.

Ottawa, Monday, June 27, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

ICE-BREAKERS ON THE ST. LAWRENCE.

INQUIRY.

Hon. Sir MACKENZIE BOWELL rose to :

Call the attention of the government to the following despatch from Montreal, published in the Toronto 'Globe,' of the 17th May :

(Special despatch to the 'Globe.'

Montreal, May 16.—Captain Spain and Lieut.-Colonel Anderson, of the Department of Marine and Fisheries, held a conference here to-day with a number of harbour commissioners and shippers in order to get an expression of opinion regarding the government's proposal to place ice-breakers on the St. Lawrence to prolong the season of navigation. Captain Spain drew attention to the fact that $300,000 had been placed in the Dominion estimates for an ice-breaker. While nothing had been decided upon definitely, it was thought that a vessel measuring 200 feet long, 43 feet beam and drawing 18 feet of water would about fill the bill. He was of opinion that Armstrong, Whitworth & Company, of Newcastle-on-Tyne, would be the builders, as they had more experience than any other company, they being the builders of the Russian ice-breaker 'Ermak' and other large vessels.

Colonel Anderson remarked that it would require a larger vessel to do the work below Quebec, and intimated that the government had in hand the question of placing a vessel of sufficient capacity to keep the ice out of Cape Rouge.

Mr. Thomas Harling, of the Canadian Ocean and Inland Company, who recently returned from England, said that he had a conversation with Mr. Miller, of Armstrong, Whitworth & Company, the builders of the 'Ermak,' and that the experience with these ice-breakers had been very satisfactory indeed. He suggested that with the ice-breaker might be also a wrecking steamer, the only additional equipment required being pumps.

A resolution was passed, approving of the scheme for the winter season of 1904-5, the government to have at least one breaker.

And inquired :

1. Whether it is the intention of the government to purchase ice-breakers ?
2. If so, how many ?
3. Have tenders been asked for in connection with the construction of these ice-breakers ?
4. If so, was any Canadian ship-building firm asked to tender, and if so, what firm or firms were asked to tender ?
5. If tenders have not yet been asked for, is it the intention of the government to invite tenders from Canadian ship-builders ?
6. Has the government committed itself to any firm or individual to purchase one or more of these ice-breakers ?
7. If no Canadian ship-building firm has been asked to tender for one or more of these ice-breakers, what are the reasons why such tenders were not asked ?

Hon. Mr. SCOTT—The answers to the hon. gentleman's question are as follows :

1. Yes.
2. Two.
3. Yes.
4. No Canadian ship-building firm was asked to tender, for the reason that after consulting with the Canadian firms and stating that these vessels must be ready and on their stations on or before the first of December, it was deemed quite impossible for any firm in this country to be able to carry out the contract in such a short time :

moreover, it was considered advisable to get tenders from firms which have a specialty of building this kind of vessel.

5. When another ice-breaker is required, it is the intention of the government to have the same constructed in Canada. I may say here the proposal of the minister was that on the upper lakes there should be an ice-breaker or two and that they would, necessarily, be built in Canada.

6. Yes. One of these boats is under construction, to be delivered at Quebec on the 1st of December, 1904.

Question No. 7 is answered by No. 4.

I understood they were rather for the lower St. Lawrence, and another reason which I heard given, which is not in these answers, was that they necessarily could not pass through the lakes—those that would be required in the lower St. Lawrence. If I understood the minister correctly the ice-breakers required for the upper lakes would be built in Canada.

Hon. Mr. MACDONALD (B.C.)—Where were the Russian ice-breakers constructed ? In England ?

Hon. Mr. SCOTT—I really do not know.

Hon. Sir MACKENZIE BOWELL—Under the circumstances, I suppose there would be no objection to bring down the correspondence. I therefore move, seconded by the Hon. Mr. Ferguson :

That an humble address be presented to His Excellency the Governor General ; praying that His Excellency will cause to be laid on the table of the Senate, copies of all correspondence with ship-builders and others, relating to the purchase, or building of ice-breakers, for use on the St. Lawrence, or other Canadian waters.

My reasons for asking these questions were, first, that I am not aware that any appropriation has been yet made by parliament authorizing the purchase of these ice-breakers. If such be the case, it is only another evidence of the government taking upon itself the responsibility of entering into contracts for large amounts of money without authority of parliament. I might, however, be in error, but I think I am not. If ice-breakers are to be obtained I cannot understand why the Canadian ship-builders should not have had an opportunity of stating whether they could furnish them. We do know that the ship-building establishments in Canada have a hard struggle to keep in existence ; that they have a difficulty in finding sufficient employment at the price received for the construction of ships when they come in competition with those from other countries. Under the circumstances, the Canadian ship-builders should have an opportunity at least of tendering for this work. The English ships built under the Merchants' Shipping Act have a right to come in without payment of duty of any kind. Formerly, vessels bought in the United States were taken to the British ports and there entered under the British registry. If my recollection serves me right the present government have given another interpretation to the law in that respect. I know that during the time of the late government that matter was considered very fully, and under correspondence that took place under the interpretation of the law by law officers of the Crown at that time it was thought we had not the power or authority to exact duty under the circumstances to which I call the attention of the House. While there can be no doubt that under the Merchants Shipping Act, an imperial Act, British vessels could come in without payment of duty, it was a grave question whether a United States vessel or a vessel built and owned in the United States could be taken to a British port and there registered and admitted free of duty as a British vessel. I know that was the interpretation put upon the law at that time, and it was acted upon. Expressing my own individual opinion, I am very glad to see that the government have taken this course, because it is another step towards protecting the ship-building industry of Canada. There are ice-breakers on the Detroit river which were built in Canada, I understand, and if they could be built in Canada why should not an opportunity be given to Canadian ship-builders to supply whatever may be required for use on the St. Lawrence ? There may be, as the hon. gentleman has pointed out, a question as to whether the ships of the size that would be required could be taken through the St. Lawrence canals to the lower ports. The government have shipyards where they build their own dredges and do other work of that kind. We have in Ontario, the Polson works and the Bertram works, Toronto, and a ship-building establishment at Col-

lingwood, besides the government establishment, and some of them have already built ice-breakers. However, when we get the correspondence we can better judge the reasons why Canadian ship-builders have been ignored. I suppose there are ship-building establishments in the maritime provinces. Whether they have the appliances necessary for constructing ice-breakers of the character required to keep the St. Lawrence open, I am not prepared to say, but I think in all cases of this kind where Canadian industries can be employed, the work should be given to them. I am glad to learn that if ice-breakers should be required for the upper lakes they will be constructed by Canadian ship-builders. I am quite satisfied that if our Canadian establishments were given sufficient time they would be able to supply the government with all the vessels of this kind that may be required.

Hon. Mr. SCOTT—The policy of the government is quite in accord with the line my hon. friend has indicated, and it was only exceptional circumstances that prevented the government following it in this instance. A few months ago an agitation arose as to the propriety of keeping the St. Lawrence river open below Quebec. It was thought that by doing so we could extend the season of navigation. That was the first suggestion that prompted the making of the order, and the minister entrusted with the order, as we are advised here, ascertained that the Canadian firms would not be in a position to deliver ice-breakers as early as they would be really needed. If they are built on the upper lakes there would be a difficulty in getting them to the lower St. Lawrence. There will no doubt be more ice-breakers required if we are to lengthen the season of navigation on Lake Superior. It has been suggested that by the use of ice-breakers the lake ports could be kept open ten or fifteen days longer in the fall. Even that would be a very valuable extension—and ice-breakers might be built for that purpose on the upper lakes. Speaking from my own experience, the best ice-breaker that I have ever seen was that used at the Straits of Mackinaw. I have gone across the Straits in mid-winter when there was a solid mass of ice to be broken through, even at the docks, before the vessel could get out, she had to break a way for herself and work out in that most difficult channel. It struck me that nothing could be stronger or more effective than the ice-breaker I saw there. In regard to the other question, the Merchants Shipping Act, my hon. friend is aware that owing to representations made by the present government the law has been changed. Formerly it was found that a foreign vessel registered in a colony such as Newfoundland, for instance, could come into Canada and compete for Canadian trade. That seemed very improper, and the objection to it became apparent at last, and we were able to remove the objection.

Hon. Sir MACKENZIE BOWELL—The law has not been changed.

Hon. Mr. SCOTT—I do not think the statute is.

Hon. Sir MACKENZIE BOWELL—The interpretation of the law has been changed. Has there been any appropriation taken by parliament or authority given for entering into these contracts ?

Hon. Mr. SCOTT—There are now, I think, two or three Bills that really have not been printed yet, and I presume the appropriation will be found in one of those Bills when they come down. The supplementary estimates for the coming year, have not been printed yet and I hope they will contain something of the kind.

Hon. Sir MACKENZIE BOWELL—The government has taken the responsibility of entering into contracts involving the expenditure of hundreds of thousands of dollars without consulting parliament ?

Hon. Mr. SCOTT—We have confidence enough in parliament that they will vote the money.

CANADA TEMPERANCE ACT AMENDMENT BILL.

SECOND READING.

The Order of the Day being called :

Resuming the adjourned debate on the second reading (Bill 119) An Act to amend the Canada Temperance Act.—(Hon. Mr. Domville.)

Hon. Mr. DOMVILLE said : When I moved the adjournment of the debate it was not with any view of causing obstruction, nor was it with any view of expressing an opinion as to the legality of this clause until

I could consult with some legal men. It was not unreasonable to expect that those responsible for the legislation of parliament should have time to think what they were doing, and what effect such legislation as this might have on the public or on individuals. I have not changed my mind on this subject since I spoke last. It strikes me that if parliament allows the manufacture and sale of liquor in the country and derive a large revenue from the six or eight million gallons of spirits manufactured by our distillers, it is somewhat unfair that a portion of the community which may be influenced by prejudice are to be allowed to trample on the rights of others. This is a permissive Act and we know how it has worked where it has been tried. It has proved a failure in Ontario and Quebec. Evidently a majority of the people think, whether wisely or unwisely, that they should have a right to use spirit. I for one should be very sorry to set myself up as a judge as to what people should drink, in view of the fact that Her Majesty used liquor and the present King uses it. Why should we interfere with a poor man's chance of earning an honest livelihood, by keeping a hotel and supplying his guests with refreshments. I have been round a good deal, and I find that guests do not stay long at a temperance hotel. In my own county the Act has been adopted, and we all know how difficult it is to repeal the Act when it is once in force. People do not choose to go to the front and express an opinion against the temperance people. I respect the clergy to a considerable extent, but I do not follow them very far. I would find it difficult to decide which denomination I would belong to. All of them have something good, and so it is with this temperance question. One man says if you drink alcohol it is bad for you, that is as a beverage, but if you take it as a medicine it is all right. In our county, if you want liquor as a medicine you can get all you want.

Hon. Mr. MACDONALD (B.C.)—And sometimes more than you want.

Hon. Mr. DOMVILLE—Yes, sometimes. In this age of enlightenment, with the Liberal party in power, it seems strange that people should be found anywhere who seek the power of arbitrarily coercing their brothers. Why should they undertake to reclaim the world ? Is the ordinary man who differs in opinion from them to be made the victim of some magistrate who would send him to jail at hard labour, because he supplies his guests with liquor ? There is a good deal to be said on the liquor question. The government should appoint inspectors to see that only good liquor is sold. Under this wretched Act young men who might, perhaps, be satisfied with one drink at a bar, secure it by the bottle now, and do not stop until the bottle is finished. Why this legislation is to be forced upon unwilling people I cannot understand. I have no doubt by the legal advice I have obtained that if this measure is in force there will be no end of litigation. There is a new plea coming up. They say the law which they voted for is not the law which will be in force under this amendment, and there will be five hundred cases right away in regard to this matter. Every man who is fined will set that up as a defence. Would it not be better for us to do one of two things ? If this honourable body feels that there should be prohibition, bring in a prohibitive Act to prevent the manufacture, sale or consumption of liquor in the country. If they think that liquor must be produced here and used, why not make the manufacture of it a government monopoly ? Let us have a spiritual minister, and adopt the Gothenberg system which has worked so well in Sweden, by which the state gets all the revenue, and there is no object in selling to make money out of it. The distillers have a right, under the existing law, to carry on their business, and they make a grtat profit out of the manufacture of liquor, which the government could, under the Swedish system, have a part of the revenue of the country.

I do not hesitate to say, with the growing population we have, that if the government took that matter up we would hardly require any taxes at all. The profit on 6,000,000 gallons of alcohol or whisky would give us such a revenue as would largely go to redeem the public debt or give us a large surplus for public improvement ; but some people do not think that. On the other hand, if selling liquor is such a criminal Act that a magistrate can commit a man to jail on the first offence, why not abolish the Act altogether ? There is one of two things that

must happen in this country, and there is no use in hiding behind the bush. We must have freedom all over, or we must compel the people to be temperance men if it is possible for them to be so. I do not think there is any line to be drawn between the two. I speak with every respect to the temperance people. I respect all the clergy, and I speak with respect of the members of this House and elsewhere who may have the desire to help their brother men. We all know that a great many public men have been unfortunate in respect of their drinking habits, but a friend told me the other day that on looking over the House of Commons and the Senate he found that of the old members the only survivors are those that took some whisky. The rest are all gone. It is a very funny statement, but looking at a picture of some eighty or ninety members of this House the only survivors of the early days of confederation are those who use whisky.

Hon. Mr. McGREGOR—Where is the hon. gentleman from Sarnia ?

Hon. Mr. DOMVILLE—He was not in that picture ; but the hon. gentleman from Sarnia, on a pinch, I think, would not object to anybody taking something for his stomach's sake or for his many infirmities. I feel that this is a serious matter. I come from St. John, in the county of King's, where we have good, law-abiding citizens. Men who try to do their best, men standing up for the constitution of the country, men who sent out their sons to South Africa to fight for the liberty of British subjects there, are to-day met with this Bill which says they must go to jail if they sell liquor—not only go to jail but imprisonment with hard labour. If that is fair-play I cannot see it.

Hon. Mr. McGREGOR—They would be the better of a little exercise.

Hon. Mr. DOMVILLE—Then they had better send them to the Senate and they would get lots of exercise because they could walk up and down the corridors. I think hon. gentlemen should consider this Bill. There are many of them interested, and it seems to me that this matter should be postponed to another session. It may have merit in it, that I do not see at the moment. I am entirely opposed to this Bill being passed in its present state. If anything is to be done it should be in a different shape. I do not think I have endeavoured in any way to prejudice the case.

Hon. Mr. SCOTT—Oh, oh.

Hon. Mr. DOMVILLE—What does the hon. gentleman say ?

Hon. Mr. SCOTT—Just a mere exclamation of surprise.

Hon. Mr. DOMVILLE—It does not take much to surprise the hon. gentleman. I have been more surprised than he has.

Hon. Mr. PERLEY—The hon. gentleman will be surprised before the end of the session.

Hon. Mr. DOMVILLE—I do not know what is coming. I suppose I have to meet the great future as well as anybody else. I would ask the Senate to consider this matter and let it stand over for another year. Then we might get a general expression all round and might arrive at a better conclusion. I am entirely opposed to this Bill.

Hon. Mr. BAIRD—I have listened with considerable attention to the last speaker and I fail to see that he has advanced any strong arguments in opposition to the measure now before us. His one argument is that the government collect duty upon liquor, allow it to be manufactured, and therefore it should be sold. The government take very good care not to allow it to be sold where the majority is against its being sold, and this Bill only applies to counties which have the Scott Act where the majority of people are opposed to the sale of liquor on any terms, and I can see no reason why this House should not give them the proper machinery for working it out. A great many people have said that the Scott Act is a failure. It has done an immense good to the country. In the counties adjoining the county in which I reside I know parts of the country where liquor was formerly sold every five or six miles and I can truthfully say that the Scott Act has completely abolished the sale of liquor in every district where it is in force.

Hon. Mr. McSWEENEY—Is it in force in your county ?

Hon. Mr. BAIRD—No, but it is in the adjoining county. We never tested it in my county because we felt the majority would

not vote for it ; but in the adjoining county they have had the Act in force, I think, from the second year after it became law, and it has completely abolished the sale of liquor in the country districts. There is only one small town where it is sold, and there is very little sold there. I am in favour of this Bill, because I think it will be the means of helping to carry out the object of the Act. No persons need feel alarmed about the working of this measure if they are not offenders. Following out the logical conclusion of the argument which the hon. gentleman has just made, the more stringent you make the law the more people there will be who will violate it. If that be the case, then, we had better repeal all the laws upon our statute-book against forgery, theft and murder. That would be the logical conclusion of his argument. I believe the Act has done a great good in the different counties in which it has been enforced. Like every other law it will not enforce itself. There must be behind it a good, strong public sentiment in order that it may be operative. It has been a good educator, and it has educated public opinion in every county that has adopted it. I have not any doubt that in the counties in which the Act is enforced it is working well. It is working well in the counties of New Brunswick. Of course there are some places where people sell liquor contrary to law. In that same place there may be people who would commit forgery, who steal, and who sometimes commit murder. There is a very stringent law against these crimes, but we should not, therefore, say that we should abolish all these laws. We find violators of the law all over the country. My idea is to give this law the proper machinery to put it in force and the law will be observed. Therefore I am in favour of the measure.

Hon. Mr. CLORAN—I have no right to speak, as I have already spoken on this question, but I rise to make an explanation in the absence of an hon. member who asked me to mention the matter. The hon. member from London——

An hon. MEMBER—He is a brewer.

Hon. Mr. CLORAN—But a member of this Senate. He desired me to ask this honourable body to permit this Bill to stand over until after the adjournment, which is to take place either to-morrow or Thursday. I am simply laying his request before the House, and I have nothing more to say at present.

Hon. Mr. BLACK—I crave the indulgence of this honourable body while I make a few observations on the Scott Act. Having had for the last fifty years some experience in regard to temperance work, and more particularly in observing the result of temperance efforts in the province of Nova Scotia, I was a little surprised to hear one hon. gentleman, on the occasion of the former debate on this measure, state that is was a dead letter where it was in operation in Nova Scotia.

Hon. Mr. DOMVILLE—If I said Nova Scotia, I meant New Brunswick.

Hon. Mr. BLACK—I don't refer to the hon. gentleman from Rothesay. I refer to the remarks of the hon. gentleman from Westmoreland. My experience in regard to the operation of the Scott Act in various counties where it has been in operation in Nova Scotia is that where there is a strong, healthy, moral temperance sentiment that the Scott Act works admirably, and in places where a very strong anti-temperance feeling obtains that the Scott Act is not so effective, because there is not enough moral influence behind the working of the Act to enforce it. This is a very small matter that we have before us to-day. I do not think it calls for a full discussion of the whole of the temperance enactments in this country. Most of us in the Dominion of Canada believe in responsible government ; and whereas in Nova Scotia, and especially in most of the counties of Nova Scotia, a preponderating influence is in favour of temperance, and in adopting the Scott Act, they had an overwhelming majority. They are only carrying out this permissive measure on the lines of responsible government, and I do not see why any hon. gentleman should say that we are in that instance cramming things down people's throats. On the other hand, I do not know why the man who rebels against this enactment and who violates the law, should send a circular to this honourable Senate of Canada and

protest against any amendment to this Act, he himself being a culprit. It seems to me that it is on a par with a prisoner dictating to the judge what his sentence shall be, for these men to tell us what amendments we should enact in regard to the Temperance Act, and the penalty they should be subject to when they violate this law. I rather think this amendment is of a benevolent character. If a man has violated the law of his country and is incarcerated in prison where he has time to meditate upon his evil, it is rather a relief to that man to give him something to do. I am an industrious man myself, and I think it would be adding horror to confinement to allow a prisoner to have nothing to do but meditate on the number of young men whom he has led astray by his billiard tables and the intoxicating cup and the domestic happiness he has destroyed. I think it is a very benevolent proposition to let that man have something to do. We often hear our anti-temperance friends say, when they are opposing any temperance enactments, that it is in the interest of the friends of temperance. I think it is in the interest of convicted liquor sellers that they should have hard labour rather than let them lie in a moody, silent spirit to meditate upon these evils I have described. I am not one of those who say that everything that temperance people do and want is right. I think they have made mistakes ; they have generally been tinkering with the license business, and they say that in some instances amendments to the license Act have repealed the Scott Act. Well, they have repealed it in cases to which I have referred, where there was a strong feeling against the Act, not where the people were a temperance people and willing to enforce it. In that case we find it easy. But who are the people who want to repeal the Scott Act ? We find all over this country wherever there is an effort to repeal the Scott Act it comes from the violators of the law, and when we find that the men who violate the Scott Act are opposed to any amendments being enacted, it should be a logical reason why we should vote for this amendment. I am not here to say that a man who runs a hotel or perhaps supplies the traveller to whom my hon. friend refers, is not a respectable man. But those are not the men that the Scott Act pinches. The men that the Scott Act takes hold of, are the men that in the lanes and in the dark places set up billiard saloons and open up a gambling rendezvous and entice young men in to gamble and drink. These men cannot lay very good claims to high position. These are the men we want to stop from this nefarious business, and this amendment to the law will teach them that there is something besides paying a paltry fine, that they are to be under a little more stringent penalties. The hon. gentleman from Westmoreland, in discussing the subject the other day, said that these men were respectable men, that it would lead to the incarceration of respectable men. I should like to know how you can call a man respectable who is punished for a violation of the law ? It seems to me illogical. I cannot understand it. I will be excused if I make a very short speech on such a large subject, because this is one of the things upon which the wise men have had something to say and have exhausted their wisdom in regard to it. But I will say that to make this evil doing easy is to make the law lax and inoperative, but to fasten up the channels so that a man cannot sin easily is a matter in the interests of those who should be protected, not the man who wants to make a little money out of an illegal traffic. We want to consider to-day the interests of the great masses of the people, the mothers, the wives, the children, and to make it hard for men who place temptation in the way of men from factories and shops, in order that they may make a little money by their downfall, instead of letting them take their earnings home to their wives and families. I say they appeal more strongly to us, and I hear their voice all over the country saying, 'Sires, Senators, protect our homes.'

Hon. Mr. EDWARDS—I am a very well known tetotaler and have been all my life. But on some points I thoroughly agree with my hon. friend from Rothesay. I have strong misgivings as to prohibitive legislation. This subject has taken a far wider range this afternoon than the matter proposed in this amendment warrants. Just so long as the manufacture of liquor is a legal business in this country, I have my sincere doubts about laws in restriction of the sale

of it, and I, further think that moral suasion will do far more for the temperance question than legislation will. Of course these views come from the fact that I am such a well-known free trader. I do not believe in restriction. Just so long as the manufacturing of any article is legalized——

Hon. Mr. DOMVILLE—And endorsed.

Hon. Mr. EDWARDS—But this question is not involved at all this afternoon. There is on the statute-books of Canada to-day a Temperance Act and, until that Act is repealed, those in the different portions of Canada who desire to avail themselves of the Act have a right to do so. Further, I suppose it is those counties that have the Act in operation, and who desire to make it operative, and who are not able to make it operative because perhaps of the laxity of the law in some respect, are asking for this amendment. They are not asking anything new at all excepting that they may secure prohibition by a more stringent enactment than it is now. It is in consequence of this, I am compelled to vote for the amendment.

Hon. Mr. VIDAL—It may well be supposed from the length of my life and my prominence on the temperance question that I should have something to say with regard to this measure. I entirely concur in the remarks which have been uttered by recent speakers, that we are not dealing with the general question of prohibition. We are dealing with a small matter, the amendment of an Act to make it more operative than it has been found to be hitherto, and if we would confine ourselves to that discussion it need not be much prolonged. I would have no objection whatever to discussing the large and full question, for in my judgment it is a more important one for the country than anything that can be mentioned. I believe that if we could manage in this country of ours to carry a prohibitory law which would do away entirely with the manufacturing and sale of liquor for drinking we would take a position which would give us a high place in the world. Where do we stand to-day? Does Canada not stand high above all civilized countries in this very matter of the use of intoxicating liquors? A smaller proportion is consumed by Canadians individually, in proportion to population, than in any other civilized country in the world. How has that come about? Was it by the efforts of those who are now opposing this Bill, for instance? Have they done anything to bring that state of sobriety into operation in this country? Is it not rather the result of the labours of those who, like myself, have been for sixty years working for this object? Is it not rather the necessary and natural result of the educational influence which has gone out from those opposed to the use of intoxicating liquors? And see what it has done in Canada. Can you go to any other country where you will have public dinners, and large gatherings of people where you will see no liquor brought to the table at all? I can remember in my early days at a public dinner, it might be the Governor General's dinner, where many gentlemen would be under the influence of liquor. It would be wrong to call them drunk, but by the words to which they gave utterance it was quite clear their minds were unhinged and not in the right condition, and that they were doing what would have brought a blush of shame upon their face in their hours of sobriety. To-day spirituous liquor has entirely disappeared from many public functions, and to be a total abstainer brings no reproach as it did in these days I speak of 64 years ago. It cost something to be an abstainer then. A man had to lose a good many social enjoyments and entertainments because of his peculiar views on that score. But the temperance principle has grown so largely that the whole community is educated in the matter and now it is no disgrace to a man to proclaim himself a total abstainer and a prohibitionist. So far from being ashamed of it, I am proud to be classed among them, and it is a pleasing incident in my long life that for 23 years I was president of the Dominion Alliance for the suppression of the liquor traffic. It is not necessary for us to now go into the merits of prohibition as if there were an attempt to repeal the Scott Act. All we are considering to-day is, shall we make more effective a clause which has been found inoperative on account of its defects. That is the whole question before us. We are not even creating an offience, the offence exists now, as has been already mentioned, under the existing law. It is found in counties where

the Scott Act is in force that the violations of the law are such that it is rendered in a great measure inoperative, and the people are asking us to provide a remedy that is in harmony with all the rest of the Act, not introducing a single new feature, unless it may be the increasing of the punishment to which a person would render himself liable for violating the law. It is well known that in many cases where the law is frequently violated and a man is brought before the magistrate, he may be convicted of the offence a dozen times, but the magistrate has seen fit to call each one a first offence, and, consequently, there was no second offence and no increasing of the punishment such as is sought for by this Bill. Adding a little to the term of imprisonment would be better than increasing the money penalty. Many a man engaged in this traffic is quite willing to pay the fines over and over again, but he would not be willing to spend thirty or sixty days in jail. That would be a different matter. Consequently, I think this amendment is necessary to give effect to the legislation already on our statutes, and from whom does the opposition come to-day? Does it come from the counties or provinces where the Act is in operation? Not at all. The main objection comes from the provinces where they know nothing about the working of the Scott Act. The men who are trying to direct us in our legislative duties have no interest as citizens of the country which will be affected by this legislation living in a place where the law is not in operation, and I think that should have some effect in forming our judgment. Shall we give to those who are operating the law and finding it satisfactory, the increased assistance which they require in order to keep it in effect and doing good? I can give statements such as have already been quoted as to the good which has resulted from the Scott Act, and although in Ontario it was repealed, it was not because there was any change of sentiment with respect to the question of prohibition and the value of the law, but simply because it was rendered inoperative, by the authorities of Ontario some years ago who were decidedly opposed to doing the least thing in the world to aid in its enforcement. We were met with the statement: 'It is a Dominion Act and let the Dominion enforce it,' a very unwise statement to make by persons who have charge of the administration of the law in the province, and who should guard it in all respects; but it was really the cause of its repeal in Ontario. Many of the municipalities all over Ontario have been using the more limited power which is conferred upon them by the provincial Act to pass the same kind of law in the municipalities, showing their desire for it, and surely it cannot be forgotten by any of us that the enormous vote which was taken two or three years ago for prohibition in Ontario, shows that it was not regarded as a political party question at all. I think we will only be doing an act of justice and propriety in complying with the request to grant this legislation.

Hon. Mr. POIRIER—On principle I am favourable to all that will do away with the abuse of intoxicating liquor and diminish the use of it. When the Scott Act was passed, I was greatly in favour of it, almost enthusiastic over it, because I thought its effect would be all that was anticipated by the framer of the Act. We have had all sorts of experiences, especially down in the lower provinces, with that Act. I have watched the operations of it with an open mind, starting, as I said, with favourable intentions towards it. I find that, except in a few places, particularly in mining districts, that the Act has not worked satisfactorily. It is in those few places where my hon. friend speaks of, that is in Pictou county and about Sydney, where it has certainly worked well, and why, because public opinion was favourable to the Act; but in most of the other counties, I might say pretty well in all of the other counties it has, if anything worked the other way, and why? Because at no time in the world's history have men been able to enforce sumptuary laws, and this is one of them, if public opinion is against it. Hon. gentlemen know how the kings of England, when they were most powerful, and the kings of France, tried to impose sumptuary laws on their subjects, and how they failed. The Scott Act is a failure wherever it is in force in the lower provinces, except in those few counties I mentioned. In the case of this Bill, in my estimation it is the choosing between the two evils; which is the worst, licensed bars, or the Scott Act? The Scott Act does not prevent the selling of liquor as it is en-

forced in eight-tenths of cases. It is simply a different way of licensing the selling of liquor. A man can get a drink in the open licensed bars, but children are forbidden by law, and a sense of shame prevents older people from taking children to bars. A man would not care to go with a child into an open saloon, and as there are no places to get liquor except in the bars, the consequence is that eggs that are rotten remain rotten; men that drink will continue to drink, but that fresh sound eggs will not be contaminated. Where the Scott Act is, liquor selling is a hidden thing and it works evil in many ways. First, it is an understood thing that a seller of liquor will be convicted if prosecuted. People will go on the sly to places where liquor is sold and get a drink under cover, or will send their children to get it for them. Children will learn to drink, though they would not so readily learn, if the bar-rooms were licensed by the law. For that reason I have come to the conclusion that the Scott Act, however salutary it may appear on the statute-book, and however lofty in its object, has been pretty much of a failure in its application; notwithstanding its comparative failure people will continue the Scott Act where it is in operation, for diverse reasons; though many of them would be glad indeed if it was the other way. Prohibitionists have an air of superior sanctity, I won't call it hypocrisy, but it savours of hypocrisy. The Scott Act favours the breaking of the law, which should not be the case. If we amend the Act, as proposed, and if my conclusions are right, what position will we be in? The Scott Act is an Act that is voted upon and accepted by districts. The government cannot force the Scott Act upon a county. It is optional with the people and must be adopted by a majority of the voters of the county, before it can be brought into operation. Now where the Scott Act has been adopted, the people have voted for the Act as it appears in the statutes, but have not voted for this amendment. What will be the consequence? Here we are dealing with the law which can only be put in force by the legally expressed will of the community. We are forcing an amendment of the Act upon people who have not been called to vote upon it. The first effect will be a bountiful harvest of lawsuits. Lawyers will take exception to it whenever an opportunity occurs, and cases wil be carried to the higher courts, certainly to the Supreme Courts of the provinces.

Hon. Mr. FERGUSON—Is not the hon. gentlemen aware that the parliament of Canada has made many amendments to the Scott Act, and it has never been contended even that the amending of the law would invalidate the Act where it has been adopted?

Hon. Mr. POIRIER—I am not aware that the parliament of Canada have made amendments of this nature.

Hon. Mr. SCOTT—Oh yes, it has.

Hon. Mr. POIRIER—At all events it would be a source of litigation, and the lawyers will reap the benefit of this legislation and there will be no benefit to the public at large. I shall be surprised if it can be shown that amendments of this nature have been made to the Canada Temperance Act. For these reasons and others which I could give, I cannot see my way to support this amendment.

Hon. Mr. BEIQUE—I have no experience in the working of the Scott Act, but so long as it remains on the statutes we should not refuse to amend it so as to make it effective. I would appeal to the hon. gentleman from Shediac (Hon. Mr. Poirier) whether it would not be better, if he disapproves of the Scott Act, to give it a full trial. He objects to it because he says it has not worked well up to the present time. Those who favour the Scott Act ask that they be given the means of properly enforcing it. Let them have the means, and then if it is found that notwithstanding this amendment they are unable to enforce it, possibly parliament would be disposed to support a Bill to repeal the Act. The hon. gentleman from Rothesay, who has spoken against the Bill, is, I believe, a resident of the county of Kings. On turning to the Statistical Year Book of Canada, for 1902, page 628, I find that the Scott Act was carried by a vote of 2,080 to 370. Surely in that case public opinion was strongly in favour of the Act and it should be effective. The hon. member for Shediac (Hon. Mr. Poirier) says that the Act is effective whenever it is favoured by public opinion; the

hon. member for Rothesay must therefore have had experience of a very effective measure in his own county. If it was a law applying to parties holding licenses I should hesitate before adopting this amendment, because the owner of a license might be condemned for the act of his servants, while he himself was acting in good faith; but where the Scott Act is in operation and no license can be issued, I fail to see that anybody on whose premises liquor is sold can be in good faith. He is clearly violating the law, and the law cannot be too severe to prevent the offender continuing to violate the law. I agree with hon. gentlemen who have called the attention of this House to the fact that the question does not involve the consideration of the Scott Act, as to whether it should be continued in force or not. It is on the statutes, and I believe in the principle of that Act, because it is the application of popular government. The voters in each county are given the opportunity of declaring whether the sale of liquors in a county will be permitted. It is a permissive Act, and I believe in it, because it is the means of removing temptation; but whether we favour the Act itself or not, so long as it is on the statutes we should not refuse the means of enforcing it.

Hon. Mr. CLORAN—I understand that I am not in order in moving an amendment, as I have already spoken, but if the House will not permit me to move a motion now other means will be taken.

Hon. Mr. McSWEENEY—I move the adjournment of the House to give the hon. gentleman a chance to move his amendment.

Hon. Mr. FERGUSON—The hon. gentleman cannot move an adjournment, he has already spoken on the question.

The SPEAKER—The hon. gentleman having already spoken, is not in order.

Hon. Mr. CLORAN—If the hon. gentleman was making a motion on the merits of the question I could understand it, but he is merely moving the adjournment of the House which, I understand, a member can do at any time.

The House divided on the motion, which was adopted by the following vote:

Non-contents.

The Hon. Messieurs

McSweeney, Cloran,
Merner, Dobson.
Miller, Domville,
Poirier.—8. McKay (Truro),

Contents:

The Hon. Messieurs

Baird, McGregor,
Béique, McLaren,
Bernier, Montplaisir,
Black, Owens,
Bowell. Perley,
(Sir Mackenzie), Power (Speaker),
Church, Scott,
Coffey, Templeman,
Edwards, Vidal,
Ferguson, Watson,
Fiset, Wood,
Godbout, Yeo,
Lovitt, Young.—26.
Macdonald (P.E.I.),

The Bill was read the second time.

BILLS INTRODUCED.

Bill (29) An Act to incorporate the Canadian Credit Indemnity Company.

Bill (97) An Act respecting the Trans-Canada Railway Company.—(Hon. Mr. Tessier.)

Bill (121) An Act respecting the Century Life Insurance Company.—(Hon. Mr. Perley.)

Bill (122) An Act respecting the Ottawa Fire Insurance Company.—(Hon. Sir Mackenzie Bowell.)

Bill (M) An Act respecting the Pacific Bank of Canada.—(Hon. Mr. Templeman.)

The Senate adjourned until to-morrow.

THE SENATE.

Ottawa, Tuesday, June 28, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

AN ADJOURNMENT.

Hon. Mr. SCOTT—About the end of last week, a number of gentlemen mentioned to me that they would like to be absent during the present week, and as Friday is a holiday, and there would, therefore, be only two sitting days. Wednesday and Thursday, I saw no objection to an adjournment over

this week. I therefore gave the notice on the paper with a view to moving, as I do now :

That when the House adjourns on Tuesday next, it do stand adjourned until the following Tuesday, at three o'clock in the afternoon.

I think it will be more convenient to adjourn this week, than on a later date. During the next fortnight at all events, the House of Commons will be occupied with the estimates, and I do not know of any important measure that is likely to come down. The most important measure before the parliament is the Militia Bill, and that is not in a position yet to be presented to the Senate.

Hon. Mr. WATSON—No doubt all that has been said by the hon. Secretary of State about the business of the House in general is perfectly correct, but I should like to call the attention of hon. gentlemen to the fact that the committee investigating the business of the New York Mutual Reserve Fund Life Association, in Canada, is sitting from day to day. It sat for four hours in the forenoon yesterday : it sat last night and again this morning, and will have another sitting this evening, and I am in hopes it will finish the investigation to-morrow. It is important that the business of the committee should be finished before we adjourn. It is impossible that the committee should sit with the House not in session. It is a matter the Senate should consider before agreeing to an adjournment of the House from to-day. I suggest it would be better to make the motion to adjourn on Thursday. The chances are the committee will be able to complete its work before then.

Hon. Mr. SCOTT—The House has power to authorize the committee to sit during an adjournment.

Hon. Mr. MILLER—In this House it has the necessary power.

Hon. Mr. SCOTT—I personally regard the report of that committee, in whatever direction it may be, as absolutely valueless. It can only damage those interested, and it would be inconsistent with my view to hold the House for the report of a committee in which I can place no confidence whatever. No good can flow from it. The public are well advised of that now, and I am in duty bound to speak candidly on the subject.

Hon. Mr. McMULLEN—I consider it my duty to entirely dissent from the statement the hon. Secretary of State has made to this House, with regard to that committee. The committee has elicited most valuable information in the interests of the policyholders of that company in this country, and I quite agree with the remarks of the hon. gentleman from Portage la Prairie. The committee should conclude its labours before the House rises. There are two or three witnesses here from New York who are staying here day after day expecting to be called upon to give their evidence. These men should be examined and allowed to go home. By to-morrow the business of that committee could be completed, and the report could be printed and ready to be handed in when the House assembles again. It would be much better to do that, and then adjourn for a week, or longer, if business is in a condition that will warrant us in doing so. I met some gentlemen last night who said they expected there was to be a meeting of the Railway Committee to-morrow, and they had made preparations to be here to attend it. They had got notice, they said, that the Railway Committee was to meet on Thursday. The business of the Mutual Reserve Fund Investigation Committee should be wound up before the House rises, and the evidence will be printed and ready for submission to the House when hon. gentlemen return.

Hon. Mr. FERGUSON—I confess I do not feel any great admiration for the investigation into the affairs of the New York Mutual Reserve Fund Life Association ; at the same time we have to deal with things as they are. That investigation was ordered by this House, I think, very unwisely. It was ordered nevertheless by this House, and that being so, and witnesses being present, we should sit until Thursday, or to-morrow at all events, to enable these witnesses to be examined and the investigation brought to a conclusion. Probably it will be found that by doing so, the hon. Secretary of State will be enabled to vary his proposition in such a way as would met the convenience of a very large number of the members of this House. There is something still on our order paper. More business is coming to us. I presume

there will be a report on the Bill introduced by the hon. gentleman from Toronto (Hon. Mr. Kerr) in relation to the Mutual Reserve policy-holders. If this business is attended to to-morrow and Thursday, looking at the state of business in both ends of this building, I believe we could then adjourn until the Tuesday, not of next week, but until Tuesday, the 12th of July, and that the public business would not suffer in consequence. The Lower House will be engaged for a week or two yet on the estimates, and there will be no important business coming from the House of Commons for the next week. We could, therefore, adjourn from Thursday next until the Tuesday of the week following, and we would likely, when we got back, have work to occupy us until the close of the session. I hope the leader of the House will accept the suggestion and give us the adjournment until the 12th July, from Thursday next.

Hon. Mr. BEIQUE—I entirely disagree with the hon. Secretary of State and the hon. gentleman from Marshfield when they say they have no confidence in the work that is being done by the special committee.

Hon. Mr. FERGUSON—I did not say that.

Hon. Mr. BEIQUE—The hon. gentleman said he did not anticipate that any good would result from the investigation, so that it comes to the same thing. For my part I have given a good deal of my time to that investigation, and if I thought that no good would result from it, I surely would have been saved the trouble of sitting on that committee. We may not all be agreed as to the manner in which the proceedings are conducted, but I am sure that good will result from the investigation. If it were only for the purpose of removing from the mind of the public the impression that much more harm is being done than there actually is, and showing exactly to what extent the Canadian policy-holders have been affected, I repeat I am confident that the result of the investigation will be beneficial, and it is important that it should be brought to a close as soon as possible. I do not think it is open to any hon. gentleman in this House to anticipate what may be the report of that committee. There may be majority and minority reports or we may all agree and no hon. member has a right to anticipate the result and say he has no confidence in the result of the investigation. The committee has been appointed by this honourable House and everybody must submit to that decision, and try to do things fairly and give the public some benefit from the investigation. I, therefore, urge upon the Secretary of state the advisability of allowing this investigation to be closed as soon as possible, and I think it can be closed to-morrow, before we adjourn. It is idle to suggest that the House should adjourn and the committee sit. The members of the committee will not remain here if the House adjourns.

Hon. Mr. CLORAN—As chairman of that committee I have to say that personally I have no objection whatever to the adjournment of the House for the next two or three weeks. The convenience of this House will be my convenience, but I am in charge of other interests besides my own. There are on this committee several members of the Senate who will not feel like sitting here after the House adjourns. The hon. gentleman from de Salaberry is perfectly right in that statement, and I would not feel like it myself. We are on a labour of love, but there is a limit to love in a matter of this kind, and I do not propose to accept the proposal of the hon. Secretary of State that the committee can sit after the House rises. As the hon. gentleman from de Salaberry has stated, we have been devoting considerable time to this investigation. Three hours in the mornings and two hours or more at night, so that we are working from ten in the morning until ten in the evening and it is not right that we should be asked to do so. So far as that is concerned I have no objection to the adjournment, but as chairman of the committee, and on behalf of the committee, I do protest against the adjournment under the circumstances. I quite agree with the hon. gentleman from de Salaberry when he repudiates any denunciation of this committee either as to its formation or manner of procedure. The committee has been constituted by this honourable body, and I do not think any hon. senator has a right to say that it is a valueless committee. It is an imputation upon the wisdom and prudence of this honourable House. The Senate has sanctioned the creation of the committee. One hon. member said he

has no admiration for it; that is a mild criticism; it may pass. We are not sitting there for admiration; we are there for other purposes—to be severely criticised by the friends of the policy-holders, who do not think we are doing our work rightly. These criticisms will not affect the judgment or action of the committee; so I pass them over. As regards the work of the committee and the mode of its proceeding, it must be borne in mind, notwithstanding the opinion of some of the members of this House—

Hon. Mr. FERGUSON—Did my hon. friend understand me to say that I had no admiration for the committee?

Hon. Mr. CLORAN—I took down the word.

Hon. Mr. FERGUSON—No, I said I had no admiration for the investigation, but I may say more, that I have the most profound admiration for the hon. gentleman and great respect for the members of the committee.

Hon. Mr. CLORAN—If the hon. gentleman has no admiration for the object for which the committee exists, then he can have very little admiration for the committee. If he has no admiration for the object for which the committee exists he cannot come before the House and say he favours the existence of the committee. But that is apart from the merits of the situation. To come back to the point I was stating to the honourable House, I want it to be borne in mind as chairman of the committee that we are not sitting there in any way as a judicial body. We are simply sitting there as a body to investigate and to find out the truth by all legal means possible. We are not sitting there as a court governed by judicial rules by any means, so that I am not surprised at members who stray into the committee once in a while to see how things are going on making remarks altogether irrevelant against the dignity and honour of the committee. These things are pardonable because the gentlemen who made these remarks are not cognisant of all that has transpired from the first sitting of the committee until now, so that these matters I pass over. As the hon. gentleman from de Salaberry says, the committee is doing work which, if it does not satisfy the policy-holders that they have not been fairly dealt with by the company, it is work that will favour the company, if is shown that they have done all in their power to advance and protect the interest of the policy-holders. We are simply there to ascertain what the company has been doing with the proceeds of the Canadian business. That is the sum and substance of the investigation. On behalf of the witness here, and on behalf of the Finance Department, and the expense of the investigation, and on behalf of members who will have to attend—I ask, not personally for I am in favour of an adjournment, but on behalf of these interests I ask that the adjournment do not take place to-night.

Hon. Mr. DANDURAND—With the permission of the leader of the House I would suggest that the motion be that when this House adjourns on Thursday it stands adjourned until the 11th or 12th of July next.

Hon. Mr. CLORAN—That is Dr. Sproule's day.

Hon. Mr. SCOTT—I think the better way, if the feeling of the House is, we should sit to-morrow and the day after, is to leave the date of adjournment an open question. I could not really at this late period of the session consent to an adjournment over the second week. There are no other important measures to come before the Commons except the Militia Bill and the estimates, and sometimes the Commons makes a pretty rapid rush when they want to get away, and it would not seem proper or decorous for the Senate to decide on an adjournment for a fortnight from now. It would surely not be rational. Having learned the feelings of the House we will allow the question of an adjournment to stand until Thursday, and we must decide on Thursday according to the state of public business.

Sir MACKENZIE BOWELL—I am not particular as far the adjournment is concerned whether it takes place to-morrow or Thursday. I generally oppose long adjournments, and I do think it would be a fatal mistake at this late period of the session to adjourn for ten of twelve days. I sympathize with those gentlemen who live at a distance and cannot take advantage of a short adjournment, but we have the interest of the business of the country to consider first, and to adjourn for ten days or a fortnight at this period of the

session would not be in accordance with the dignity of the House.

Whatever adjournment takes place, an adjournment for a week ought to be the longest period that should be accepted by the House. The suggestion made by the hon. Secretary of State to let the matter stand until Thursday, when it can be fully considered, is quite correct, and there was very much force in the remarks made by the hon. gentleman who asked for to-morrow and Thursday in order to complete the work of the committee. I shall not express any opinion as to the propriety of the work of the committee. I voted for the committee and I hope its investigation will result in good both to the company and to the country. Perhaps it was altogether unnecessary to introduce a question as to the effect which the investigation may have at the present time. It is very well to urge the necessity of sitting until the work of the committee should be finished, but the Secretary of State has expressed very strong views upon this question from its inception in this House. Whatever the result may be, let us have an end to it at the earliest possible date. I hope the Secretary of State and others will not, at this period of the session, agree to adjourn for a week.

The motion was allowed to stand until Thursday.

BILL INTRODUCED.

Bill (111) An Act respecting the Edmonton Street Railway.—(Hon. Mr. Casgrain, de Lanaudière.)

MUTUAL RESERVE FUND LIFE ASSOCIATION OF NEW YORK INVESTIGATION.

SIXTH REPORT.

Hon. Mr. CLORAN, from the Select Committee appointed to examine into the condition of the Reserve Fund Life Association of New York presented their sixth report.

The Senate,
Committee Room No. 2,
Tuesday, 28th June, 1904.

The Select Committee appointed by order of the Senate made 19th May, 1904, to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York, be gleave to make their sixth report, as follows :—

That, at the meeting of your committee held this day, it was, on motion of the Honourable Mr. Béique, resolved, that a further report be made to the Senate that the witness, Mr. Eldridge, has volunteered to give for each year the amount, in the aggregate, but not in detail, paid to the officials of the company, as asked for by the committee.

All which is respectfully submitted.

H. J. CLORAN,
Chairman.

He said : In connection with this report, I may state that the committee came to the conclusion to have it presented to this honourable House, because there were present at the meeting to-day, two or three members who were not present on Friday, when it was unanimously decided by the committee to report to the Senate one witness under inquiry declined to answer certain questions. The members of that committee who put in an appearance this morning, asked as a matter of information to the Senate to report this one fact, that in the examination of the witness, Mr. Eldridge, he stated he would answer questions as to the aggregate amount of the salaries, but he declined to answer questions in detail, on his own responsibility, and that he so declined on the advice of his counsel. That explanation I may say was given on Friday last to the committee. Mr. Eldridge declined to answer the questions put to him by the hon. senator from Stadacona (Hon. Mr. Landry) but at the same time expressed his willingness to state the aggregate amount of the salaries. We had that explanation last Friday to the committee. Notwithstanding that excuse of the witness for declining to answer, the committee resolved unanimously to report that the witness declined to answer the questions put to him. To-day, to satisfy the hon. members who were not present on that occasion it was decided to make the report that I have presented to the House this afternoon

Hon. Mr. SCOTT—Does this report supersede the report on the order paper to-day?

Hon. Mr. CLORAN—It is simply a supplementary fact which has direct bearing on the refusal of the witness to say whether the committee was right in demanding this information from the witness.

Hon. Mr. SCOTT—Then I am to understand that item three will still be called on the order paper and moved.

Hon. Mr. CLORAN—Certainly. I suppose with the consent of the House the two

reports can be considered together. One is supplementary to the other. The second report is the justification of the witness for his refusal to answer. If necessary I shall move that this report be taken into consideration at the same time as the report on the order paper for to-day.

Hon. Mr. McMILLAN—Do I understand from the hon. gentleman that the aggregate amount which the witness is willing to give, is for each year, or a certain period ?

Hon. Mr. CLORAN—For each year.

Hon. Mr. McMILLAN—To a great extent, that ought to be satisfactory.

Hon. Mr. CLORAN—He is to give the aggregate salaries of the officers for each year.

Hon. Mr. McMILLAN—It is a matter of internal economy.

Hon. Mr. CLORAN—That has been all discussed by the committee.

Hon. Mr. WATSON—I would suggest that this report be agreed to now, its object being to put the House in possession of certain information. I see no objection to moving the adoption of this report now.

Hon. Sir MACKENZIE BOWELL—Suppose you do concur in the report, what have you concurred in ?

Hon. Mr. WATSON—I understand by the rules of the House if any one objects notice of this motion would have to be given.

Hon. Sir MACKENZIE BOWELL—They simply report a fact.

The Order of the Day being called :

That an order do issue for the attendance on Tuesday, the 28th inst., at Three o'clock in the afternoon, at the Bar of this House, of Mr. George D. Eldridge, of the City of New York, now in Ottawa, Vice-President and Actuary of the Mutual Reserve Life Insurance Company, the witness named in the Report of the Select Committee appointed to investigate the position of the Mutual Reserve Fund Life Association of New York, in Canada.—(Hon. Mr. Landry.)

Hon. Mr. CLORAN—Hon. Mr. Landry is absent, and I have been requested to act in his absence. I do not want to take the responsibility of disposing of this motion. I am simply spokesman of that committee. If it is necessary to preserve the position of the hon. senator from Stadacona I shall move it, but if not I shall not do so.

Hon. Mr. SCOTT—It must be apparent to every one that it is trifling with the House to have motions of this kind on our orders. The committee have evidently reconsidered the question, and think it only necessary now that the witness should give the aggregate amount of the salaries. The House should decide what is the proper course. As I understand the explanation of the chairman of the committee, on Friday, a point arose as to whether Mr. Eldridge should be obliged to answer a question calling upon him to name the individual salaries of the staff of management. He declined to answer on the advice of counsel. Now, if I understand it right, some members of the committee would be satisfied if Mr. Eldridge gave the cost of the management of the association for a series of years back, so that the public would be able to learn what the actual disbursements in connection with the management really were. If we decide that point to-day, it would shorten up the investigation. I shall give my reasons why I think the committee ought to be satisfied with the offer made by Mr. Eldridge to give the figures en bloc. The parliament of Canada when passing the Insurance Act decided what information the insurance companies should be bound to furnish year by year. The provision is contained in section 26 of the Act. I am informed by the department having charge of the insurance matters, that in the United States where this company was incorporated, the returns require that the cost of management, that is the salaries of officials in the home office, shall be given en bloc, not in detail. I am advised that a similar rule prevails not only in insurance companies but in banks and analogous corporations. A similar rule has always been observed in Canada, I have not heard that any exception has been taken to it. I presume, therefore, that it ought to be satisfactory to the Senate, when parliament has decided what information those companies ought to give. We ought not to go behind that unless there is some very important interest to be served, which I cannot see arising in this investigation. The book published by the insurance department contains those reports. I asked Mr. Fitzgerald particularly whether, since the change of management which occurred some years ago in the Mutual Reserve Company, he had any reason to suspect the business had been extravagantly managed. He

said not ; on the contrary he thought it was as fairly and honestly conducted as any other insurance company, and he referred me to the figures showing year by year the sums paid by the management of the company.

Then I had the curiosity to ask him : 'How does it compare with other companies.' He said : 'You can look them up in the book.' I therefore took the policies in force according to the official return. It was 64,701, the commission and bonuses to agents which, I understand, are 25 per cent, amounted to $300.991. The salaries of officers in home office, $285,722. The Mutual Life of Canada issued 23,622 policies, which is about one-third as hon. gentlemen will see. It will be 69 as compared with 64,—one-third of the policies issued by the Mutual Reserve. They pay for salaries and commisions $196,000. The Manufacturers Life have policies extant on the 31st of December, 1902, 21,945, commissions and salaries, $233,000. I have just given the number of policies.

Hon. Mr. FERGUSON—I would respectfully call the attention of the hon. Secretary of State to this point, that we have not got any report as to the position of that company before us, and it will be very inconvenient to go into a discussion just now as to what the position of the company is. I have no desire to interrupt my hon. friend, but if he proceeds other hon. members will wish to speak, and we will have a discussion precipated on the House as to whether this company is solvent or in a good position, which should not take place until we have the report.

Hon. Mr. SCOTT—We are face to face with the proposition that Mr. Eldridge shall be brought before the Bar of the House to answer certain questions, and I am endeavouring to show that the proposition that the Mutual Reserve has not given sufficient information to satisfy the committee is foundationless, inasmuch as parliament has laid down exactly what return and what report the company shall make, and I am showing, from the cursory glance I have made as to other companies in Canada, that their commissions and salaries are not in excess, and, in many instance, are less than those of other companies doing busines in Canada. That is the whole object. I am not going into the details of it. I will hand it to the reporter, and will give the page of the blue-book on which those reports are contained. It is to this extent satisfactory, because hon. gentlemen may have formed the opinion that the amounts paid were excessive. They do look so to my mind, but on examining other companies we find that they are all extravagant. I find so much cost for commissions and so much for salaries, but it is the prevailing practice. It is not peculiar to any one company. Looking over this book you will find it is the proportion everywhere, so that you will find the Mutual Reserve have considerable less expense than some companies now doing business in Canada. On the face of it, we should not be carried to a conclusion that the Mutual Reserve is paying extravagant rates to its officers. I gather my deductions from other companies. The hon. gentleman from Westmoreland suggested in the discussion the other day, when this question first came up, that he would like to know the opinion of the Minister of Justice before adopting this motion. I consulted the Minister of Justice, and his opinion is the same as my own. that we have the right, but that it would be very unwise to exercise it in this case. The witness is not charged with any crime, as in the cases quoted in past years. He is simply a witness coming here voluntarily, not being ordered to come, but coming of his own accord and remaining here in order to give this committee all the information he possesses in reference to the internal affairs of the company, and, as far as I can learn, he has been regarded as a very fair and reasonable witness, giving his evidence without any seeming prejudice or feeling one way or the other, and refusing to answer the question as to those details simply because it was confidential and he did not consider, under the law, he was bound to disclose it, and he was so guided in that judgment and decision by the advice of a very eminent counsel. For these reasons I should like that this order would be refused, in view of the other proposition made by the hon. chairman of that committee, that the committee should be satisfied with the answer being en bloc of the sums paid for the long period of years. I presume the House now will come to the conclusion that that will answer all purposes, and that the order on the paper to-day will

not be pushed to the extreme extent that it was at one time contemplated, of calling this gentleman to the bar of the House, and if he still refuses leading us into a very unpleasant result. I need not say what that may be, but certainly if the House once made an order he must answer. The House must go further if he refused to do so, and it would scarcely look proper or seemly on the part of the Senate in the case of a gentleman coming here of his own accord, not bound to attend, not under subpœna, coming from the United States, having given all the information the parliament of Canada requires and that the department requires, and the department being amply satisfied that the returns made by this company are true that is since the change of management. I think it is pretty well conceded that before the present management came into office, when Mr. Wells, who seems to be rather a favourite with some gentlemen, was connected with the company the business was managed with great extravagance and waste. We are all agreeing on that, but it is many years gone, and we cannot get back the money ; it is wasted, and this is not the only insurance company that has been played with in that way. On a former occasion I showed this chamber that there were thirty or forty assessment companies that must go to the wall. The principle is absolutely unsound and nothing but ruin meets them in the end if they last over forty or fifty years, unless a new generation comes in and they get new blood from the newer members. It was very unfortunate no doubt, that in 1885 this parliament passed the Act. I think I read on a former occasion the opinions of a number of senators, denouncing the change then made. I do not know what influence brought it about. Mr. Wells claimed the honour of having placed it on the statutes. He said he was here in 1884 and did not succeed, but in 1885 he succeeded. He was a member of the company during all the time this waste of money was practised by the management, in which vast sums of money were lost, and, no doubt, hastened the contingency of ruin to every man who is connected with it on the assessment basis. That the company itself recognize that the system was wrong is obvious from the fact that some five or six years ago, when parliament had under consideration some changes in the Act, they withdrew the assessment system and have not been issuing any such policies since. I therefore hope the conclusion the House shall come to will be that we shall refuse to adopt the proposition submitted to us, and accept the offer made by the vice-president of this company to give evidence of the cost of management en bloc for a series of years back.

Hon. Mr. FERGUSON—When I interrupted my hon. friend, I was under the impression he was going into a general discussion of the affairs of the company, and I thought it would be a pity if that would be precipitated just at this stage. Later on he was confining himself to the question as to whether we should insist upon answers being given to questions before the committee as reported to the Senate. I have no doubt whatever that we have the power to insist on answers being given to these questions, if we consider it in the public interest and expedient to exercise it. My hon. friend the Secretary of State has pointed very properly to the power that legislation gives to the government with regard to securing returns from insurance companies, but if my hon. friend will look at section 25 of the Insurance Act, subsection 11, he will find that there is very much more inquisitorial power than that contained in clause 20 which deals with returns. It is in the power of the Minister of Finance to institute an investigation through the superintendent of the insurance into the affairs of all these companies.

Hon. Mr. SCOTT—I quoted that the other day.

Hon. Mr. FERGUSON—It has a direct bearing on the question now before us, and I will read it for the information of hon. gentlemen. It is as follows .—

> The minister may from time to time instruct the superintendent to visit the head office of any company licensed under this Act and incorporated or legally formed elsewhere than in Canada and to examine into the general conditions and affairs of such company, and if such company declines to permit of such examination or refuses to give any information necessary for such purposes in its possession or control, the license shall be withdrawn.

So that there is most ample power in the hands of the department to go to the office of any company, whether Canadian or foreign and insist on the department becoming seized of all information embracing such things as

are covered by these questions, but to my mind the spirit of our legislation in dealing with railway companies, banks and insurance companies—not only the spirit but the letter of our legislation, does not call for such detailed information of the affairs of the company to be published. There is no return containing any such information as this required under the Bank Act. We have, under the Insurance Act, the most perfect power of going to the head office of the company and getting the information, but it is not supposed for a moment that this detailed information with regard to the domestic affairs of the company should be published. It never is published. I have no doubt the insurance department have been compelled on many occasions to make such inquiries one way or the other into the affairs of the insurance companies, but not for publication. Then take the Railway Act. If hon. gentlemen will look at the statistical clauses from 302 onward to the end of the Act. will find that they call for the most complete returns, as explained in schedule 1 of the Railway Act, of the affairs of the company ; but while we call for all kinds of information, that information is regarded as confidential this far. that it must not be published by the commissioners, and if any officer of the Railway Board discloses any part of the information that is communicated—if any officer shall disclose the information. he is liable to a fine of $500 and imprisonment. The section reads as follows :—

> The Governor in Council may call for information and the board may publish it, but if there is any part of that information which they think the company would object to publish they must not publish it until they call the company before them and until they have had an opportunity of saying why the information should not be published.

In regard to the Bank Act and the Insurance Act. the spirit of our legislation is that these details are not to be given to the public. We have provided against it. If the gentleman was compelled to answer these questions what would we be doing ? we would be applying a different rule to the Mutual Reserve than is applied to other institutions doing business in the country. that is, as long as our general legislation with regard to these corporations remains as it is at present. It may not be right. Hon. gentlemen may take a different view, and say all this information should belong to the public. They may be right, but while that is the policy of our legislation we should deal impartially with all, and I will say that if Mr. Eldridge was called upon and compelled to give these details, which he says are regarded as confidential in his company, and they were spread out on the journals of this House, so that the agents of any other insurance company would be able to reproduce these answers and distribute them and make a canvass against the company on the ground that they were paying extraordinary salaries, while very likely, if the same information were brought out with regard to the other companies. it would be found they were paying quite as much.

Hon. Mr. BERNIER—That would be right.

Hon. Mr. FERGUSON—I am not going to say anything about that. But it would be only right providing our laws call for precisely the same information coming out with regard to other companies. It would not be right to single out any one company and compel it to disclose information which we do not obtain from other companies.

Hon. Mr. WILSON—Where does the law prohibit that information ?

Hon. Mr. FERGUSON—The spirit of the law prohibits the bringing out of such information as this in the publication of returns with regard to a railway company, unless the railway company is heard with respect to anything they would be likely to have an objection to.

Hon. Mr. WILSON—My hon. friend has not answered the question. He stated distinctly that our laws prohibited the publication of that information.

Hon. Mr. FERGUSON—The hon. gentleman has entirely misunderstood me. I said the spirit and intention of our law is that this information is not to be brought before the public in the way of publication of returns, and if my hon. friend is prepared to controvert that statement I shall be glad to hear him. I have referred to the Bank Act and say that no such information is called for there. I have looked over the General Insurance Act and have gone over our Railway Act, and I am perfectly correct in saying that the spirit of all this legislation is that information such as this, of the domestic

affairs of a company is not called for or there is no provision made in the law for its publication, and, in practice, it is never published.

My contention is that such being the spirit of our legislation all through that we should not in this case insist upon the answer to questions which would be putting this company in a different position from that of any other company. My hon. friend from Elgin, by the question he asked me, clearly misunderstood me. There is no doubt we have the power to do this. There is no question the parliament of Canada had the power to make our Railway Act different from what it is. We might have said in the Insurance Act that when the superintendent of insurance went to Toronto, say to the head office of any insurance company, and ascertained the amount of salaries or any other expenditure, that he should publish that. Parliament could certainly say so, but parliament has not said so. The information is obtained and it is left for the department to decide what part of this information shall be given to the public, and up to the present time such information as is contained in these questions has not been called for in any of the returns or has not been spread out in any report before the public.

Hon. Mr. WILSON—I accepted my hon. friend's denial with reference to the statement, yet he was not satisfied, and if I had observed him correctly I would have had the reporter read what he said. He conveyed the impression distinctly, as far as I was concerned, and I think the hon. members of this House so understood it. that there was no law to compel him to do so and so. However, I shall wait until we receive the report of the debate and then we will be in a better position to judge; but I call the attention of the House to the fact that there is no motion before the chair. My hon. friend who placed this matter on the order paper has not moved the adoption of this report, which the House refused on Friday to discuss for lack of information. I congratulate the leader of the House, if he sees his opportunity to go into the whole matter of insurance, and to discuss not only this report but the report which is to be taken up and considered to-morrow. Further I say that we had a definite understanding that when the House met, and the second supplementary report came in, that the two reports should go together. I appeal to this honourable House that we should have those two reports together, so that we can consider them, if they contain information for us to consider. We cannot consider them now on account of the lack of information. What information have we to-day to enable us to consider the matter intelligently and cast an intelligent vote, further than we had on Friday last?

Hon. Mr. FERGUSON—I think the House understood me clearly. The hon. gentleman does not draw the distinction between the words which I do. Perhaps I do not understand the meaning of the words, or we do not understand them alike. I said parliament had power to compel the witness to answer. We have power to make a law that all companies should supply the information, but we have not made that law.

The SPEAKER—The hon. gentleman from Elgin has raised a question in respect of the resolution before the House. I read from the Minutes of Friday last, as follows:

> That an order of this House do issue for the attendance on Tuesday, 28th June, instant, at three o'clock in the afternoon at the bar of this House, of Mr. George D. Eldridge, of the city of New York, now in Ottawa, vice-president and actuary of the Mutual Reserve Life Insurance Company, the witness named in the report of the select committee appointed to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada.

That was substantially a motion for concurrence in the report. Then the Hon. Mr. DeBoucherville moved the amendment, seconded by the Hon. Mr. Ferguson:

> That further action with respect to the refusal of Mr. George D. Eldridge to answer certain questions put to him as a witness before the select committee appointed to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada be postponed to Tuesday next.

That simply postponed the dealing with the original motion until to-day. The order paper, I think, is quite correct. This motion of the Hon. Mr. Landry is the motion now before the House, and if it does not meet the approval of the House some hon. gentlemen can move an amendment.

Hon. Mr. BEIQUE—I propose to move in amendment to the motion, that all the words after the word 'That' be struck out and the following substituted therefor:

> The offer made by the witness George D. Eldridge to give for each year the amount in

the aggregate, but not in detail, paid to the officials of the company, will satisfy the requirements of the investigation.

And in support of my motion, I desire to say that I entirely agree with the remarks which have just been made by the hon. gentleman from Marshfield. It is the policy of the law as it stands on our statute-book not to exact from insurance or railway companies any details of that kind. For my part I am rather inclined to think that the sooner the law is amended to exact fuller information the better it will be ; but, until the law is amended, I do not think that it would be proper to single out any one company and place them at a disadvantage as regards their competitors, and we have here to deal with quite a serious matter. It is a matter in which we are dealing with a foreign company, and it is a well known principle of international law that foreigners are entitled to be treated as citizens of the state and if it is not within the policy of the Canadian law to exact such information, I think it would be a mistake to exact it from a foreign corporation, and it might give rise to serious complication.

Hon. Mr. WILSON—The hon. gentleman says it is not the law to give it.

Hon. Mr. BEIQUE—I say it is not the policy of the Canadian law, not the spirit of our law as it stands on our statute-book, to exact details of that kind and I say that a company from which we would exact such details in being singled out for the purpose would be made to occupy a disadvantageous position as regards their competitors, and therefore that this foreign corporation would have the right to ask to be respected in that respect, and that we should not open up a question of that kind. Moreover, is there any necessity for anything of the kind? The hon. member from Marshfield and the hon. Secretary of State, on a former occasion, and the hon. gentleman from Toronto on another occasion, also drew the attention of this House to the words of the statute under which it is open to the government to have these very facts ascertained from the books of the company. The superintendent of insurance can go to New York and examine into all the books of the insurance company, and that is surely a better mode of obtaining information than resorting to forcing the witness to give information when he says that he considers that his duty towards the association is not to divulge that information to the public ; that it would place the company at a disadvantage, and that he has no objection to give the information in the aggregate, but not in detail as to salaries being paid to each individual. If we get this information, whether it be $20,000 or $50,000, when we have the total amount paid each year for the nineteen years, the company has been carrying on operations, will it not be all that is necessary ? The witness has offered to name the individuals, whether they be six, seven or eight, what positions they occupy in the company, and to give the lump amount paid to them all. I submit that it is all the information that is required to deal with that matter.

Hon. Sir MACKENZIE BOWELL—The amendment of my hon. friend anticipates one that I had drafted myself. I take the same view precisely that my hon. friend has expressed, and I had an amendment prepared, which I hope my hon. friend will accept instead of his own. It gives, as he will see, the source from which the information came, that Mr. Eldridge was willing to furnish the aggregate amount paid to the officials. My amendment is as follows :

That in view of the statement contained in the supplementary report of the select committee appointed to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, presented this day, that Mr. Eldridge had volunteered to give for the information of the committee the aggregate sum paid annually to the officials of the association, be it resolved that such information be accepted as sufficient, and that the motion to summon Mr. George D. Eldridge to the bar of the Senate be discharged.

I am not particular which amendment is adopted, but this gives the reason why we take the course suggested.

Hon. Mr. BEIQUE—I have no objection to accepting the wording of the hon. gentleman's amendment.

The SPEAKER—As I understand, with the consent of the House, the hon. gentleman from de Salaberry accepts this amendment instead of his own.

Hon. Mr. DeBOUCHERVILLE—When I moved on Friday last, that this question be adjourned until to-day, I said I thought that there might be some complication on account

of the gentleman who was to be ordered to appear at the bar being a foreigner, and that the hon. Secretary of State should consult the Minister of Justice and have his opinion on the point I raised. It may be the hon. Secretary of State has spoken on that, point, but I did not hear him if he did.

Hon. Mr. SCOTT—I stated that I had consulted the Minister of Justice and his opinion was that though we have the power to summon the witness to the bar, it would be very injudicious and imprudent to do so, that the circumstances were not such as would justify us in taking that action.

Hon. Mr. McMULLEN—The reason why the committee thought it necessary to bring the matter of Mr. Eldridge's refusal to answer questions was, that the New York Mutual Reserve Life is before parliament with a Bill, to recast their system of doing business. In 1885, when they came before parliament asking power to become a corporate body in Canada, authorized to do business here, and make a deposit with the government, positive assurances were given by them that they were prepared upon terms very much less than were charged by the old line companies, to accept and carry on insurance in Canada. In view of that assurance, the parliament of Canada granted them a license to do business. Now, at the end of nineteen years, they come back for more legislation, frankly confessing that the basis of their system, the money gathered to meet the demands on their company, is insufficient. They are here to ask us for a Bill to do one of two things, either impair the policies to a sum at which the insured would get a policy in an old line company, or else be authorized to ask the holders of policies to contribute an increased sum over the assessments they have been paying, if they want to continue their policies at the amount now existing. What the committee thought was that it would be well to probe to the bottom the causes which had led up to the necessity of their coming to parliament for such legislation. I believe the aim of every member of that committee is to do the best we can for the policy-holders in the unfortunate dilemma they are in to-day. In view of all that, we thought it would be well if we could ascertain whether the payment of exorbitant salaries had contributed to the company getting into the position they now occupy. That is why we pressed to ascertain whether extravagant salaries was one of the causes that led up to the present condition of things. However, as far as I am concerned, I have no desire to force this company to disclose what they wish to conceal unless it is in the interests of the policy-holders. If it is considered that a statement of the sum en bloc of the salaries paid each year will enable us to form an accurate opinion as to whether those payments contributed to bring about the condition of things which now exist, I am perfectly satisfied. I have no desire to find out the different amounts paid to them as officials. It has been said by the hon. gentleman from Montreal, and the statutes have been quoted in support of his view, that insurance companies are not required to give in detail the salaries paid their officials ; but that applies to companies which are on a financial basis that is satisfactory to their policy-holders ; companies that are not under the necessity of coming to parliament to get legislation. This company, after nine years doing business, are now before us asking us to clothe them with power to exact from policy-holders more than the amount covenanted for in their policies. In justice to the policy-holders, should we not endeavour to know whether any acts of the managers of that company have contributed to bring about the condition of things that necessitates their coming here ? That is one reason why it was thought we should have the information. However, I have no desire to deal with this gentleman if the House comes to the conclusion that the information en bloc is sufficient to enable hon. gentlemen to form an accurate idea as to what we should do with the company and the Bill ; I was sorry to hear an expression that fell from the lips of the hon. Secretary of State in connection with this matter. He stated, and the statement will go abroad throughout this country, that all insurance companies are extravagant.

Hon. Mr. SCOTT—I said I thought we all paid too much for our insurance and when I come to be advised that an agent gets 25 per cent commission, besides the salaries paid to managers, I have nothing to withdraw. It is a palpable fact.

Hon. Mr. McMULLEN—Of recent years insurance has cost more to get it than it

cost in years gone by, but to say that every company is extravagent——

Hon. Mr. SCOTT—I qualify that.

Hon. Mr. McMULLEN—There are companies in this country which are admirably conducted. The Ontario Mutual Life, with which Sir Wilfrid Laurier is connected, is well and economically managed. It would be entirely unfair to say that company is extravagant. I am glad to hear the hon. Secretary of State say he did not intend to convey that idea, because we must not forget that there are no organizations to which Canada lends her sanction that are more important to the people than life insurance companies, in which people invest such a large amount of money. There are very few families that are not pinching themselves, in some cases, denying themselves even necessaries of life, to keep up their insurance. When a life insurance company fails to carry out its covenants with its policy-holders, parliament is justified in demanding from them full information before giving them more legislation, and legalizing them to do business with the public. When a company comes before parliament asking for amending legislation, it virtually acknowledges that its system in the past has not worked out well in the interest of the policy-holders, and we should know before granting them legislation whether we should virtually recommend them to the public by acceding to their request. We should guard insurance legislation in the interest of the public. When this company came to Canada in 1885 the line companies said to parliament: You are backing up a tramp off the road without any responsibility, without any record, without any means, without any assets, and you are asked to legalize them to do business with the people of Canada, and the argument that this company will use will be that 'having deposited $50,000 with the government it is safe to do business with us. The government have looked into our affairs have pronounced us good and sound financially and we ask you to insure with us.' Now, after nineteen years experience they come to us and say 'We find that the basis of our system was not sound.' Are we not justified in probing to the bottom the causes which have lead up to this condition of things, in view of the fact that we are asked to clothe these people anew with legal status before the people of Canada to do business again? That is why I, as one of the committee, strongly supported the getting of all the information we should get. That I believe was also the reason of other members of the committee. In view of the wording of the Act, and the fact that the witness is a foreigner, I have no desire to be harsh, and am perfectly willing, if the House, so desire, to accept the statement he proposes to make of the yearly expenditure, and let us come to the best conclusion we can on his statement.

Hon. Mr. BERNIER—It is contended by some hon. senators that because the law as it stands gives us certain directions for dealing with these questions, we should not persist in our action with referrence to a witness who has refused to answer questions put to him. The argument has no foundation whatever. Parliament is the maker of laws, and, outside of the sanction of parliament, the law must prevail: but when parliament is in session it must have the power of exacting all requirements it can enact by law. If it were not so, this company would be on a better footing than Canadian companies. The fact that the gentleman is a United State citizen is of no avail. He is on our soil, and a witness in connection with business transacted in Canada under Canadian law. There cannot be any complication with the United States if we insist upon his answering. This company is doing a large business in Canada. Many serious complaints have been made against the methods of the company. Now the Senate has ordered an investigation of these matters, and it seems but right that we should go on with it. The argument of the hon. Secretary of State that we should not go beyond the statement that the statute requires them to report, is absurd.

Suppose this company, or any company should make a report in which we would have reason to believe there is something wanting, would not the House of Commons or this Senate or parliament have a right to go beyond that, and make an investigation? There is reason, as repeated by the hon. gentleman from Wellington, to inquire whether the witness is receiving an exorbitant salary. There is a rumour in circulation that this gentle-

man is receiving the nice sum of $45,000 a year for his salary. If that be true, that would be a scandal. That would be taking illegitimately a portion of money that should belong to the policy-holders. If we were to make an investigation of the affairs of all the insurance companies we might find other cases of the taking by illegitimate means of moneys that should go to the credit of the policy-holders, and which the policy-holders were given to understand would go to them. Some years ago on the retirement of a manager of an insurance company, the directors voted him as superannuation a sum of $12,000 or $13,000 annually. I say that this should not be tolerated. It is taking from the earnings of the policy-holders, money that should return to them. Part of it at least should return to them and, under the circumstances it seems to me that the Senate should adhere to the recommendation of the committee. If the witness should again refuse to answer, we need not go beyond that if it is not thought proper to do so, because that refusal would do more harm to the company than good, and under the circumstances, I would not insist myself on proceeding further.

Hon. Mr. CLORAN—Before the amendment is put I have to express my regret that action is taken in the matter, although I suppose that it is impossible to do otherwise in the absence of the hon. senator who made the motion. He would have been in a position to give the views of the committee more fully, and probably more effectively than any other member on it. In the meantime I have to express my surprise at the attitude taken by several of our leading senators in this honourable House as to how joint stock companies and banks and other institutions should be treated in regard to the salaries of their officers. I do not know whether it is that 'a fellow feeling makes us wonderous kind,' but institutions that are chartered and are working under incorporation Acts of this parliament should have nothing to hide from the policy-holders or share-holders. It is a false policy to assert before the people of this country that it would be detrimental to a company, whether insurance, banking, railway or otherwise, to let the world know, to let the stock-holders or policy-holders know, where their money is going. On what ground do hon. senators base that provision? Not on the law, but as the hon. gentleman from Marshfield said, on the spirit of the law. Will he tell me what is the spirit of the law? Who is to ascertain the spirit of the law? Who is to interpret the spirit of the law? Is it the man who pays, or the man who refuses to tell what he collects? In this case, it is the policy-holders who have a right to interpret the spirit of the law, and the interpretation of the law is that the men who receive their money should tell how much they get, and how hon. senators can endorse an opposite principle is more than I can understand. There is another reason why this committee was anxious to get at the details of the salaries of the different officers of this company. We did not ask for the salaries or the payments to ordinary agents throughout the United States, Canada, England or other countries. We asked for information regarding the expenses of the whole office to which the policy-holders of Canada have contributed a very large share. Out of $5,038,000 contributed during nineteen years by Canadians to the treasury of that company, that company only returned to the widows and orphans $3,068,000, leaving within a few thousand, $2,000,000 to be accounted for. They accounted for two portions of that, but not for a third, they account of $999,000 odd paid to ordinary agents throughout Canada, and other expenses of office work and so forth, but that money remained in the hands of Canadians. That explains one portion of the extra $2,000,000 they received from Canadians. Then they say 'we explain the difference by saying that in the hands of the government there are $228,000. That leaves a balance of $758,000.' I may add that Mr. Eldridge, the vice president of the company, said that apart from the $228,000 in the treasury of Canada there were $16,000 in the banks of Canada, but what banks he did not let us know. I put the question to him 'if you issued the cheques to-day that money could be taken out of the banks.' He said 'certainly.' Consequently, all the money in the hands of the people of Canada is $228,000. Take the $999,000 and the $228,000, and it gives $1,200,000, leaving a balance to be explained of over $700,000. When he was asked where that went to, what did he say? For the maintenance of the home office,

for the expenses of the company, as at New York, and so forth. Now, under these circumstances, the company should state how much of this money has gone for rent, how much of this money has gone to pay salaries. We can get no information beyond the fact that the money went over to New York, that it was in the hands of the company, and that there was no specific amounts either charged up or down; it was there en bloc. There was another matter the committee had under consideration, although not publicly, and it was this: Evidence was given that the business of this company is administered by a board of directors to the number of twelve. Are they men independent of the institution? Are they men who are not subject to the administration? Why, no. Nine out of the twelve directors are paid officers of the company, so that practically the board of directors meets and votes salaries to themselves, nine out of twelve. That is, there are eight directors who are paid officers, whose salaries are regulated by themselves, and there is one employee, who is also a director, making nine out of the twelve. Here you have a board of directors who vote money to themselves, the money of thousands of policy-holders of this Dominion: yet we are told by the witness that he will not answer our question, and say what he is getting, or what the president and the other five or six officers of the company are getting as salaries. It was under these circumstances that the committee unanimously made the report asking, not for vengeance, not to have Mr. Eldridge enjoy the privilege and honour of being locked up behind the bars of this House, but simply to put the president of the company in a position to defy the people of Canada, and say: 'We will take your money, and not tell you how or why.'

Hon. Mr. EDWARDS—It seems to me the question before the House at the moment is not one that involves all the ramifications hon. members are indulging in. The question before the House is this, as I understand it. The committee dealing with this matter, a few days ago, made a report to the House, in which it stated that a witness refused to answer certain questions. To-day in the committee an alternative proposition was made with regard to the salaries, which was that he declined to answer the giving of salary of each official, but would give the aggregate of the salaries; and the question, as I understand it, before the Senate now is whether this alternative proposition will be accepted. This debate has taken a very wide range, as seems to be frequently the case in this deliberative body, and we are travelling all over the compass, so far as financial managers are concerned. I am not a stockholder. I am not a bank director, and have no interest whatever in the banks of Canada, excepting that I am a borrower from them, and I hope long to be a borrower from them; but I have some knowledge as to the foundation on which the banking system of Canada rests, and I do not hesitate to say that a little knowledge with regard to the matter of our banking institutions would be a dangerous thing. I do not hesitate to say that the stockholders generally of our banks know very little of banking, and necessarily must never know very much of banking. That is understood by the general managers of our banks and by the directors who administer the affairs of the banks; and it would be an exceedingly dangerous thing indeed if they at all times imparted all the knowledge that they possess in so far as our banking is concerned. My hon. friend who has just spoken referred to that matter and seems to think that——

Hon. Mr. McMILLAN—The stockholders of a bank and the stockholders of all our financial institutions, as well as the stockholders of every industry of Canada, are entitled to know all the internal workings of the company they are interested in.

Hon. Mr. CLORAN—Hear, hear.

Hon. Mr. EDWARDS—Not denying for one moment the statement of my hon. friend, who is a director of a bank, I do not hesitate to tell him that I have had a little more experience than he has, or will have if he remains a director for some years to come, and I know that the statement I make is correct, that it would be a dangerous thing to disclose this information, and before the hon. gentleman is a director very much longer he will find that the directors conceal very much with regard to the ramifications of our banking institutions. He will know it later on.

Hon. Mr. McMILLAN—But they have no right to do it.

Hon. Mr. EDWARDS—I am talking about a matter of policy, I am not talking about right. I wish to say a few words with regard to the speech of the hon. gentleman from Wellington. While not desiring for one moment that this investigation shall be burked, the Senate having undertaken the responsibility, my honest desire is that the affairs of the institution shall be ascertained as fully as can be, and that finally the very best shall be done for the insured in this company, who are practically the stockholders; but if I am asked my private opinion as to the rights of this Senate to interfere in family matters, as it is doing in this respect, I must say, as one senator, I shall have to dissent. This company is composed of the policy-holders. If it had been organized in Canada, it would be subject to the laws of Canada just to this extent, that those gentlemen who have become the shareholders are elected directors and manage the affairs of the company, and it would be under the supervision of the Insurance Department. That is the extent of the responsibility to Canada. This company is organized in another country, however.

Hon. Mr. WILSON—Would the hon. gentleman allow me to ask him if the policy-holders form the company, are the policy-holders either directly or indirectly entitled to the information as to the salaries of the various officers of the company?

Hon. Mr. CLORAN—That is the only point.

Hon. Mr. EDWARDS—I will answer the hon. gentleman. They perhaps are, but not through this instrumentality. If hon. gentlemen will allow me, I shall proceed to make my argument. Every incorporated company in Canada administers its own affairs. I hold, as a matter of principle, that we have no more right to investigate the affairs of this company than this company has to investigate the affairs of my company—not a particle more. If I became insolvent, the conditions would be just the same; this parliament would have no right to interfere.

Hon. Mr. CLORAN—That is wrong.

Hon. Mr. EDWARDS—This insurance company is doing business in Canada under a Canadian license to do business, and is answerable to our Insurance Department, and to no one else.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. EDWARDS—It would be proper for the Insurance Department, if they were not satisfied with the reports made, to investigate.

Hon. Mr. CLORAN—Will the hon. gentleman allow me to correct him? We have it in writing from the Finance Minister, who is the head of the Insurance Department—that we can proceed with the investigation, and it has nothing to do with him whatever.

Hon. Mr. SCOTT—Does the hon. gentleman say that the Finance Department approve of the action of the Committee?

Hon. Mr. CLORAN—They did approve of it.

Hon. Mr. SCOTT—I beg the hon. gentleman's pardon.

Hon. Mr. CLORAN—The advice was to get counsel if we considered it necessary.

Hon. Mr. SCOTT—They declined to give counsel at first.

Hon. Mr. EDWARDS—The hon. gentleman will take some time putting me right from his point of view. I hold that this is entirely a domestic affair; it is a matter entirely between the policy-holders who compose this company, and, as is the case with every other company, they control their own affairs, and if they are dissatisfied with the management they have the remedy in their own hands at the annual meeting. That is the principle I hold, and in that respect my hon. friend from Wellington is entirely wrong. As to my hon. friend saying the Finance Department said you could do so and so, I suppose the Senate can do what is right, but I hold the principle is wrong and that we are doing something we properly should not do. Referring again for a moment to this matter of ascertaining certain facts from the officials, it is the general practice that the information that has been asked for is not given with respect to such matters. I think that is the position in regard to banking institutions generally, but coming right down to the question, in so far as these policy-holders are concerned, is it not, after all, the aggregate of that ex-

penditure in that connection that we are interested in if we are interested at all ? It is the aggregate amount, and in so far as I am concerned I shall be perfectly satisfied with the alternative suggestion that was made and shall vote for the amendment.

Hon. Sir MACKENZIE BOWELL—I wish to make a suggestion as to changing this motion with the consent of the House. In drafting it rapidly I think I left out a few words that should be inserted. I desire to have it read in this way : 'That in view of the statement, &c.

Be it resolved that the information contained be accepted as sufficient and the order discharged.

That makes it more explicit.

Hon. Mr. DOMVILLE—I think this debate might have been conducted with a little more calmness. This debate might have been conducted with more calm deliberation. I do not see any necessity for the hon. Secretary of State going into a line of attack on various kinds of business. It is an unfortunate debate sprung upon us without knowing it was coming up and in anticipation largely of what the committee cannot report until the investigation ends. We have been anticipating the report of the committee all along in this matter. I think the hon. gentleman from De Salaberry said he had no confidence in what the committee was doing.

Hon. Mr. BEIQUE—I take exception to anything of the kind being said.

Hon. Mr. DOMVILLE—Then I did not hear the hon. gentleman correctly. Another hon. gentleman said he could not see what good it was making this investigation. There is one thing before us ; while we may be ingenious here in arguing, while we may be anxious to serve one side or defend the other side, we have ranged on the side that I am supporting in this matter the policy-holders throughout Canada whose money has been squandered. Under the other banner are arranged those who wish to find some defence for the company. What will the public say ? They are watching this thing. I have letters from some of those who have been robbed. When the facts reach the policy-holders throughout the country, what will they think of those who do not wish to have all the facts known ? They want to know where their money went. I might have the idea myself of immense salaries being paid, out of all proportion to the work done, and, in addition to salaries, perquisites and emoluments which cannot be stated. It is all very well to say that parliament has no right to interfere, but it is an empty excuse to the people of Canada who have lost their money in this company. The company are asking for special legislation, and the Senate has every right to know what their position is before granting or even looking at their legislation. There is no desire to persecute Mr. Eldridge. I should be sorry to see him under the care of the Sergeant-at-Arms, because it might give our official a good deal of work, and the country would lose $4 a day. It amounts to this—the information cannot be obtained that parliament ordered should be given. The witness took his oath to tell the truth. the whole truth and nothing but the truth, but he has declined to tell the whole truth. The committee was obliged to report that fact to the Senate. We were not satisfied to take a large sum en bloc as evidence without getting details ; the president might have taken nearly all of it himself for anything we know. We want to know why those who are managing the company have been paid such large amounts. It would have been better not to have instructed the committtee to get the facts, than to consent to a suppression of part of them. However, when the evidence is printed, the people can see how matters stand for themselves. To-day, in the committee, it was decided to report Mr. Eldridge's willingness to give the same statement which he had offered to give on a previous occasion, and which the committee had declined to accept, and the committee now asks parliament to accept. Why did not the Senate apologize to him ? Let the hon. Secretary of State apologize to the insurance companies of Canada. He says they are all charging too much—that they are extravagant. I cannot agree with the hon. senator from Russell (Hon. Mr. Edwards) when he compares banking and other great institutions of this country which have millions of surplus funds and are paying large dividends, with a company that is not a company at all, but a fraternal association, who have agreed to assess themselves and pay claims through their officers.

The hon. Secretary of State says that all the assessment companies must go to the wall.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. DOMVILLE—I am not pretpared to dispute what my hon. friend says, but it is unfortunate to ring the death knell of the Foresters and other assessment associations in Canada. We are charged with hurting this company, but my hon. friend is attacking all the assessment companies in Canada. I cannot subscribe to his statement that the Foresters and other kindred associations must go to the wall; but if it is true, who is responsible for allowing this thing to go on? My hon. friend says that the parties are only answerable to the insurance inspector. If that be so, the insurance inspector is superior to the Senate; and if he thinks it right to let this thing go on he can do so, and nobody is responsible to the public. The public rely upon the report of the Insurance Department, yet while that department reports that these assessment companies are all right, the hon. Secretary of State says that they must all go to the wall. It must be thoroughly understood that while the committee presented this supplementary report to-day, with the exception of one or two members, the committee are in favour of those questions being answered. But my hon. friend says it is not wise to test those questions, and that is something to be considered. But if the witness can refuse to answer those questions, he may refuse to answer others We have been trying to find out one fact—where all this money is gone and who got it, but when we touch an important point the witness declines to answer, and says: 'You cannot compel me.' The House is now asked to declare that the witness shall not be compelled to answer, and therefore the committee will be frustrated in its attempt to investigate the condition of the company in Canada. Those who are trying to frustrate the investigation must put themselves on record, and the people can judge whether their interests have been considered or not. The hon. Secretary of State asks, why single out one company? Does he want us to take up all the insurance companies in Canada? If he does we can begin next session, and the hon. gentleman can give us the name of the company he wishes us to take up first. This is the only one that is seeking legislation or relief at present.

Hon. Mr. SCOTT—The company is not seeking relief.

Hon. Mr. DOMVILLE—Who is?

Hon. Mr. SCOTT—The policy-holders. The Bill is brought in by the policy-holders

Hon. Mr. DOMVILLE—At whose request?

Hon. Mr. SCOTT—At my request, as the only way of saving anything for the policy-holders in Canada.

Hon. Mr. McSWEENEY—Did not Mr. Eldridge write to the policy-holders that this Bill was being brought in for their benefit?

Hon. Mr. SCOTT—I never heard of it. He may have done so after the Bill was introduced. Certainly it was not done through his inspiration. It was my own motion. Those who represented the company hesitated at first, but I said it was absolutely necessary that the policy-holders should get relief, and that I saw was the only tangible way it could be afforded.

Hon. Mr. DOMVILLE—Mr. Eldridge explained to the committee that he asked for it two years ago himself.

Hon. Mr. SCOTT—I never heard of it.

Hon. Mr. DOMVILLE—I object to hon. gentlemen expressing opinions until the whole of the evidence is in. So far we have heard from only one side. It may turn out that matters will take a different form, but that can only be known after the investigation. You cannot tell what a hog's skin is worth until after the bristles are off. As the hon. member for Stadacona is not here, and there is a general desire that no harsh measures should be adopted, it would be better to postpone the consideration of this report. If we are to accept the situation that a witness shall not be required to answer questions, it would be wise to think over the matter for a day or two. By that time we may have Mr. Landry here and we will understand the matter better. I have no desire to deal harshly with anybody. I therefore move the adjournment of the debate.

The motion was declared lost.

The Senate divided on the amendment, which was adopted on the following vote :

Contents :

The Hon. Messieurs	
Baker,	Macdonald (P.E.I.),
Béique,	McGregor,
Black,	McHugh,
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Bowell	Mitchell,
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Coffey,	Power (Speaker),
Dandurand,	Scott,
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Lovitt,	

Non-Contents :

The Hon. Messieurs	
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Domville,	Merner,
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Macdonald (Victoria),	Wilson.—17.
McDonald (C.B.),	

SECOND READINGS.

Bill (129) An Act respecting certain Patents of Edward R. Cahoone.—(Hon. Mr. Kerr, Cobourg.)

Bill (54) An Act to incorporate the Dominion Fire Insurance Company.—(Hon. Mr. Young.)

Bill (131) An Act to incorporate the Farmers' Bank of Canada.—(Hon. Mr. Sullivan.)

Bill (L) An Act respecting the British America Pulp, Paper and Railway Company. —(Hon. Mr. Gibson.)

Bill (97) An Act respecting the Trans-Canada Railway Company.—(Hon. Mr. Tessier.)

Bill (122) An Act respecting the Ottawa Fire Insurance Company.—(Hon. Sir Mackenzie Bowell.)

GRAND TRUNK PACIFIC RAILWAY ACT AMENDMENT BILL.

NOTICE OF AMENDMENT.

Hon. Mr. DANDURAND—I beg to give notice of an amendment to Bill (34) An Act respecting the Grand Trunk Pacific Railway Company. The directors of the Grand Trunk Railway Company have found, since the Transcontinental Railway Act passed, that they were assuming more powers to themselves than were necessary for the carrying out of the obligation entered into by the Grand Trunk Railway Company, and were somewhat trespassing on the rights and privileges of the shareholders of the company. They would have under this amendment to refer to their shareholders for any outside or wider power, that they may need. I make this explanation in order to make it clear to those who are present this evening. The clause which I propose to move is as follows :

" 7. Except to the extent and for the purposes mentioned in Sections three and four of the Act to amend the National Transcontinental Railway Act passed at the present Session and for the purpose of providing the deposit mentioned in the Scheduled Agreements, the Directors of the Grand Trunk Company shall not engage the credit of the Grand Trunk Company nor enter into any stock of the said Company or any securities held or owned by the said Company, nor apply any money so realized or any such stock or securities or the proceeds thereof, without the assent of the shareholders of the Grand Trunk Company, which assent may be given by a majority of the votes of the persons present or represented by proxy and entitled to vote at any general meeting of the Grand Trunk Company duly called.

" The certificate in writing of the Chairman of such meeting that such assent was duly given may be filed in the office of the Secretary of State, of Canada, and a copy thereof, certified by the said Secretary of State, should be taken and accepted in all Courts of Law as sufficient evidence of such assent."

This limits the power given to the directors of the Grand Trunk Railway Company to the implementing of the agreements with the Grand Trunk Pacific Railway Company and the government of Canada.

The Senate adjourned until to-morrow.

THE SENATE

Ottawa, Wednesday, June 29, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

THIRD READING.

Bill (126) An Act respecting certain Patents of Siegfried Gironcoli.—(Hon. Mr. Poirier.)

CAPTAIN BERNIER AND THE CREW OF THE STEAMER 'GAUSS.'

INQUIRY.

Hon. Sir MACKENZIE BOWELL rose to call attention to the following telegram published in the 'Mail and Empire' on the 8th day of this month :

Captain Bernier complains of men supplied him —Political pull the reason—One man was shipped as gunner although the 'Gauss' has no guns—Wanted fresh bread.

(Special to the 'Mail and Empire.')

Quebec, June 14.—Captain Bernier, who arrived here yesterday with his Arctic vessel, the 'Gauss,' after a thirty-six days' cruising, is far from satisfied with the personnel of his crew. He claims that with the exception of four men, including his first and second officers, the crew of twenty-four was foisted upon him at Montreal by the Dominion government.

They were not of my choice, and, with the exception of a few good men, all landlubbers, or fresh water sailors, who never went aloft in their lives or knew how to read a compass.

Some, no doubt, thought because the 'Gauss' was a government vessel they were going on a picnic, but the moment we started from Bremerhaven I gave them to understand that I was master of the vessel. Nevertheless, they were unfit for work.

I stipulated with the government before leaving Canada that I required six men for each watch, but I found when we set sail that I could only have three ; the others were of no use. Consequently my officers and myself had to do double duty, and I was on the bridge the whole of every day until we came to anchor in the port of Quebec.

Shipped as a gunner.

Among the crew, as gunner, was a young man named Laferriere, who, I have since learned, is connected with a Montreal French paper. I do not know why he was given to me, because the 'Gauss' has no guns on board, and was in consequence not in want of a gunner, but I presume influence was responsible for his appointment. I also had a steward who was forced on me though I objected to him, and who had the furnishing of the meat at his own discretion to the crew.

With regard to complaints made about the quality of the provisions, Captain Bernier said :

The provisions consisted of salt pork, hams, salt beef, sea biscuits and flour. The crew rebelled against the biscuits. They wanted fresh bread, and you can judge for yourself what kind of sailors they were when they refused biscuits. I have sailed the ocean for thirty-five years as a master, and in all my experience never heard of such a crew, and in future I will have the shipping of my own men or know the reason why.

And inquired of the government :

1. Have any steps been taken to ascertain whether Capt. Bernier uttered the language attributed to him in the above telegram, reflecting upon members of the government in accusing them of having foisted upon him incompetent men to man the steamer 'Gauss' ?

2. If so, has he assumed the responsibility of making the charges, and will a sub-Committee of Council be appointed to investigate and report upon this act of insubordination on the part of Capt. Bernier in charging ministers with forcing upon him "landlubbers" to man a vessel purchased by the government to be used in the discovery of the North Pole ?

3. For what reason, and for what purpose was a gunner appointed for duty on the steamer 'Gauss', there being no gun upon the vessel ?

He said : I think I need hardly say to my hon. friend the Secretary of State that these charges made by Captain Bernier are of a serious character, that men totally unfit to assist in the navigation of a vessel, where the lives of the crew and all on board were at stake, were, as the captain says, foisted upon him. This appears to me to be an act of insubordination quite equal, if not of a much more serious character, than that for which the government have dismissed a very eminent military officer. Is the country to understand that in matters of this kind, where human life is put in jeopardy that government influence is to be used to provide pleasure trips—because the appointment of this gunner could have been for no other purpose—for men totally unused to the sea and knowing nothing of navigation ? Since I put this notice on the paper, I saw it stated that Captain Bernier has denied having used expressions of this kind. It is somewhat singular, the House will think so, that any reporter would deliberately concoct a story of this kind without any foundation in fact. Not only was this report telegraphed to the Toronto papers, but it appeared also in some French paper in the city of Montreal. If my recollection serves me right it was in 'La Presse.' The charges are of such a serious character that I think we ought to have some pronouncement of the policy of the government on this question. I shall say nothing further until I hear from the hon. Secretary of State what he has to say in explanation in the answers he may make to the questions.

Hon. Mr. SCOTT—I have understood from various sources that Captain Bernier has pronounced the report a forgery—that he never made such a statement. The answers from the department only reached me just before coming to the Senate. They are not as full as I should like to find them. The answer to the first question is : On receipt of the various reports an officer was immediately despatched from the department to investigate the trouble ; the evidence was

taken under oath and the matter is now under consideration.

I understood Captain Spain was the officer, but I have not seen his report, and I do not know whether it is yet prepared. I presume that it will give us full information.

Question No. 2 is answered, therefore, by answer No. 1.

In regard to the specific question of the appointment of a gunner the answer is: A gunner was appointed for the purpose of getting into touch with and drilling the men at various drills and exercises which are necessary on board ship. He was selected for his experience in the militia, having received certificates as drill inspector in that arm of the service.

I presume until we can get Captain Spain's report, I shall be unable to give any further information than the department has furnished me.

Hon. Sir MACKENZIE BOWELL—Do I understand the hon. gentleman to state that when this report is received, it will be laid on the table of the House ?

Hon. Mr. SCOTT—I am not able to say. If the hon. gentleman will move for papers, I shall send it to the department. Of course, I cannot answer off-handedly what the department will do. I shall be glad to get the papers in question.

Hon. Sir MACKENZIE BOWELL—The answer giving the reason for the appointment of this gunner, is, he was appointed for the purpose of drilling the men. Captain Bernier says there are no guns on the vessel, so I suppose he was put there to teach the hay-foot, straw-foot drill. I think the answer of the Secretary of State to the first question is not in accord with the answer given in the lower House, to this same question. It was there declared, as reported in the newspapers, that this man was taken on as an experienced seaman. Now it appears he was a military man, sent to drill the crew. I shall act upon the suggestion the hon. gentleman makes, and will put on the order paper a notice that I intend to move for the report of Captain Spain and any other information there may be on this subject.

Hon. Mr. SCOTT—I had not seen the report of the answer in the House of Commons, I was not aware that any reply was given.

Hon. Sir MACKENZIE BOWELL—All I have heard is that the captain declared the report to be a forgery.

Hon. Mr. YOUNG—I understand the hon. Minister of Marine announced in another place, that he had a formal denial over the signature of Captain Bernier, of the truth of this report.

Hon. Sir MACKENZIE BOWELL—The minister was asked to produce it, and he said he would, but he has not done so ; and if the hon. gentleman reads a little further, he will find the minister did not know whether it was by a telegram or a letter, or how he got the denial.

THE AUDIT ACT.

MOTION.

Hon. Mr. McDONALD (C.B.) moved :

That in the opinion of the Senate of Canada the government should during the present session of parliament, amend the Audit Act in accordance with the recommendation of the Auditod General, and thereby retain the services of that official whose mental vigour, courage, ability and long experience well qualify him to discharge the duties of his office, with advantage to the people of Canada.

He said : I was induced to put this notice on the paper by the comments made by the Canadian press the last two or three years. The reported resignation of the Auditor General has been freely commented upon throughout the Dominion and the sentiments of the press of all shades of politics are in favour of the retention of Mr. McDougall in that office. The Liberal-Conservative press, the Liberal press, and last but not least, the Independent press of Canada criticised the reported resignation of Mr. McDougall and the action of the government adversely in not meeting his wishes with respect to the amendment of the Audit Act. I find that Mr. McDougall's letter applying for superannuation was laid upon the table of the House of Commons yesterday. I shall read a portion of it which refers to his application for a superannuation and his retirement from office :

Auditor General's Office,
Ottawa, June 21, 1904.

To His Excellency the Governor General in Council :

I have the honour to request the government to superannuate me, to take effect from the 1st

July next. This may be done by superannuating any time during this month. The superannuation, if the time is not named, counts from the first of the following month.

This is in pursuance of the following sentences in the preliminary part of my report: 'The magnitude and number of the transactions going through this office are now so increased that I feel parliament should seriously consider also the amendment of the Audit Act along the other lines suggested in a former report, to enable this office to cope with the expansion of the business of the country. I feel so strongly on this point that if parliament does not see its way to bring the matter up this session I shall at the end of the session ask to be superannuated.'

The session is not ended, but from the remarks of the Prime Minister and the Minister of Justice on Mr. Lennox's motion for a committee, it is plain that the Audit Act will not be amended this session, and therefore there is no purpose in delaying my superannuation.

That is sufficient to show what Mr. McDougall has done. It is plain that he has given satisfaction to the people of Canada, and to all governments up to this date. He has been acting as administrator of the Audit Act for about twenty-six years. That Act is antiquated. Very few Acts are on the statutes that have not been amended since it was enacted. I believe Mr. McDougall is eminently qualified, from long experience in the office, to say what the amendments to the Audit Act should be. He has discussed the matter with the government for many years and without disrespect to any one, I think Mr. McDougall is as qualified from his experience in that office, to recommend what amendments are required as any minister of the Crown. Mr. McDougall as Auditor General has shown himself to be a man of great courage. It is a difficult thing for a civil servant to oppose the views of any minister. All ministers are powerful, and unless a civil servant is a courageous and determined man, he is always likely to yield to the minister. It is much more so when several ministers combine against a civil servant. Mr. McDougall, although in the civil service, is a servant of parliament, and perhaps the fact that the government is not able to dismiss him without a vote of parliament has fortified him in his position.

But I believe Mr. McDougall, independent of that, is a man of courage, a man of independence and of all men that I know is best qualified for the position which he has occupied for twenty-five years. It is evident that Mr. McDougall would not resign the position of Auditor General if the government had seen their way clear to amend the Audit Act as he suggested—not altogether as he suggested, but there is no doubt he intended to help the government in making an amendment to the Act that would suit the altered circumstances of the country. Mr. McDougall, in his application for superannuation, says he is sixty-five years of age. Although he has reached that age, there is no man in Canada, if I had the appointment, that I would appoint to the office of Auditor General sooner than Mr. McDougall. His physical appearance justifies the belief that he has many years of usefulness before him. Considering the fact that the public press of Canada, from one end to the other, are practically unanimous in favour of Mr. McDougall's retention in office, and in favour of the government not accepting his application for superannuation. I have put this motion on the paper with a view to test the opinion of the House on the question, and to see whether this is in accord with what I believe to be the unanimous opinion of the people of Canada as represented by the press.

Hon. Mr. SCOTT—Whatever views or opinions the government may have of the propriety of making any amendment to the Audit Act, it is not now possible at this period of the session to take any action. The government does not propose to make any amendment during the present session. I should regret that that decision should involve the resignation of the Auditor General. He was appointed by an administration of which I was a member. It was the Mackenzie administration that placed the Audit Act on the statute-book. I had charge of the measure in this chamber, and derived great assistance from the members generally in the consideration given to that Act in 1878. Mr. McDougall was selected as the Auditor General, being a gentleman of the highest integrity and possessing all the qualities that fitted him to discharge the duties of that office. I see no reason for changing the views that I then held, and I am quite prepared to join in many of the observations made by the hon. gentleman from Cape Breton. I feel, however, as many others feel, that as years went on Mr. McDougall from evolution, from no motive other than a feeling of intense interest in the work of his department gradually extended and enlarged the scope that was originally intended under the Act. The Act has

been on the statute-book since 1878. There have been no amendments in the direction of enlarging the scope of Mr. McDougall's work. Hon. gentlemen will remember that, during the eighteen years of Conservative administration, there was considerable friction between the members of that government and the Auditor General. That was quite natural. The tendency of any official who has a sincere desire to do his duty, particularly in the auditing of the public accounts, is necessarily to become suspicious of all disbursements that do not meet with his approval. His powers under the Audit Act were first to see that in every case presented for payment there was an appropriation by parliament. If contracts were given out improperly, it was his duty to call the attention of parliament to the fact. He held office by the will of parliament practically, as his removal from office must be approved by parliament, and therefore, he is, in a sense an independent official, and one that I recognize has rendered the country very great and valuable service, and I should regret myself that the decision that I have announced would lead to the conclusion of his services and his withdrawal from his present position. I do not at all agree with the observations of the hon. gentleman who introduced this motion, that the press has so universally approved of Mr. McDougall in all instances. They have recognized him as an honourable and painstaking officer, but they have at the same time criticised Mr. McDougall on very many occasions as devoting too large attention to the small matters that come under the notice of the Auditor General's Department, and hon. gentlemen will quite understand that the tendency of that office has been to expand and enlarge its powers. For very many years after the Act was passed, and during the early eighties, the report published by the Auditor General yearly was a reasonable volume giving in succinct form fair and proper criticism of the main subjects of expenditure. I happen to have in my hand the volume issued in 1882. Hon. gentlemen will see the size of it. That has expanded into the two large volumes issued recently. I ask the hon. gentleman has the business of the country expanded to such a degree as would warrant the publication of the Auditor General's Report to the extent of 2,500 pages.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman forgets it is a 'growing time.'

Hon. Mr. SCOTT—It is a growing time, but I do not think we have grown quite so fast as that. The Auditor General has some very superior men in his employ, but he has one or two other officials who probably like to delve and peer into matters which probably are outside the jurisdiction of that department. As the hon. gentleman has quoted the press as at all times praising the Auditor General, I shall quote for his information a leading organ of the Conservative party, the Montreal 'Gazette,' which is a strong party paper and generally expresses the views of the Conservative party. In discussing this question on Friday last they say :

> Almost immediately thereafter a Conservative government came into power and remained in power for eighteen years. Mr. McDougall's reports were the cause of many troubled hours to its members ; they have been possibly more bothersome to the Liberal ministers who are now in the place of power.

I shall simply quote one or two paragraphs :

> One of the duties of the Auditor General is to make a report to parliament. From one this has grown with the growth of the country's affairs to two huge volumes of about 2,500 pages. Some of the contents are valuable ; some are not. They include a record of the payments on behalf of the government from the interest on the debt to the price of half a dozen cakes of soap, and the cost of washing the towels of a public office. It is proper and necessary that even the smallest of accounts should be audited. It is hardly needful that their details should be compiled and printed year after year at considerable cost to the country. They are not in a large number of cases of any value, either in themselves or relatively. They are made use of in the House of Commons chiefly during the discussion of the estimates, and for the worrying of the ministers. This does not as a rule make for the dignity of parliament.

That is the opinion of the leading Conservative organ. I cannot say that I agree with all those observations. I recognize that as years went on, the office has been no doubt magnified and the powers of the Auditor General have sought to be enlarged. I am not finding fault with the Auditor General because I think it was a proper thing to call the attention of parliament to it. The Auditor General sometimes puts himself above the law. We had the Civil Service Act before us last year, and in that Act there was a clause authorizing the appointment of a civil servant who had not passed

the examination, but who had been in the employ of the government for a period of years. I may say that the former administration had passed a similar Act and limited its operation to one or two years, the period in which that right had to be exercised. It was for the purpose of giving the opportunity to many of the employees of the government who have been for a long series of years faithful servants, the chance of being placed on the permanent list. We know that in the Public Works and Railways, and in other departments there are men who have been there for 20, 25 and 30 years. Some of them desired to be on the permanent service, and that clause was introduced as a similar one had been introduced some years ago, but, limited to a short period, and the Auditor General took the stand that it was not proper legislation, and for a very considerable time, he declined to recognize appointments made by persons who, although on the staff of the government, had not passed the civil service examination. I am not now criticising the Auditor General for his action. I am merely showing that in the opinion of many he assumed to hold powers larger than parliament authorized. Parliament was responsible for the legislation; if it was a mistake, and I am not prepared to defend it, it was for parliament to correct it. There are other instances of a similar kind where the Auditor General has interfered even in defiance of Acts of parliament. I am bound to say that any interference on his part has always been from a conscientious feeling. Nobody can question that the Auditor General has been most anxious to perform in the most perfect manner all the duties incidental to his office, but the tendency of an officer in his position is to constantly enlarge the scope of his power. The hon. gentleman making this motion did not point out any special amendments to the Audit Act, that he thought should be introduced.

Hon. Sir MACKENZIE BOWELL—He said they were in line with the suggestions of the Auditor General.

Hon. Mr. SCOTT—I could not at the moment say what they are. During the administration of which my hon. friend was a member for eighteen years, it was not thought necessary to add to the powers possessed by the Auditor General. Some few amendments were made, but not in that direction. They were more as to the details of the office, and not in any sense enlarging the power of the Auditor General. It was only after the change of government, when the political friends of the Auditor General came into power, that he pressed for changes in the Audit Act. The amendments, I believe, will be found in one of his earlier reports, after the change of government in 1896. The government would regret should it be made the occasion of Mr. McDougall's withdrawal from his present position. We would very much rather he would remain where he is. Although there has necessarily been friction from time to time between him and the departments it always passed away, and has left no ill-feeling. In referring to the action of the Auditor General's staff in devoting too much time and attention to minor matters, I might remind the House that there have been some very large expenditures which have been improperly made that the Auditor General was unable to take any control over whatever. That is, he has not been able to check them. I would refer to a subject that hon. gentlemen are perfectly familiar with, that is the Curran bridge, where the estimate was $125.000; the cost was increased to half a million, and there is no doubt large frauds were perpetrated. The Auditor General failed to check that expenditure. Of course he could not. I am not finding fault with the Auditor General for that or any other matter, because there are so many that have to do with the expenditure after a public work is entered upon, and you cannot always readily detect the men who will commit frauds. I may mention the frauds that were discovered in the Militia Department. It was beyond the power of the Auditor General to check them. So many people have to be trusted, that frauds will be perpetrated, no matter how anxious the government may be to avoid them, or the Auditor General to check the accounts. He can only know the circumstances after they are brought to his notice, and parliament has had cognizance of them. There was a waste of nearly a million dollars in what were known as the McGreevy and Connolly frauds in Quebec. The Auditor General could not control that expenditure, simply for the reason that frauds can be committed where you have to deal with parties outside. You cannot always

rely even on those who ought to certify to accounts, and therefore I do not hold the Auditor General responsible for those defalcations; but I do recognize a good deal of truth in the observations made by the hon. gentleman from Montreal, who said it would be better if more attention were given to larger matters, and less to minor matters. As to the contingencies in the departments, it ought not to be necessary to spread out in the Auditor General's Report in detail the correspondence relating to small expenditures. It is in that way the volumes have been enlarged to the size they are to-day. The Auditor General can, of course, call the attention of parliament to improper expenditures. That is his duty. As a rule, the Committee on Public Accounts every session take up all those questions. It is rather creditable to this government that during the present session, the Public Accounts Committee have not met more than two or three times. There have been no serious charges to bring before it for examination, and, therefore, there has been less for the committee to do than in other sessions. I do not know what reports the Auditor General has made to them of improprieties in the past year. He always reports to parliament on expenditures that he considers are not warranted, where contracts have been given out without calling for tenders, and where contracts have been given not to the lowest tender, but to a higher one, and various matters of that kind. I have not heard that any questions have arisen in the Public Accounts Committee in any way criticising seriously the action of the government during the past year. Under the circumstances, the government is quite unable to accept a proposition of this kind, which they would regard as extremely unreasonable, and the Senate is not the chamber, I think, to introduce a proposition of this kind. The House of Commons has to deal more particularly with the subjects which come under the notice of the Auditor General. The government, of course, have no intention just now of making any change in the Audit Act. As I said before, hon: gentlemen opposite had control of the Act for eighteen years. I do not know whether they were pressed to make amendments or not. The hon. gentleman has said that the Act is out of date. It was a very good Act, and has been found to work very well. I do not know of any weakness in it; it certainly has not come under my notice. The power of the Auditor General in regard to all subjects committed to his control is practically unlimited. He can only be overruled by the Treasury Board, in matters that would properly come before that tribunal. All governments have from time to time, overruled the Auditor General. I do not know that there have been more over-rulings during the last eight years than there were during the preceding eight years. I am quite aware that the Treasury Board has from time to time had to differ from the Auditor General. He gives his reasons. The Auditor General has a right to counsel, and he from time to time consults the leading counsel in Canada as to the action which he takes. If hon. gentlemen choose to read the reports from time to time, they will find that, as a rule, he was governed by the advice of the most eminent counsel that could be obtained, with a view of keeping him within the fair scope of his duties. I do not wish to minimize in any way the valuable services that the Auditor General has rendered to this country. Whatever criticisms may have been expressed, whatever faults he may have been charged with, they have all been on the right side. His desire has invariably been to save the public revenue and restrict rather than to enlarge the public expenditure. Those who are responsible for the expenditure are the government of the day. While the Auditor General may have erred, it has always been on the side of economy and the protection of the public revenue. The government, in declining at the present time to make any changes in the Audit Act, still recognize that the Auditor General has been an efficient servant, and they hoped that their decision not to make a change at the present time would not lead to his withdrawal. His resignation has not been accepted, and I hope it will be reconsidered, and that he will remain in the service of the country.

Hon. Mr. FERGUSON—I deem it due to myself that I shall explain to hon. gentlemen something with regard to the notice I placed on the order paper some time ago. I then gave notice that I would ask the government whether it was their intention to amend the Audit Act in the manner indicated by the Auditor General in his re-

port. That notice I gave immediately before the May vacation, and before I returned to this House the question had been taken up in the House of Commons, and the discussion there divested the matter of a good deal of its novelty and interest. At all events it seemed useless to discuss a question which had already been answered by the premier elsewhere. However, I am entirely in accord with the resolution which has been moved by my hon. friend from Cape Breton. It is one that is well worthy of the consideration of parliament, and I am only sorry to learn from the hon. Secretary of State that it will not receive the support and sanction of the government. When Mr. McDougall was appointed Auditor General by the out-going Mackenzie administration he at once came in contact with the in-coming government led by Sir John Macdonald. Such an audit as he was empowered to make under that Act was something new in Canada, and, as a consequence, friction arose between the Auditor General and many of the departments and some of the ministers. That continued for many years, and it was not much wonder if the idea seized many members of the government and their friends that Mr. McDougall was pushing the matter in the interest of the political party from which he had received his appointment. That impression I know prevailed for many years. I am told that the late Sir John Macdonald, when premier of Canada, rose entirely above such a feeling as that, and whenever he was approached by any of his colleagues the ministers in the way of criticising the Auditor General he upheld Mr. McDougall as being a useful officer. I have no doubt that a ministry wishing to govern the country in the public interest would find an able and experienced Auditor General of very great service. Whatever feeling may have existed in the minds of many Conservatives with regard to Mr. McDougall's political feelings before the change of government, they have had ample evidence from that time forward that Mr. McDougall has been acting in a most impartial manner for he continued to be the same fearless, independent and able critic of the conduct of the present administration that he had been during all the long years he had been auditor under the previous governments, and no one can successfully point to anything Mr. McDougall as Auditor General has done under any government to indicate that he was animated by political feeling or desired to serve the purposes of any party. On the contrary, his sole aim, throughout has been to work in the interest of the people of Canada and prevent wrong-doing in the expenditure of the public revenue. I regret the retirement from the public service of such a valuable public servant, in what may be regarded as the prime of life—of such an able, fearless and independent man. At any time it would be a loss. The experience he has gained in the performance of his duty is simply invaluable, and no man, however good he may be, can become, for years, as efficient an officer as Mr. McDougall is to-day. The retirement of such a public officer would at any time be a loss to the country, but I hold at the present time it is a very serious matter to the people of Canada, because we are launching into enormous expenditures and pledging the credit of the Dominion to an enormous amount. Our revenue has expanded, but our expenditure has kept pace with it. That has been the case under normal conditions, but we are approaching what I call abnormal conditions, with the construction of this great National Transcontinental Railway, and I hold there has been no time in the history of Canada when a public servant of Mr. McDougall's ability, courage and experience has been required so much as it is to-day. My hon. friend, the Secretary of State, was fairly complimentary to Mr. McDougall, yet his speech was in the line of fault-finding. He was ready to join with those who said that Mr. McDougall magnified small matters in his reports. We all know that in the performance of such duties as he had imposed upon him, nothing is too small to require that it shall be done right. That ground is indisputable. In addition to that, my hon. friend went further and referred to some transactions in the past political history of Canada in which he alleged Mr. McDougall had not been successful in preventing frauds or corrupt expenditure of the public money. I am not going to follow the hon. gentleman; I think it is rather unfortunate in the discussion of this question that a debatable matter should be brought in, such as the Curran bridge or the McGreevy contract questions. There is no necessity to bring them in. It would be found,

if they were discussed, that there was considerable difference of opinion with regard to these matters, and if discussed at all they would immediately lead us away from the point we have before us.

Hon. Mr. SCOTT—I did not hold Mr. McDougall responsible in any way.

Hon. Mr. FERGUSON—The hon. gentleman did not find him responsible, but he went so far as to say that his watchfulness and skill were not sufficient to prevent wrong-doing. I dare say if we examined the Auditor General's Report it would be found that Mr. McDougall was as vigilant on that as on other occasions. My hon. friend, although he introduced the subject in a way to prevent the Auditor General getting the credit, wants it now to be understood that he does not hold Mr. McDougall responsible for anything that occurred at that time. I shall not go into the question now, or go into the details of another transaction which has occurred more recently, and which has come before the public mind in connection with the proposed retirement of the Auditor General, and that is the Davis contract for lighting the Cornwall canal. I want just to point this out and if hon. gentlemen will take the Auditor General's Report, as many of them no doubt have, and read the long correspondence that took place on that subject between the Auditor General and the Department of Railways and Canals, and ultimately with the other departments and with Mr. Aylesworth, the counsel he had called in—if they will follow that struggle from the beginning up to the time an amended contract was entered into as a result of his efforts, they will find that Mr. McDougall did his duty in that matter in a most conscientious manner and with a courage and persistence that few men would have been capable of exercising. The result of that effort on the part of Mr. McDougall was, as he says himself in a foot-note that completes the correspondence, a saving to the people of Canada of an amount equal to about $500,000. I am not one of those who believe that there is not an earnest desire on the part of many hon. gentlemen supporting the government and their friends all over the country that the Transcontinental Railway should be constructed without public scandal of any kind. We know how prone human nature is to go wrong, and that in dealing with a question of that magnitude the government will have to deal with all kinds of contractors and there will be opportunities for wrong-doing and obtaining more money than they are entitled to from the people of Canada. In view of that fact, I appeal to my hon. friend the Secretary of State if it is not worth while to go a long way if necessary—I do not think it will be necessary—to meet the suggestions of the Auditor General, in order that the people of Canada may have an assurance that that vigilance which he has directed to the conduct of the expenditure of the country for so long a period will be continued from the inception and during the carrying out of this Trancontinental Railway. We are not asked to go a long way. If hon. gentlemen will look at the letter which appears as an introduction to the Auditor General's Report for last year, they will find that the amendments he seeks are very few. He may have suggested other amendments—I know he did—years ago, embracing other changes besides those indicated in the report of last year. I have had the report on my desk, of an interview which one of the Ottawa newspapers had with Mr. McDougall a couple of months ago, in which he slightly amplified and enlarged on the amendments he suggested in his report, but we have this to understand clearly, that these are the only amendments which Mr. McDougall was prepared to insist upon. Now, let us look at what these amendments are. The first is that no contract be made with the government after the work is completed. Is not that self-evident? Why should not that be the law? Why should contractors be allowed to go on and put the government in their debt, and then the government may before a settlement of the debt, allow them to come in and make a contract after the work is completed? That request of the Auditor General is one which the government shall meet. Now we come to the next, which reads as follows —

> That in contracts given without tenders, or where tenders have been called for and the lowest tender has not been accepted, the proper officer of the department be required to certify that the prices are fair and just.

Is that not self-evident? Is there anything in that amendment which any hon.

gentleman in this House will not say was just and reasonable. Now there is only one other, which is as follows :

That in all cases the technical officer, on whose expert knowledge the department relied in making the contract, be required to supply the fullest information to the Auditor General and all other government officials who have the duty of dealing with contracts.

Those are the only three amendments on which the Auditor General insists. I may be told that the Auditor General drew up amendments to the Act some years ago that embraced more points than these. That is true. As I said before, I have a copy of this. The other amendments were not very important. They were merely provisions for facilitating the transaction of the business, but I am clear in saying that these were the only amendments, as will be seen from the report of the Auditor General himself, on which he was prepared to insist. I think it was the duty of the government to have met the Auditor General on these points. I have been told that his feeling with regard to this is that without such provisions he has asked for, he would hesitate to undertake the duties that will devolve upon him in the near future on account of the magnitude of the transactions in which the government is engaged. Hon. gentlemen will agree with me that the government has not done its duty, inasmuch as it has not conceded these amendments and in that way conserved to the people of Canada those safeguards which they would have if Mr. McDougall continued as Auditor General.

Hon. Mr. McMULLEN—I desire to say a few words on this question. For many years I endeavoured to discharge my duty as a member of the House of Commons in opposition to the government of the day. I took the Auditor General's Report as my guide usually, and I endeavoured to criticise estimates from time to time as they were brought down, and point out where I thought money could be saved. Some people may fancy that it is a small thing to draw attention to small items, but small items will make big items. By accumulating them you will run hundreds into thousands and thousands into millions. I never considered myself above criticising, in the interest of my country, what I thought required criticism, and I never hesitated to criticise any items that I thought required to be considered, if they were even in relation to the Governor General or the King, or Queen. I consider that a member of parliament has a duty to perform, whether he is a supporter of the government or an opponent of the government, and I endeavour to the best of my ability, humble as it is, and inefficient perhaps, to discharge my duty. The Auditor General's annual report was the basis of my investigation as a rule. I am somewhat disposed to differ from the Secretary of State with regard to the voluminous character of the Auditor General's Report. Unless you draw public attention even to small matters, small matters will grow to be big ones, and the only way that you can prevent questionable transactions from being hidden so that the public will not learn anything about them, is by curtailing and restricting the publication of the Auditor General's Report, leaving out many of those small things that are published and that some people did not like to see there, because they were participants in the advantages that accrued in the expenditure of those small items. I do not think that the Auditor General's report should be reduced, I would leave him to judge what should or should not be published for the information of parliament. I am entirely in sympathy with the view expressed by hon. gentlemen, that he has been an admirably good servant for this Dominion. He has served the country well. He has filled his place with great credit to himself and credit to the government that appointed him. I entirely agree with the remarks which have been recently made and I think it is a very great pity, at this juncture, that he should be forced to leave the place that he has so admirably filled. I am not going to say that the Auditor General has not peculiarities. We all have our peculiarities, and sometimes when a man has occupied an official position for many years, he is very apt to form cranky notions with regard to things that those outside of the official duties that he discharges cannot very well agree with. The Auditor General may be peculiar in that way, but, after all, he has so admirably filled the office that the government should exhaust every possible means to retain him where he is. I would respectfully suggest—I do not know whether it has been done or not—that there should

have been a committee from both Houses, of men on both sides of politics, who would have looked into the amendments to the Act that the Auditor General has suggested, and after a due and careful consideration a report to both Houses. I do not agree with the Secretary of State on another point, that the Senate is not the proper place to discuss this subject. The Auditor General is the servant of both branches of parliament. He is just as much the servant of and under the control of the Senate as he is the servant of and under the control of the House of Commons, and he can only be removed by joint action of both Houses. If that is the case, why have not the Senate as good a right to look into matters under the control of the Auditor General as the Commons have ? We have just as good a right, in my opinion. I should have liked very much if the government were in a position to say : 'We offered Mr. McDougall, if he would agree, that we would choose the best talent on both sides of the House, the government holding a majority as they are certainly entitled to do, select a committee and let them go over the Act carefully and fully and let them fully consider the effects of the proposed amendment. If such a committee came to the conclusion, after twenty-five years' experience of the working of the Audit Act, that it would be well to amend it or make certain concessions in small matters, I think it would be very much better that the government should adopt that course if it would be acceptable. I do not know if Mr. McDougall would accept such a proposition or not. I should not ask him to accept. I would simply ask that a committee be appointed to look into the whole thing, and then if desirable amendments were suggested, to incorporate them in the statutes. I should like to see that done, and I agree with the hon. gentleman from Prince Edward Island that at this juncture, it is most desirable that Mr. McDougall should remain where he is. There is no question about it. I have every confidence in him. I am proud to think that for the past session the Public Accounts Committee, after having exhausted every effort during the last session to hunt up and expose extravagance, have not been able to lay their finger on any serious wrong on the part of the government. That they have so felt during the present session, that they have absolutely abandoned investigation, and have not called the Public Accounts Committee together at all—at least not more than a week or two for organization. I am glad of that. I do not attribute it to Mr. McDougall's policy. I attribute it to the earnest desire on the part of the government to conduct public business properly, but I wish it to be understood that, while that is a fact, I want an Auditor General like Mr. McDougall, who will faithfully discharge his duty, and in view of the very large expenditures we are likely to have in connection with the Grand Trunk Pacific, if we can in any way retain his services as Auditor General until that work is completed, it would be a prudent thing to do. My hon. friend has said something with reference to the Curran bridge. The hon. Secretary of State drew attention to it—that the Auditor General was not able to prevent serious losses in connection with that structure. He certainly should not have made reference to it, as an evidence of Mr. McDougall's slackness in not detecting the fraud. What is the fact ?

Hon. Mr. SCOTT—I said I did not hold him in any way responsible.

Hon. Mr. McMULLEN—Still reference should not be made to that. That is not the reason that the construction of the Curran bridge was done by day labour, There was an amount of money voted by parliament and the government decided, owing to the fact that navigation would be closed the following season if the work were not done within the winter months. It was only by working day and night that they were enabled to complete the structure, and thus save the obstruction to navigation, and an appropriation was therefore taken to do it by day labour. My hon. friend would not expect me to show how many men were working at one place and how many were at work at another place. Then there was the McGreevy contract, that he referred to. What is the fact with regard to that ? Could the Auditor General have detected it? In the first place, the McGreevy contract was let at a fixed sum. Take for instance the bridge at Montreal ; what was the contract ? It was to excavate 800,000 yards at 25 cents per yard. After the contract had been let and the contractor had started

work, he said there was no provision in the contract that required him to take the dirt out of the harbour. He was only to dredge it up and put it in the scow alongside the dredge. There was nothing in the contract requiring him to take it out of the harbour, and Sir Hector Langevin, then Minister of Public Works, agreed to allow him 10 cents a yard to carry it down the river, and that agreement was sanctioned by the government and the Auditor General could not be held responsible for that. I have no doubt similar difficulties occurred in connection with other works. I have not the least doubt the present government had trouble with the Auditor General. I am satisfied they had no doubt about his honesty and ability, but the best evidence of the fact that they appreciated his influence and earnest efforts in the interest of the country is this ; Sir John Macdonald, I remember well, made a speech in the House of Commons. He introduced a Bill for the purpose of increasing the salary of the Auditor General from $3,000 to $4,000. Sir John introduced that Bill himself and in doing so he pronounced Mr. McDougall as being one of the most efficient, faithful, devoted servants Canada had. That shows that they appreciate his earnest efforts in the discharge of his onerous duty. The position that the Auditor General occupies is one of the most undesirable positions that any man can possibly occupy, for the simple reason that he stands as umpire, he stands guard between the government, whatever party is in power, Grit or Tory, and the people of the country. He is supposed faithfully to discharge his duty with an eye to save the public money, and look carefully after its expenditure, and he is supposed to keep pretty close eye upon every department of expenditure in order to carry out that object, and the duties of the office that he fills. I have no doubt Mr. McDougall has done that. I believe that he has faithfully served the country, and I should like to see him continue his position as Auditor General. With regard to the Davis contracts I should like to see a thorough and exhaustive investigation of the whole matter. I should like to learn whether there is anything wrong, I don't care who the perpetrator is. In my humble opinion we as senators should hew to the line no matter where the tree falls. I do not care if there was wrong done when our predecessors were in power, that does not justify wrong-doing now. I should like to see an investigation held. During all the time I have been in parliament I have exposed extravagance, and I have condemned contracts that, on their face, or in their working out, bore evidences of corruption. I am prepared to do it to-day. I will not sacrifice the few hours of my existence by doing anything which I conscientiously think is wrong. I do not care about the result. I am willing to support the government as long as they do what is right, but if they perpetrate wrongs and do things which I cannot conscientiously support, I will have to cut loose. All I have to say is that I hope some way will be found of settling the difficulty that has arisen between the Auditor General and the government ; by the government, to some extent, meeting him in the suggestions he has made. He has had twenty-five years experience as Auditor General. That certainly must have given him a great deal of insight into public expenditure and he must have gathered information during that time that will warrant him in taking the position that there is a necessity to amend the Audit Act in the way he mentioned. I am not capable perhaps of judging them, but they appeared to be very unimportant amendments. I would not ask him to consent to the formation of a committee for the purpose of investigating and reporting upon the whole matter, but I would try to see if some arrangement could not be brought about, by adopting the course as suggested, and I would throw the onus on him of refusing what a committee of the House recommended should be done with regard to the amendments suggested by him.

Hon. Sir MACKENZIE BOWELL—I may be excused for saying a few words upon the question from the fact that I have had nearly eighteen years' association with Mr. McDougall as Auditor General. The hon. gentleman who has just spoken has relieved me of the necessity of referring to one or two points to which my hon. friend the Secretary of State called the attention of the Senate, and he has done it in a man-

ner that does not require any amplification on my part. If the Secretary of State had followed the tone of the press in regard to this matter he would scarcely have made the remarks he did. There have been very few of those that have come under my observation that did not refer in the highest possible terms to the Auditor General. There are one or two in western Canada who have referred to the position that he has taken, at the same time defending the government, no matter what they do right or wrong. No matter how faithful a public servant might be, they would condemn him if it would only mislead their readers into the belief that the government was right on all occasions. The Secretary of State has expressed a regret that they should lose the services of this officer, but he made the most extraordinary statement, that the Auditor General had attempted to override the laws as they stood upon the statute-book. I am inclined to the opinion that there is no evidence of any attempt on the part of the Auditor General to override the law. His position has been to prevent the overriding of the law by ministers of the Crown, by which public moneys would be expended improperly and illegally. He has in no instance, in all my long experience with him, taken the position attributed to him by the hon. Secretary of State. There have been occasions on which he has given interpretations of the law, and the ministers of the Crown have appealed to the Treasury Board to override decisions of the Auditor General, but in most of these cases, in my opinion, when an appeal was made to an eminent counsel, sometimes he would refer the question in dispute between the Treasury Board and himself to Sir Christopher Robinson, sometimes to Mr. Lash and sometimes to other gentlemen standing high in the profession, and in almost every case, so far as my recollection serves me, they have decided that he was right and that the Treasury Board was wrong. My hon. friend from Wellington said that a man who was in an office for a long time might become cranky. I scarcely think that is the right word to use. A man who is a long time administering the affairs of a department becomes so thoroughly acquainted, not only with the details but with the law under which he governs the department, that he is always ready to give an opinion and if he adheres to that opinion as Mr. McDougall has done, if the opinion does not coincide with the view taken by those who differ from him they are apt to call him a crank. Perhaps I speak feelingly on that subject. I was thirteen years at the head of one of the most important departments, so far as administration is concerned, in the country. We had to come in contact with every importer, probably nearly 1,000 a year, and having come in contact with them over and over again, I should rather be inclined to repudiate that charge that it makes an officer cranky. I thought I knew the law and endeavoured to administer it. It was not in accordance with the views of others, and they came to the conclusion that I was taking an extreme view which I should not have taken. I am quite willing to admit that that may be the case with the Auditor General in many respects. The Auditor General's Reports, in the earlier part of his official life, were, it is true, much smaller than they are to-day, and for this reason. So many large public contracts were not being carried on at that time. The expansion of the business of the country in every respect, both in the departmental and in the outside work, was very much smaller than it is to-day; consequently when he began his duties and had to study the laws governing the audit of public accounts in England, and in other portions of the world, as years rolled on he necessarily became better acquainted with his duties, and the result was an increasing volume. We never heard any of this condemnation of the Auditor General's voluminous reports during the seventeen or eighteen years that the Conservative party were in power, and those who occupied seats on the opposition benches criticised and the criticisms were of a character sometimes, as I thought, going far beyond the limit of fair, legitimate discussion; but I fully concur in the estimation made by the hon. gentleman from Wellington in this respect. If you do not carefully guard the expenditure in the departments, of what may be considered the smaller items, where a great deal of wrong is committed, you

very soon forget to look after the larger sums into which they grow. There is such a thing as going too far, but beyond that I would have no objection to the size of the volumes which the Auditor General presents to us every year. I think there might be a great improvement in the presentation of that volume to the public and members of parliament, by which they could ascertain what expenditures had been incurred in connection with the different departments without having to go through the whole of the two volumes. That I have suggested to the Auditor General himself, and I have no doubt if he considers the matter he will adopt a reform of that kind. The remark by the hon. Secretary of State in reference to the proper examination of officers was scarcely fair, in my opinion. The Civil Service Act lays down the principle upon which officials shall be appointed, and when that law has been exceeded and payment is demanded from the Auditor General to meet the expenditure incurred, part of his duty was to refuse to pay it, and that necessitated the placing in the estimates of what we saw the other day, and which I pointed out last session in discussing the estimates, the words :

Anything in the Civil Service Act to the contrary notwithstanding

To the extent of sixty or seventy times in last year's estimates alone. That is not overriding the law by the Auditor General ; it is overriding the law by a minister who makes an appointment of an official who has not passed the qualifying examination, and it is the duty of the Auditor General to resist the payment of these accounts until the authority of parliament has been obtained for the payment of them. It is unfair to state, and it leaves a wrong impression on the minds of the people who read the statement, that the position taken by the Auditor General is that in order to annoy the government of the day and show his officiousness, he tries to override the law. I have had a long experience with the Auditor General. I sat in the House of Commons with him before he was appointed. There was scarcely a public question on which we agreed. When he was appointed to the position of Auditor General, I know Mr. Mackenzie did not consider it beneath him to approach the leader of the opposition Sir John Macdonald at that time, and consult him in the selection of a gentleman for the position, and when Mr. McDougall's name was suggested Sir John Macdonald accepted him at once, and told Mr. Mackenzie that he should have the support of the party which he was then leading. Why ? Because Mr. McDougall had obtained in a university those high qualifications which are necessary to any one holding the important position of Auditor General. Speaking from my personal experience, I can say that in the thirteen and one-half years I was in the Customs Department, during which there might have been, if I had felt so inclined, friction between the Auditor General and myself, I never had the slightest difficulty with that gentleman. While in the Railways and Canals Department, where many claims are made that require the most minute investigation, and where difficulties arose in meeting the demands put forward when there was no appropriation to meet them, I never had the slightest difficulty with Mr. McDougall. He would suggest means to meet that which was required for the time being. I am not going to criticise my own colleagues, nor shall I criticise the hon. gentlemen who administer the affairs of the country at the present time, but this I will say, and the Auditor General's Report proves it, if there was friction during the long administration of the Conservative party between the Auditor General and the government, it has multiplied a thousand per cent under the present administration, and why ? Because those who are now administering the affairs of the country have endeavoured to override the law, and the Auditor General, as an honest man, put his foot down, and consequently came in conflict with them. That is why he has had more difficulty of late years than he had with the old government. That occasional friction will occur is beyond doubt, because we all differ on minor points, but in the main I do not think we could get a better officer than Mr. McDougall. Why did the government, at the beginning of this parliament, introduce a law to curtail the powers of the Auditor General and take to themselves larger powers ? There can be but one conclusion in the mind of any one who has paid the slightest attention to the administration of affairs during the last seven or eight years. We all know the attempt that

had been made to override the decisions of the Auditor General and make his office a nullity. It is because he would not permit that, and because he exposed it in his reports, that the government came down with a Bill to diminish his power when in the public interest it should have been extended. I know my late chief, Sir John A. Macdonald, had a very high opinion of Mr. McDougall. I was glad to hear the remarks made by the hon. senator from Wellington. He used the very familiar expression we were accustomed to when difficulties arose between the Auditor General and certain supporters of the government, in the past, because they have been occurring all the time. All you require to prove that is to refer to the letter of Mr. Mackenzie, where he said he had to sit on the watch tower all the time to guard the public treasury, not against his enemies, but against his friends. Sir John Macdonald used this expression in discussing it with him. The Auditor General is a splendid buffer between those who want you to do what you should not do, and the public treasury, and he always sustained and supported the Auditor General. I know the government appreciate public opinion, and I hope they will take means not only to meet the views of the Auditor General, but to put him in such a position that he can protect the public funds from improper expenditure. The Auditor General is not an officer of the government of the day. If he were, my honest convictions are that he would have been relieved of office long ago, because he has been not only a buffer but a block in the way of extravagance and improper acts. I shall not be led into discussing the question of Public Accounts Committee of the House of Commons. If I did, I should probably run amuck against some hon. gentlemen who have been speaking so eulogistically of that body. We have only to read the proceedings of the Public Accounts Committee during the last few years to see that the large government majority in that committee has obstructed every attempt to expose improper expenditure, and the fact that there have been few meetings of that committee during the present session is not evidence that no wrong has been done by the government, but incontrovertible evidence that the majority of the committee have studiously and steadily refused to call the committee, in order that investigations might not go on. Even when they did meet, minor matters were discussed, and motions were voted down until they reached one o'clock and the committee rose. That is about the history of that committee. I was on it under both governments and I have had some idea of its workings. The hon. senator from Wellington made an unanswerable explanation in reference to the Curran bridge. It is true, it was built by days' work, and that frauds were committed in the returns of the pay-lists which were made, and which the Auditor General could not possibly know anything of until they were presented. Just as soon as they were presented, they were stopped. I had two or three weeks of the responsibility of the Railways and Canals Department, during the time of that very Curran bridge scandal, and I have a pretty good knowledge of the difficulties which presented themselves during that time, and when the pay-lists were blocked, the Auditor General was the first man to assist in blocking them. How could the Auditor General know anything about the McGreevy and Connolly frauds in the province of Quebec, until the accounts were brought before him after the errors and frauds had been committed? Just as soon as they came before him, he was the man to say: 'Is this right? Is it in accordance with the contract? Are you not claiming more than you ought to?' And then the matter was brought before the Minister of Justice and the Minister of Justice did what every one will commend him for doing, entered a criminal prosecution against those men and sent them to jail.

Hon. Mr. SCOTT—I did not hold the Auditor General responsible.

Hon. Sir MACKENZIE BOWELL—That is true, the hon. gentleman did not say he held the Auditor General responsible; on the contrary, he said he did not hold him responsible, but if he did not intend to leave the impression that the Auditor General should have stopped the frauds he would not have referred to it. He could not know it until the question came before him. He had not the giving out of the contract. He had his duty to perform when the contract was placed before him after it was made. When he began to examine the payments claimed under the contract, he began to ask, is this claim in accord with the terms of the con-

tract? Just as he did in the Davis case, and just as he did in perhaps the more flagrant case in connection with a claim for 15 per cent on the alleged cost of a bridge on one of the railways. The claim was for over $36,000, and he refused to pay it, although it was certified by the department to be correct. When the investigation took place it was proved the contractor was entitled to only $14.755 instead of $36,000; thus a fraud to the extent of some $22,000 was prevented by the Auditor General, on one claim alone. There is a case in which the Auditor General's services to the country has been rendered in a fearless manner, and in opposition to the department which certified the accounts. I do not say there was a desire to leave a wrong impression on the minds of the House, but those who knew nothing of the circumstances would come to the conclusion that the Auditor General was responsible for the Curran bridge scandal and the McGreevy-Connolly frauds. I hope the hon. Secretary of State will in future, as he has to-day, take the Montreal 'Gazette' as a guide for his political course. If he does he can depend upon it he will not go astray as often in the future as he has in the past. I read that article in the Montreal 'Gazette,' and it is like all articles which come from the pen of the editor of that paper, conscientiously put, and where he thinks even his own party is wrong, he does not hesitate to say so. It is an example we might all follow. I hope the Secretary of State will read the 'Gazette' carefully and attentively in future. The reference of the 'Gazette' to what he calls finding fault with small items is very easily explained. To those who have not been behind the scenes, and know very little of the working of the different departments, the Auditor General's attention to small items may appear an unnecessary waste of time. We have had pages and pages of his report showing purchases by people in the public employ, of luxuries which the general public do not approve of, and, if no fault had been found with such payments, the government might take it that the expenditure in that respect had been approved of. I can say, after a long experience of seventeen and one-half years in different departments of the government, I have scarcely ever found, during that period, that the Auditor General was in the wrong when questions arose affecting the expenditure of public money.

Hon. Sir MACKENZIE BOWELL.

Hon. Mr. McMULLEN—I would suggest that the hon. gentleman strike out of his motion that portion which suggests that every amendment which the Auditor General recommends should be adopted.

Hon. Mr. McDONALD (C.B.)—I agree with the view of the leader of the opposition with reference to the Montreal 'Gazette.' I do not interpret the article quoted by the hon. Secretary of State as he has interpreted it. The Montreal 'Gazette,' in several editions of late, has advocated the retention of the Auditor General. The hon. Secretary of State, in the course of his remarks, stated that the Auditor General had not, while the Conservative party was in power, asked for any amendments to the Audit Act. I shall be very sorry to believe that if the Auditor General thought the Act required amendment he would not ask the Conservative government for the amendment.

Hon. Mr. PERLEY—It was not needed then.

Hon. Mr. McDONALD (C.B.)—From that fact, I infer that the Auditor General did not see any necessity for amending it then. It has been suggested that the Senate is not the place to bring up this question. I agree with the hon. senator from Wellington, that there is no higher body in Canada than the Senate. It represents the people and the Crown. It is non-political, and what other body is in a better position to pronounce upon a question such as the duties of the Auditor General? I believe the people are nearly unanimous in support of my motion. The Senate is independent of the people, of the Crown, and of the government, and no other body in Canada is more capable of dealing with this question than this honourable body. I am willing to act upon the suggestion of the hon. senator from Wellington, to drop out the portion of my clause which he has quoted. My intention was to say that the Audit Act should be amended according to the suggestions of the Auditor General, and with the approval of the government. With the consent of the seconder I beg leave to drop that portion of the resolution.

Hon. Mr. DANDURAND—I feel that this resolution is not very satisfactory in the way it is worded. It affirms two things, one of which nobody can object to, and another to which I am not ready to subscribe. The hon. gentleman begins by saying that in the opinion of the Senate of Canada the government should, during the present session of parliament, amend the Audit Act in accordance with the recommendation of the Auditor General. He has consented to strike out 'In accordance with recommendation of the Auditor General.' I wonder how many members of the Senate have closely looked into the working of the Audit Act and the recommendation of the Auditor General to be in a position to say to what extent those recommendations commend themselves to the Senate. I am absolutely in doubt as to whether the Audit Act should be amended or not. It seems to me it would need a greater study of the question than any member of this body has made of it up to the present time, to be able to decide what should be done. How many of us can say that he understands the Audit Act and just where it should be amended. If it needs amendment, then the work should not be undertaken in the last days of the session, and in view of the fact that the Finance Minister, who is responsible for the administration of the Act, has gone into the matter and framed appropriate amendments to be submitted to parliament, it is pressing the government unduly to ask them to go into the question at this late hour of the session, when neither branch of parliament can give it proper consideration. As to the other part of the resolution, I think we are all agreed. I have not heard any one express an opinion that we should not try to retain the services of the present Auditor General as long as we can. If the hon. gentleman presses his resolution, he will simply force a majority of this body to reject a motion part of which we all approve of. I will suggest to the hon. gentleman that after hearing the general expression of opinion in favour of retaining the Auditor General he would better serve his purpose by withdrawing the resolution.

Hon. Mr. BEIQUE—I entirely agree with the remarks of the hon. gentleman from de Lanaudière. The reasons he has given should commend themselves to the judgment of the Senate. I desire to further call the attention of the House to other reasons which should induce the hon. member from Cape Breton not to insist on his motion. First I call attention to the fact that, as worded, it says that the government should amend the Audit Act. It is not in the power of the government to do anything of the kind. But apart from that, we have a letter from the Auditor General, a portion of which was read by the hon. senator from Cape Breton in which he says:

> This is in pursuance of the following sentences in the preliminary part of my report:
> The magnitude and number of the transactions going through this office are now so increased that I feel parliament should seriously consider also the amendment of the Audit Act along the lines suggested in a former report.

Therefore the Auditor General suggests not only the amending of the Audit Act as mentioned in his last report, which has been read by the hon. gentleman from Marshfield, but also that it be amended along the other lines suggested in the former report. For my part I do not know what that former report contains, and how can I affirm, even if we are to take the word 'government' as intended to mean parliament, that parliament should amend the Audit Act along those lines? I am satisfied that a great majority of this House have not had an opportunity to study the question, or of knowing exactly what suggestions have been made by the Auditor General. The resolution, I respectfully submit, does not hold together. It suggests that the government should amend the Audit Act and thereby retain the services of the Auditor General. The conclusion does not at all follow from the premises. For these reasons I regret that I shall have to vote against the motion, if it is pressed. The hon. gentleman should be satisfied with having drawn the attention of the House to the question, and having obtained an expression of opinion to which, for my part, I am ready to assent. We all agree that the Auditor General is a valuable servant, and that he occupies a very important position, and having proved that he possesses the character and ability to fill that position, it would be in the interest of the public that he should remain the Auditor General; but I repeat the hon. member should not press for a vote upon this resolution.

Hon. Mr. McDONALD (C.B.)—The hon. gentleman has read the first paragraph of the Auditor General's resignation. In the last paragraph he says :

I feel so strongly on this point that if parliament does not see its way to bring the matter up this session, I shall at the end of the session ask to be superannuated.

That is, he feels so strongly that parliament should amend the Audit Act that he asks to be superannuated unless it is done. My resolution is in accordance with the Auditor General's letter.

Hon. Mr. McMULLEN—I would suggest to take out the word 'thereby.'

Hon. Mr. PERLEY—The Auditor General has been making these complaints to the government for some little time past, and they have absolutely refused to do anything. In the other House the hon. member from Lennox moved a resolution to leave the whole power with the Prime Minister to appoint a committee to examine into the complaints, but the Prime Minister would have nothing to do with it. It is evident that the Auditor General has some grievance with respect to the law. How are you going to get at it if the government has undertaken to deal with the matter ? For that reason. I should be inclined to vote for the motion. I admit that I do not know all the details. but I understand the object of the proposed amendment of the Act is to give the Auditor General power to deal with the public expenditure in a more efficient manner than he can under the Act as it now stands.

Hon. Mr. VIDAL—It appears to me that a very little alteration would do away with one of the objections.

The Senate divided on the motion, which was rejected on the following vote :

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Kerr (Toronto),
Legris,
Lovitt,
McHugh,
McSweeney,
Power (Speaker),
Scott,
Templeman,
Tessier,
Thibaudeau (Rigaud),
Watson,
Wilson,
Yeo,
Young.—25.

SECOND READING.

Bill (111) An Act respecting the Edmonton Street Railway Company.—(Hon. Mr. Casgrain, de Lanaudière.)

SHIPPING CASUALTIES ACT AMENDMENT BILL.

SECOND READING POSTPONED.

The Order of the Day being called :

Second reading Bill (102) An Act to amend the Shipping Casualties Act, 1901 (Hon. Mr. Templeman.)

Hon. Mr. TEMPLEMAN said : In accordance with the wish of the hon. member from Portneuf, who desires that the second reading of this Bill should be deferred until the 7th July, in order to give certain pilots who are interested in the proposed amendments an opportunity to be present and make their objections, I move that this order be discharged, and put on the Orders of the Day for the 7th proximo.

The motion was agreed to.

THIRD READING.

Bill (119) An Act to amend the Canada Temperance Act.—(Hon. Mr. Lovitt.)

The Senate adjourned until to-morrow.

THE SENATE

Ottawa, Thursday, June 30, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

THIRD READINGS.

Bill (82) An Act respecting the Essex Terminal Railway Coompany.—(Hon. Mr. Casgrain, Windsor.)

Bill (78) An Act respecting the Ottawa River Railway Company.—(Hon. Mr. Domville.)

Bill (130) An Act respecting the Huron and Ontario Railway Company.—(Hon. Mr. Kerr, Cobourg.)

Bill (97) An Act respecting the Trans-Canada Railway Company.—(Hon. Mr. Tessier.)

Bill (129) An Act respecting certain patents of Edwin R. Cahoon.—(Hon. Mr. Kerr, Cobourg.)

FEDERAL GRANTS OR SUBSIDIES TO PROVINCES.

MOTION DROPPED.

The Order of the Day being called :

That an humble address be presented to His Excellency the Governor General ; praying that His Excellency will cause to be laid before the Senate, all the correspondence between the federal and the provincial governments in connection with the increase of the federal grants or subsidies to the different provinces.

Hon. Mr. DAVID said : A discussion took place last year on this important question. I believe there are no new documents or correspondence between the government and the provincial government on this question, and at the suggestion of some hon. members of this House. I think proper to drop the motion with the intention of renewing it next year.

The motion was dropped.

THE TREADGOLD COMMISSION.

INQUIRY.

Hon. Sir MACKENZIE BOWELL inquired of the government :

'First. When will the report of the Treadgold Commission be presented to parliament ?

Second. Has the Treadgold Commission been cancelled by the government ?

Third. If so, what was the reason for such cancellation ?

Fourth. Has any demand or request been made for compensation by said Treadgold Company for any expenditure made by it in connection with or on account of said concession ? If so, what is the policy of the government in relation thereto ?

Hon. Mr. SCOTT—Messrs. Treadgold and Young. some little time ago, addressed a communication to the minister stating that they found from causes that are not explained they were unable to float the enterprise. and, therefore. they withdrew their application. On that an Order in Council was passed accepting the relinquishment of the concessions that had been made to them. That is practically the whole story. No compensation was asked. The only condition attached was that they should be protected for anything done during the time they held the concession—that is for any act they might have performed. It did not carry with it any compensation, however ; they simply delivered up anything they had received under the Order in Council, and previous Orders in Council were cancelled.

Hon. Sir MACKENZIE BOWELL—Do I understand the words 'Protected for anything thereby had done' to mean they were protected for anything they did while they held the license, or that they are protected for the expenditure made under it ?

Hon. Mr. SCOTT—Oh, no ; it would limit it to any act they had done. They had the authority to do certain things while they were holding it ; that authority has been cancelled. If during the time they had purchased any claim, for instance, that would be respected, or anything of that kind ; but it is not coupled with any compensation to be paid them. The concession was without any condition whatever.

Hon. Sir MACKENZIE BOWELL—Do I understand that no report has been made by the commission appointed to investigate ?

Hon. Mr. SCOTT—No report.

Hon. Sir MACKENZIE BOWELL—Is that on account of the death of one of the members of the commission, or are we to have a report later, after the elections take place ?

Hon. Mr. SCOTT—A day or two ago an official communication was sent to Judge Brittton that as the concessions had been now cancelled, there was no object in making a report in reference to the Treadgold concession. There was no object whatever in making a report under the circumstances.

Hon. Sir MACKENZIE BOWELL—I hope the government will order a report to be made. The country has been put to an enormous expense to inquire into the circumstances connected with the concession, and now, after spending months to investigate it by a commission, we are told we are not to have a report at all—that the government have instructed the commission not to make a report. I do not know what the country will think of conduct of that kind. The people will be anxious to know what

the effect of granting that concession to the Treadgold Company was. The fact that it has been cancelled cannot by any means satisfy the public mind. I am very much afraid the public will come to this conclusion, that the commission appointed by the government to investigate the complaints which have been made against the granting of that concession were of such a character that the government would rather not have a report, and for that reason they cancelled the concession and the contract, and then ordered the commission not to make their report.

Hon. Mr. SCOTT—I am quite sure no mortal knows what the report might be. My hon. friend will recollect that before they entered on their report, Mr. Bell was killed, and no intimation whatever was given of what the report might be. They, no doubt, will transmit the evidence taken on the subject, and it would be rather preposterous to draw a conclusion when the whole concession has been cancelled.

Sir MACKENZIE BOWELL—The press has intimated what probably would be the effect of the report, or rather, what it might contain. Perhaps the press in that case, as in others, has been given information that has been withheld from parliament. I will not prolong the discussion on this question now further than to enter my protest against the conduct of the government in appointing a commission to investigate the very serious charges made in connection with the Treadgold concession, and then, while the report is being prepared, they cancel the concession and instruct the commission not to make a report.

Hon. Mr. SCOTT—The government did not cancel. The parties withdrew. I think I explained in a few words that they were unable to finance the enterprise. The cloud thrown on the enterprise by some of the hon. gentleman's friends in another place, I have no doubt, have had an effect on the money market, and whether the concession was good or not, that, I fancy, was the barrier—I speak subject to correction—in the way of their raising the money. They could not get the money.

Hon. Sir. MACKENZIE BOWELL—I think the country may be congratulated on the fact that the opposition were the means of putting a stop to the project.

TRANSPORTATION OF NORTHWEST TERRITORIES CROP.

INQUIRY.

Hon. Mr. PERLEY inquired of the government:

If the government have since last January received any representations from the Northwest Territories Wheat Growers' Association regarding the proportion of the season's crop they desire to have shipped prior to the closing of navigation at Fort William; also, in view of the large crop expected this year, are, or will the government use their influence with the railway companies of the west towards providing sufficient rolling stock to move at least 60 per cent of the crop before navigation closes?

Hon. Mr. SCOTT—No other minister has received any communication from the Wheat Growers' Association other than the Minister of the Interior, who informs me that he has had some letters from them calling attention to the importance of having, as he thought, about 50 per cent of the crop out before the season closed. He was not very sure as to whether it was fifty or sixty per cent my hon. friend referred to. The answer to the latter part of the question really gives the fact that, last year, when the government authorized the Canadian Pacific Railway Company to increase its stock, they made a special stipulation that, some very large amount, I think it was $10,000,000, should be invested in the purchase of rolling stock, and that, I understand, has been done to the full figure, in fact really more; therefore it is to be hoped there will be abundance of cars to carry the crop to Lake Superior waters before the close of navigation—to carry, at least fifty or sixty per cent of it. Whatever influence the government can bring to bear on the two railway companies in that direction they will naturally exercise.

Hon. Mr. PERLEY—I am glad to receive the answer from the hon. minister. I might say that in the Northwest Territories, during the last two or three years, owing to the great success of the farmers in raising wheat, they found extreme difficulty in getting it shipped to market, and they have organized a Wheat Growers' Association in the Territories, not so much for the purpose of educating one another in the me-

thods of raising wheat because they think they have that problem pretty well solved, but rather to secure a more prompt shipment of their grain in the fall. There is a prevailing opinion—and I think it is necessary I should say so—with a great many farmers that they should not be compelled to hold over the greater proportion of their wheat. It is customary for most people when they have their produce ready for market, to feel that they are entitled to sell and ship it. The farmers in the Northwest, the moment the seed is in the ground, commence to prepare for next year's crop. We work the soil from now until the harvest comes on, then after harvest we again work the soil, and the following spring we seed it. There are eighteen months from the time we commenced to prepare the soil before the grain is harvested and in the granary. We ought to be permitted to sell it within eighteen months, but railway people say no, the farmers can hold their grain until the next spring and they compel the farmer, virtually, to hold it back for two years. We think that is unfair; still I am proud to say, a large number of farmers are able to hold a portion of their crop. Last year this matter came up at Regina at the grain-growers meeting. I was present as a delegate, and the meeting recommended that the Canadian Pacific Railway be required to carry out seventy-five or eighty per cent of the wheat before the close of the season. After discussing the matter, they concluded that it was too much to expect. They wished to be reasonable in their demands, and they thought 60 per cent was a reasonable amount, and that the government who has control of these things should act in the matter. We sent a copy of the resolution to the government, and it has had some influence on the company, to furnish us cars. It is unfair that a farmer should be compelled to hold his wheat for two years after he has spent 18 months at heavy expense preparing for it. It is heavy expense, feeding teams and so on, without any return sooner than 18 months. I cannot sell my grain while it is in the elevator at Wolseley. I must have it on the car. I cannot realize on it in the elevator, but once I get it on the car I can sell it in five minutes. Therefore it is proper that transportation facilities should be provided to carry out the crop before navigation closes.

THIRD READINGS.

Bill (34) An Act to incorporate the Dominion Fire Insurance Company.—(Hon. Mr. McMillan.)

Bill (131) An Act to incorporate the Farmers Bank of Canada.—(Hon. Mr. McMullen.)

Bill (122) An Act respecting the Ottawa Fire Insurance Company.—(Hon. Sir Mackenzie Bowell.)

OKOTOKS AND HIGH RIVER LUMBERING AND DEVELOPMENT COMPANY BILL.

THIRD READING.

Hon. Mr. PERLEY moved the third reading of Bill (No. 51) An Act to incorporate the Okotoks and High River Lumbering and Development Company, as amended.—(Hon. Mr. Perley.)

Hon. Mr. GIBSON—I was requested by the Hon. Mr. Edwards, who takes some exception to the Bill, to ask the indulgence of the House to permit this Bill to be postponed until after the adjournment.

Hon. Sir MACKENZIE BOWELL—If that is done we will be detaining for weeks the gentlemen who have been promoting this Bill in the city. They have been here for a long time and they desire to return to the Rockies. I think the hon. gentleman from Russell, having given expression to his opinions which are very strong upon the question of expropriation in particular, after that and some other concessions which were made in this Bill, would be quite satisfied. I do not think he imagined for a moment that he could succeed in inducing the House to reject the Bill after its having been so thoroughly discussed in committee. If this Bill involved a new principle, I should give it the strongest possible opposition. There are provisions in it, giving power to the Minister of the Interior that should not be conceded, but these powers are now enjoyed by the minister in the Irrigation Act, and I scarcely think it would be fair to deprive this corporation of the same rights that are given to others under almost similar circumstances. If the Act regulating irrigation were to be recast and the power of expropriation

there given and which is also given in this Bill was eliminated, I should give it my hearty support; but I am not prepared to say, after the investigation which has taken place in the Private Bills Committee, and the thorough manner in which this Bill has been threshed out, that these gentlemen should be kept waiting until this matter can be brought up after the adjournment. I think after a moment's reflection, the hon. gentleman from Russell would not feel at all annoyed if we passed the Bill now. No one would accede to the request of the hon. gentleman quicker than I would, if it were only for personal reasons.

Hon. Mr. GIBSON—I may say that today the hon. gentleman was discussing the subject with the minister, and gave his reasons for his opposition to the Bill. The minister frankly admitted in my presence, that he was perfectly justified in eliminating anything from the Bill which would give powers to this company which they should not have. The minister agreed with Mr. Edwards with that understanding, Mr. Edwards having to leave the city to fulfil an engagement, the Bill was to be allowed to stand.

Hon. Mr. SCOTT—As far as my recollection goes, of recent years we have not been giving private companies powers of expropriation.

Hon. Mr. KERR (Toronto)—Oh, yes.

Hon. Mr. SCOTT—I know it has not been done latterly.

Hon. Sir MACKENZIE BOWELL—There is scarcely a railway in the country that has not been given these powers.

Hon. Mr. SCOTT—That is true of railways, but not of private corporations. I have no recollection of it having been done of late years; if so, it is an exception, because I have known several cases in which there has been a refusal to grant expropriation powers. The Bill cannot receive the Royal Assent any sooner by passing it today, and I should hope the hon. gentlemen would allow it to stand.

Hon. Mr. WATSON—I understand that when this Bill was first introduced this company asked for all powers of expropriation as it is given in the Railway Act. That clause was struck out, and in place of it the power given to irrigation companies in the Northwest was inserted.

Hon. Sir MACKENZIE BOWELL—Substituted by the Minister of the Interior.

Hon. Mr. WATSON—Substituted by the Minister of the Interior. I have seen the minister and he said he thought it would not be fair to this company to strike out clause 9, as suggested by the hon. gentleman from Russell (Hon. Mr. Edwards), but that if anything was done at all, and the House considered some restrictions should be placed on the company, it would be better to refer the Bill back to the committee for the purpose of restricting the powers of expropriation. He said, after discussing the matter fully with the gentlemen interested, that they certainly would require some power of expropriation to prosecute their work. It was explained before the committee that the country in which these gentlemen purpose to operate is at the foot of the Rocky mountains, and it is absolutely necessary for the carrying on of their operations to have some powers to improve streams or for building tramways for getting out logs. All provisions for guarding the interests of the west are provided, because they cannot do certain things without first obtaining the consent of the authorities in the Northwest Territories. The local authorities in the district have jurisdiction to say what they shall do under the expropriation powers conferred by this Bill. I understand the gentleman who is promoting this Bill has been here since March. He has 200 or 300 men in his employ, and it would certainly be a hardship for him to have to remain over during this adjournment. It is a pity the hon. gentleman from Russell is not here. The Bill ought to receive its third reading; however, if it should be regarded as discourteous to the hon. member from Russell, I do not want to press for the third reading in his absence.

Hon. Mr. KERR (Toronto)—I may say, as a member of the Private Bills Committee, that this clause, as well as the Bill as a whole, was considered at two meetings of the committee. This clause itself was the subject of opposition raised by the hon. senator who has given the notice to amend. It received a great deal of consideration,

and it will be observed that it is a qualified clause on its very face, because it restricts the right of expropriation to the lands actually required for the construction, maintenance and operation of dams, piers, reservoirs, &c. It does not give the general right of expropriation. In reply to the hon. Secretary of State, I would say that last year we had a very much more extended clause inserted in one Bill, if not in two Bills, that we passed. In fact, the expropriation that was first sought in this Bill was following that precedent; but, I understand, this qualification of the lands actually required was inserted by the Minister of the Interior himself. The members of the committee were all ultimately agreed, except the hon. member who gave the notice of motion.

Hon. Mr. SCOTT—How many members were at the meeting of the committee?

Hon. Mr. KERR (Toronto)—A large number. On the second occasion they adopted this clause without any difficulty. At the same time I should be sorry to do anything in the absence of a member who desires to oppose the Bill. The whole matter should be fully discussed.

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

SECOND READINGS.

Bill (M) An Act respecting the Pacific Bank of Canada.—(Hon. Mr. Templeman.)

Bill (121) An Act respecting the Century Life Insurance Company.—(Hon. Mr. Perley.)

Bill (29) An Act to incorporate the Canadian Credit Indemnity Company.—(Hon. Mr. Young.)

PILOTAGE ACT AMENDMENT BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of Bill (100) An Act to amend the Pilotage Act. He said: This Bill proposes to authorize the Governor in Council, when it appears to him to be in the interest of navigation, to appoint the Minister of Marine and Fisheries to be the pilotage authority for any pilotage district or for any part thereof. Last session we passed an Act authorizing the Minister of Marine under certain circumstances, to be the pilotage authority for the district of Montreal, and we separated the pilotage district of Saguenay from the Harbour Commission of Quebec. He does not take all the powers of the former pilotage authorities, because he does not propose to sit on a tribunal for the trial of offences by pilots.

Hon. Mr. MACDONALD, (B.C.)—Are all the pilots to be named by the government?

Hon. Mr. SCOTT—No. At present the pilots are named by the board. This is to authorize the Minister of Marine and Fisheries, where the interests of navigation require it, to represent the facts to the Governor in Council and if they are satisfied it would be to the advantage of navigation they can place in the Minister of Marine and Fisheries the power of administering the pilots.

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

The Senate adjourned until the 11th July.

THE SENATE

Ottawa, Monday, July 11, 1904.

The SPEAKER took the Chair at Eight o'clock.

Prayers and routine proceedings.

GRAND TRUNK PACIFIC RAILWAY COMPANY BILL.

NOTICE OF AMENDMENT.

Hon. Mr. MACDONALD (B.C.)—I beg to give notice that when the Order of the Day for the third reading of Bill (34) An Act respecting the Grand Trunk Pacific Railway Company is called, I shall move the following amendment after clause four:

In all cases where persons are employed in or in connection with the surveys for or the construction of the said Transcontinental Railway, preference shall be given to British subjects by birth or naturalization.

It shall be unlawful to employ any person in or in connection with the surveys for or the construction of the said Transcontinental Railway, or any part thereof, who is not a British subject by birth or naturalization, or who, being an alien, has not for one year immediately preceding such employment been a bona fide resident of Canada.

Provided always that whenever it shall be made appear to the satisfaction of the Railway Commissioners that it is not possible to obtain labour for the construction of the said railway with reasonable despatch owing to the restriction aforesaid with regard to the employment of labourers, it shall be lawful

for the said commissioners to suspend for such time and on such terms and conditions as may to him seem reasonable in the premises the operation of the said restrictions as to employment of labour for construction purposes only. And a copy of such order of suspension shall be forthwith published in the 'Labour Gazette.'

For every violation of any of the provisions of this section the person, partnership, company or corporation violating it shall forfeit a sum not exceeding $1,000, nor less than $50, and a further sum of $50 for each and every day during which such unlawful employment shall continue.

The sums so forfeited may be sued for and recovered as a debt by any person who first bona fide brings his action therefor in any court of competent jurisdiction in which debts of like amount are now recovered.

I give notice of this resolution to call the attention of the Secretary of State to the employment of alien labour in this country. Any one who has followed the report of the investigation by Judge Winchester in the country can see how those provisions are being outraged and the law trampled upon, yet the government have not moved a foot to enforce the law, which I believe is quite strong enough to prevent anything of the kind being done. My intention is to refresh the mind of the hon. Secretary of State and the government to which he belongs. It was promised by the premier in the other House that an additional amendment should be made to the Alien Labour Act. The first clause of the Act of 1897 reads as follows:

From and after the passing of this Act it shall be unlawful for any person, company, partnership or corporation, in any manner to prepay the transportation, or in any way to assist or encourage the importation or immigration of any alien or foreigner into Canada, under contract or agreement, parole or special, express or implied, made previous to the importation or immigration of such alien or foreigner, to perform labour or service of any kind in Canada.

Then the next clause goes into the question of the fine, but that was amended in 1901 by the following section:

For every violation of any of the provisions of section 1 of this Act, the person, partnership, company or corporation violating it by knowing, assisting, encouraging or soliciting the immigration or importation of any alien or foreigner into Canada to perform labour or service of any kind under contract or agreement, express or implied, parole or special, with such alien or foreigner, previous to his becoming a resident in or a citizen of Canada, shall forfeit and pay a sum not exceeding one thousand dollars, nor less than fifty dollars.

To-morrow I shall move my resolution, and in the meantime I desire to refresh the mind of the hon. Secretary of State as to the condition of the law as it now stands.

BILLS INTRODUCED.

Bill (58) An Act respecting the Imperial Loan and Investment Company.—(Hon. Mr. Cloran.)

Bill (136) An Act respecting the Similkameen and Keremeos Railway Company.—(Hon. Mr. Watson.)

Bill (137) An Act respecting Certain Patents of the Canadian Office and School Furniture Company, Limited.—(Hon. Mr. Mernier.)

Bill (140) An Act respecting the Alliance Bank of Canada.

Bill (142) An Act respecting the Rio Janeiro Light and Power Company, Limited, and to change its name to the Rio Janeiro Tramway, Light and Power Company, Limited.—(Hon. Mr. Kerr, Toronto.)

Bill (143) An Act respecting the New Brunswick Southern Railway Company.—(Hon. Mr. Domville.)

THIRD READING.

Bill (D) An Act for the relief of Annie Christman.—(Hon. Mr. Kerr, Cobourg.)

YUKON TERRITORY ACT AMENDMENT BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of Bill (39) An Act to amend the Yukon Territory Act. He said:

This Bill embraces a single section, and the object of it is to give authority to the commissioner and his council to divide the Yukon Territory into electoral districts, and to make provision for the election of local members and to define the franchise; provided, however, that a longer residence than one year shall not be necessary.

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

STEAMBOAT INSPECTION ACT AMENDMENT BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of Bill (101) An Act to amend the Steamboat Inspection Act, 1898. He said:

It has been observed in the last two or three years that a number of vessels are being propelled with naphtha, electricity and other fluids or energies that are not provided for in the law as it now stands, and the object of this clause is to bring them under the provisions of the Act, and where they carry passengers for hire, then they are made subject to the inspection and the regulations of the department.

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

Hon. Mr. MACDONALD (B.C.)—When the Bill comes before the Committee of the Whole House I shall ask the hon. Secretary of State with reference to the salaries of the engineers and other employees on steamers in British Columbia. They have petitioned for better pay. They are poorly remunerated, and they have terribly long runs. I hope the minister will to-morrow let us know if anything can be done to give them relief.

Hon. Mr. SCOTT—I shall make inquiry.

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

SHIPPING CASUALTIES ACT AMENDMENT BILL.

SECOND READING.

Hon. Mr. TEMPLEMAN moved the second reading of Bill (102) An Act to amend the Shipping Casualties Act, 1901. He said :

There are two material clauses in this Bill which is in amendment to the Shipping Casualties Act, the first providing that the minister may appoint an officer to make inquiry into any marine accident or casualty that occurs so that an investigation may take place. The other amendment is providing that the responsibility of the pilot for an accident may be inquired into at the same time. These are all the provisions of the Bill.

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

KINGSTON AND DOMINION CENTRAL RAILWAY COMPANY BILL.

THIRD READING.

Hon. Mr. SULLIVAN moved concurrence in the amendment made by the Standing Committee on Railways, Telegraphs and Harbours to Bill (123) An Act to incorporate the Kingston and Dominion Central Railway Company. He said :

This is merely a formal amendment declaring that the work is for the benefit of Canada. That is all the amendment that is required, as hon. gentlemen will see, and it was necessary to have this amendment passed.

The motion was agreed to.

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

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

The Senate adjourned till to-morrow.

THE SENATE.

Ottawa, Tuesday, July 12, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

MUTUAL RESERVE INSURANCE COMPANY INVESTIGATION.

MOTION.

Hon. Mr. GIBSON moved :

That Mr. D. E. Cameron and R. B. Cannon be summoned to attend the select committee appointed to inquire into the affairs of the New York Mutual Reserve Assurance Company.

Hon. Sir MACKENZIE BOWELL—Might I ask what the object of this motion is ? The committee, as I take it, have the power to summon any witnesses they desire to appear before them. What peculiarities are there in this case that power should be taken out of the hands of the committee and the Senate should be asked to order the appearance of any particular witness before the committee ? It is a very unusual course.

Hon. Mr. GIBSON—Doubts were expressed at the meeting of the committee when this motion was read, as to whether the committee had power to send for these gentlemen. It was done at the request of Mr. Aylesworth, who wished to have these men examined. I gave notice in the committee, to prevent any trouble or irregul-

arity, that I would bring it up in the Senate, and move it from my place in the House.

Hon. Sir MACKENZIE BOWELL—Do I understand the hon. gentleman to say that the committee decided they had no power to summon witnesses ?

Hon. Mr. DOMVILLE—No.

Hon. Sir MACKENZIE BOWELL—The reference to that committee gave them power to send for persons and papers, and to report to the House. If that be the case, there certainly must be some other reason for the course the hon. gentleman is pursuing. Did the committee refuse to send for these witnesses ?

Hon. Mr. DOMVILLE—No.

Hon. Mr. CLORAN—I think the hon. senator from Lincoln, who has given notice of this motion, is under a misapprehension as to what the committee is allowed to do in this matter. The House will remember, the committee was appointed to inquire into the truth of certain statements alleged to have been made by Mr. Wells. That was a special resolution adopted by this House, and the committee at the time carried out the duties imposed upon it in regard to that question. An investigation was made into the truth or falsehood of the alleged statement made by Mr. Wells. Mr. Wells was examined on oath and Mr. Eldridge was also examined on oath in regard to that matter. The duty imposed upon the committee was simply to examine Mr. Wells and Mr. Eldridge and nobody else. It was not a question of verifying which of them told the truth or falsehood. The committee was simply authorized to examine these two gentlemen and to report to the House. The committee made a report, which report was adopted by the House and the committee ceased to exist, as far as that particular question was concerned. The enlarged committee which is sitting to-day has simply to inquire into the affairs in Canada of the Mutual Reserve Life Association, and not the question of privilege which was raised by the hon. gentleman from Stadacona some two or three weeks ago. The committee that is now investigating the affairs of the Mutual Reserve Association came to the conclusion that they could not summon these two gentlemen in regard to a matter which was already settled by this House.

Hon. Mr. WATSON—The question as to whether the committee has a right to summon these gentlemen and to examine them under oath was argued in the committee, and the committtee came to the conclusion that they had no right, inasmuch as the chairman of the committee had made a report. The inquiry was based on a question of privilege raised by the hon. gentleman from Stadacona, who asked that Mr. Wells be examined before the bar of the House in reference to his alleged statement that they had paid some $10,000 to members of parliament to procure a charter for the company. It was moved by the hon. gentleman from Lincoln that a special day be set aside for the purpose of hearing evidence before the select committee appointed to investigate the affairs of the Mutual Reserve. I am not aware that the enlarged committee knew that any special day was set aside for that purpose. In fact the very first day after the committee was appointed. Mr. Wells was examined and subsequently Mr. Eldridge was examined, and these two gentlemen contradicted each other. It was explained by Mr. Eldridge's counsel, Mr. Aylesworth, that he wished to produce two other witnesses to prove that Mr. Wells had stated that he had spent $10,000 to procure this charter. These two gentlemen it is proposed to call as witnesses, it is claimed by Mr. Aylesworth, will substantiate the fact that Mr. Wells made that statement. On account of the committee having reported, it was thought they had not the power to summon these two witnesses, and it was agreed, I think, without dissent, that the only proper way to procure the presence of these witnesses was to move in this House that these gentlemen be summoned and examined. The hon. gentleman from Lincoln stated in the committee that he would take this course and move in the House that these gentlemen be examined.

Hon. Sir MACKENZIE BOWELL—As the motion stands these two gentlemen are to be subpœnaed to prove that Mr. Wells told a lie ?

Hon. Mr. WATSON—Or that the other man told the truth, I do not know which.

Hon. Sir MACKENZIE BOWELL—That is a nice way of putting it. I do not know

that it is a matter of much consequence to the House or whether it is worth going to the expense of bringing two men here to prove that Mr. Wells or Mr. Eldridge perjured himself. Most of those who have read the evidence will come to their own conclusion as to who told the falsehood.

Hon. Mr. WATSON—It appears to me that the most important part of the investigation now going on is to learn who among the officers of that particular company are telling the truth.

Hon. Mr. McMULLEN—I did not happen to be in the committee when the question of subpœnaing these men to give evidence was brought up, but I certainly think that if the committee had not power to subpœna those men the proper course would have been to ask the House to clothe them with additional authority to bring the witnesses before them. It would be unusual to pass the resolution which is now before the House. It would be stepping outside of the ordinary course pursued in both Houses of parliament, which is to leave such matters to the committees, delegating to them all necessary powers. If these are important witnesses in connection with the matter now being investigated, I am quite willing that they should be summoned by the committee, but it would be establishing a precedent which might be objectionable if we pass this resolution. I hope the committee is prepared to do whatever is necessary to elicit the required information, but if they have not the power to do that, the proper course is to clothe them with that power. The proper course is to leave the matter in the hands of the committee.

Hon. Mr. CLORAN—Suppose those witnesses should be subpœnaed, the committee has no power to examine them. The committee is instructed to investigate into the position of the Mutual Reserve Fund Life Association in Canada and nothing else. The matter to which the testimony of these two witnesses would relate is a matter already passed upon. It is for the House to say whether that matter should be reopened. It is a case judged, and if these two gentlemen should come before the committee the committee would have no power whatever to examine them.

Hon. Mr. BEIQUE—The hon. gentleman (Hon. Mr. Cloran) is under a misapprehension. He deals with the committee as having occupied two different positions. There was no special committee appointed to investigate the Wells matter. That matter was brought up in the Senate and referred to the committee appointed to examine into the affairs of the Mutual Reserve Fund Life Association, and therefore, there was but one committee which is still in existence, and possessed of full power. The question came up in this way: before the committee was enlarged, the Wells matter was inquired into and two witnesses were examined, Mr. Wells on one side and Mr. Eldridge on the other. They contradicted each other and Mr. Aylesworth, representing Mr. Eldridge, offered to have two other witnesses examined for the purpose of establishing that Mr. Wells had made the declaration to them that it is alleged he did make. The committee decided that it was not necessary, and made their report to the Senate and it was adopted. After the committee was enlarged, Mr. Aylesworth, acting on behalf of the Mutual Reserve, made an application to the committee. He stated that Mr. Eldridge was placed in a false position, and he being a prominent officer of the company, the position in which he was placed by the report of the committee, was liable to injure the company. It would be published broadcast that he had made a statement which was untrue and therefore it would be detrimental to the company. He applied to have these witnesses heard. I myself took this position, that a report had been made by the committee to the Senate, and the Senate having accepted the report. I doubted whether the committee had any power to deal with the matter any longer. I suggested that the application be made in the Senate, but the next day the solicitor of the committee brought up Mr. Wells as a witness to be examined under the general inquiry into the position of the Mutual Reserve Company, and he put the very same question to Mr. Wells. I cautioned him at the time, that it would open the door to Mr. Aylesworth bringing these other two witnesses, and he said: 'I am doing it for the purpose of allowing them that opportunity if they wish to avail themselves of it.' Therefore I am of opinion that now it will be proper for the committee to examine these witnesses, because Mr. Wells was again brought before the committee and ex-

amined on the same point. I would, therefore, consider the motion unnecessary, but if the chairman of the committee is going to contend that the committee has no power to examine these witnesses, I shall surely vote for the motion.

Hon. Mr. CLORAN—I simply hold the opinion held by the hon. gentleman. His first impression was that the committee had no power to deal with it. He should hold to that opinion.

Hon. Mr. BEIQUE—I say I believe the committee would have no power had not the same committee allowed Mr. Coster, the solicitor of the committee, to bring the same witness there again on the general investigation, and to introduce the very same subject that had already been dealt with. The matter had been dealt with specially, and for that reason, I thought it was closed as far as the committee were concerned ; but when the committee allowed the matter to be brought up again in the general investigation it seemed but fair that the other party should be allowed to bring these witnesses to contradict Mr. Wells, who has been heard on the subject in the general inquiry.

Hon. Mr. CLORAN—There is no intention to debar the company from bringing those witnesses, but the hon. gentleman should not say because the solicitor cross-examines a witness on that point that it resuscitates the whole committee. It does not give it a new lease of life. The committee has ceased to exist so far as that issue is concerned. If the Senate say the matter has to be reopened we have no objection.

Hon. Mr. BERNIER—If we are to take the position indicated by my hon. friend from de Salaberry, then there is no reason for this motion, because the committee on the general question of investigation into the affairs of that company is still vested with power to call such witnesses as they deem proper. Consequently, the resolution can have no result if we take that position. I understand the object of bringing these witnesses is to contradict a statement made by Mr. Wells on the first issue raised, viz., the question of privilege. It is alleged that Mr. Wells had stated that $10.000 had been expended in securing certain legislation in parliament. That question of privilege concerned the members of parliament, and as the minutes show, it was referred to the committee with special instructions to hear two witnesses, that is all.

Hon. Mr. WATSON—No.

Hon. Mr. BERNIER—If the hon. gentleman will read the minutes of proceedings, page 311, he will see that I am right. These witnesses were heard, and the committtee declared themselves satisfied, so far as the question of privilege was concerned. They reported, and the report was accepted by this House. That ended the question of privilege, and it is not proper and we should not allow two more witnesses to be called on this same question of privilege which has already been decided. We have nothing whatever to do with the questions which arise between the witnesses. We are not the guardians of their characters, but we are the guardians of the dignity and honour of parliament and that was the point raised at that stage of the investigation. Whether Mr. Wells was right, or Mr. Eldridge was right, does not concern us, and it seems to me that the question having been closed by the report adopted by the House, we have no right to go beyond it and there is no reason why we should hear the witnesses mentioned in the motion.

Hon. Mr. LANDRY—This committee was appointed on the 19th May, on a motion by the hon. senator for Rothesay, to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada. To that main motion the Hon. Mr. Gibson moved in amendment that all the words after 'That' be struck out and that the following words be substituted :

> The position of the Mutual Reserve Fund Life Association of New York in Canada, be considered by the Standing Committee on Banking and Commerce, &c.

The amendment was rejected, and the main motion was adopted. The committee was vested with :

> Power to send for papers, persons, telegrams and records, to employ clérical services and with leave to report from time to time, &c.

A few days after, a question of privilege was raised in this House by myself, relating to an accusation made by one of the officers of that company against the government which was in power in this country in 1885 and members of a committee, in that House.

I asked that Mr. Wells and Mr. Eldridge be examined at the bar of this House. My question of privilege was set aside by a motion referring that special question of privilege to the committee already appointed. That was equivalent to the formation of a new select committee to investigate the matter. The committee, in obedience to the order of this House, proceeded to hear the two witnesses that were designated by this House. That was the order of the House, and the committee could not go beyond the authority given them by the Senate. We heard the two parties, and the contradiction is not so great as has been represented. One said he had never declared that he had spent $10,000, or that he had ever spent any money for the purpose mentioned. The other witness stated that he had heard that declaration, but that the money had never been paid—that all the time he had been connected with the company it had never come to his knowledge that any amount had been paid for such purpose. The first he heard of it was fourteen years after the money was alleged to have been spent. The committee made its report, which was adopted by the House. In the committee the questions were put to the witnesses and the committee reported the evidence to this House. 'If a committee should report once without having received the power in question,' that is the power to report from time to time, and on this particular question the committee received only the authority I have read. 'If a committee should report once without having received the power in question it will be defunct until revived.' The committee has reported on the special question. It was the final report, and that report has been adopted by the House. As far as it relates to that question the committee is defunct and they have no right to bring up the question in its deliberations. They are sitting now for another purpose altogether and are considering another matter, and I think the motion of the hon. gentleman from Lincoln cannot confer on this committee the power to examine witnesses in a matter where the committee had no power to proceed.

Hon. Mr. GIBSON—It may be recollected by those who took an active part in the discussion in regard to the Mutual Reserve that the hon. gentleman from Stadacona was the prime mover in the motion to have the witness Wells appear at the bar of this House to be examined in regard to statements he was alleged to have made and which were read by the hon. gentleman from Toronto (Hon. Mr. Kerr). I took the ground—and the House agreed with me—that in order that this affair might be properly dealt with on its merits, and not appear to be of a farcical nature such as the proposition the hon. gentleman from Stadacona wished to carry—to have both these gentlemen (Wells and Eldridge) summoned before the bar of the House, as a matter of convenience, they should be brought before the special committee which had been appointed to inquire into all the affairs of the Mutual Reserve Fund Assurance Company of New York. What are the facts? On the 8th June, the motion I made to have these gentlemen examined before a special committee was carried, and on the 10th of June these men were examined, and a report was brought in by the chairman of that committee. He says that committee is defunct. The committee was enlarged becaues it was——

Hon. Mr. CLORAN—Not for that purpose.

Hon. Mr. GIBSON—The hon. gentlemen will correct me when I am through. The committee was enlarged, because it was felt that it was impossible to conduct the affairs of the committee inasmuch as one hon. gentleman had never acted, having withdrawn from it. That left the committee with only four members, and the House had sanctioned a committee of five. Later on the House agreed to an enlarged committee, and a further enlargement was made. The chairman took the ground in the committee that he now takes in the House, and that is that this committee had ceased to exist. I fail to see in his report one single word asking for the discharge of the committee on the ground that they had finished their investigation. As I understand it, the men were hastily examined together and objections were taken to their being cross-examined by counsel. My hon. friend from de Salaberry stated the way in which the case was opened up to the committee again by counsel for the committee. He pointed out to the chairman that he would establish a dangerous precedent in asking for a rehearsal or a corroboration of what had taken place before this

specially appointed committtee ? He pointed out the dangerous course he was taking, and now because of that departure from good principle he objects to the same thing being done by counsel on the opposite side. It was a reasonable request for Mr. Aylesworth to make, that his client had been unfairly treated, that he wished to have some questions put to other witnesses, and that privilege was denied him in the committee, by the chairman, who ruled that the committee was dead, that their functions were over, and that the subject was beyond the purview of the committee altogether. When this was objected to by some members of the committee, he said 'You can move now to have these two gentlemen summoned, but I very much question the legality of it.' I said 'Mr. Chairman, if you will move in the House that these gentlemen be subpœnaed, the matter will be perfectly satisfactory to the committee. He would not give his assent to that and I gave notice to the committee then that I would take this course and I am doing it simply because of the ruling of the chairman, that the committee had no power to send for these two gentlemen. The committee is not dead. They did not pass out of existence. The same committee is to-day as much in existence as it was the first day, only an enlarged number, and I think, in all fairness to the dignity of this House and to the dignity of the members of the committee, that a gentleman, particularly a gentleman of the standing of Mr. Aylesworth, should at least receive some consideration at the hands of this House if he cannot receive it at the hands of the committee; that a reasonable request of this kind should be granted by this House. That is one of the reasons why I have made this motion, because it was felt in the committee, after the chairman's ruling, that it could be done only by the consent of the House. Then, after the committee were willing that the consent of the House should be asked, the chairman was unwilling to allow any other motion to be put by the committee for fear we might go on in an irregular manner. In view of what is taking place both in this House and in the committee—although I am debarred by the rules of the House from discussing what has taken place in the committee—I think we should give the committee ample means to send for any one and every one. As far as the question of economy is concerned, I do not know what the costs will be, but it is the first time I have heard the question of the costs of an examination raised, and surely after all the expense and time which has been taken up already, the mere matter of sending for a couple of witnesses on the request of such an eminent counsel as Mr. Aylesworth, should not be refused.

Hon. Mr. DOMVILLE—There seems to be a good deal of feeling in the House in regard to this matter. The hon. gentleman from Lincoln has just stated that he thinks that witnesses should be summoned if they are material for the investigation. Dwell on that for a moment and see how you apply that to the opening up of this investigation on the question of privilege raised in this House. I do not know what words to characterize it with, but it is hardly presentable in a way that I or others can understand. Mr. Aylesworth has gone to England, but he stated before leaving that he would like to have these witnesses brought forward to corroborate what Mr. Eldridge has said. Perhaps it would have been better form if Mr. Aylesworth had stayed here to see the matter through but he has flitted to England. He is a man of large experience and capability, and he states to us 'I have two men whom I want you to hear, to upset what Mr. Wells has said or to substantiate what Mr. Eldridge has said.' Supposing they can do so, what has that to do with my hon. friend's statement that these are material witnesses in the case now being investigated, for which I made the motion for the committee to investigate the affairs of the Mutual Reserve in Canada and to send for papers, persons and records. There was no question put to the committee as to shutting out these gentlemen. I thought I heard an hon. gentleman say that this was the most disgraceful committee he had ever heard of in his lifetime. I cannot agree with him there. Perhaps I did not hear it correctly, but why is it there is so much difficulty about this matter ? Some poor wretched people who have lost their all, people who invested in this Mutual Reserve in the hope that they would have some money laid by for their widows and children, find that they have not got it to-day, and when the simple question is

brought up here to hold an investigation with a view of getting relief from parliament or from the government of this country to help them out of their misfortune, we find that as in the old days of Achilles warriors spring from the soil. How is it? I personally have no objection to the examining of these witnesses, but I wish to point out that I do not think the matter has been placed before the Senate as candidly as it might have been. No evidence was taken in the committee. I presume when the hon. gentleman enlarged that committee by seven and seven more were put on—making the committee nineteen in all—that is a pretty fair percentage of the members of the Senate. They could not all be accused of being interested. They could not all be accusers nor all be designated as having an open mind or having formed an opinion before they heard the evidence. Out of the nineteen there would be some members who would give fair-play. The proper position would be to make the motion in committee and then discuss it. The chairman could not rule it out. He had only one vote. He is not so formidable. But that course was not taken. I understand that when hon. gentlemen get before the committee it enlarges their position all over the country as champions of the cause, defending people, and their doings are published in our record. But there is nothing in that at all. It is hard, solid facts that have to be threshed out in this matter, and these hard solid facts cannot suffer by all the witnesses they bring here. They can summon all the witnesses they like, but do not charge the committee with incurring undue expense or delay, or with blocking the investigation. We must take the debates, to show our position, and I am satisfied to do that. I have no objection if they require more witnesses. It is for the House to decide whether the committee are to reopen the investigation which has been already reported upon to the House. I have no objection to these men being heard but I do object to hon. gentlemen exhibiting such terrible feeling in the matter, as illustrated in the expressions which I have heard from those around me. I do not think it is quite correct. The Senate ought to be able to exert a good influence. They are old enough and have had enough experience, and it is really unfair to the committee to cast insinuations such as I have heard in the corridors and outside, against the committee. It is composed of hon. gentlemen from both sides of the House. I suppose it is to be assumed that members of that committee are quite as competent as hon. gentlemen who are not members of it. The hon. gentleman from Lincoln seems to intimate that this committee was not prepared to receive any fair suggestion—any thing in the nature of fair-play. There was no reason why they should not, having increased the committee to a larger number. Had the right thing been done with this insurance Bill it would have gone to a committee of the whole House instead of to the Banking and Commerce Committee; still hon. gentlemen differed, some thought one thing, some another. I think the Banking and Commerce Committee are a fine committee who will do their duty. They do not require any coercion; they do not come to the House for special instructions. They do their work well. I should not have said anything at present had I not heard an unwarranted statement by an hon. gentleman not far from me, which should not go on the records of this House. I have no objection to the committee examining whoever they please. I do not care what they do provided we find there is a disposition evinced not to hold up what the company may be doing in New York but to look to the interests of the people in this country who have suffered and see what can be done to help them and have a thorough straightforward investigation from top to bottom, let the blows fall as they may.

Hon. Mr. KERR (Cobourg)—I have listened attentively to this discussion. I suppose some hon. gentlemen will recollect that I opposed the appointment of this committee; but the committee having been appointed by this House, I have felt it my duty, as it was my duty, to bow to the will of this House and to respect that committee, collectively and individually, and have acted in that spirit ever since, and will continue to act in that spirit. But I do not subscribe to the doctrine that if a committee, appointed as this committee was appointed, reports from time to time as to the matter upon which they have been investigating that they are thereby functus officio as to that matter

and as a committee. I contend that that committee has yet all the power that it had at the moment of its appointment, and it has just as much power to summon the two witnesses mentioned as it had to summon any witnesses examined by that committee. No one who saw that committee sitting today would say it was functus officio. They would say it was very much alive, and if ever it was functus officio it has been resurrected. I cannot on any question pronounce judgment until I hear all the evidence, and after all the witnesses have been examined. It is alleged that some injustice has been done to some witness. Well, in the interest of justice and fair-play, if I were chairman of that committee—and I hope the committee would sustain it—I would say, I shall not allow any witness to leave the committee room if he feels that he has been unjustly treated, and for the credit of the committee, and from a clear sense of justice, whatever has been the result of calling witnesses, I would have them called and the committee would not lose any respect, but rather gain increased respect for their proceedings, if they would call these witnesses. I would go further than that; if the chairman of the committee thinks they have not the power to call these witnesses, I should be prepared to take the responsibility of clothing them afresh with power to do it, and respectfully request that they summon these two gentlemen. I cannot subscribe to the doctrine that because on a certain branch of the inquiry the committee have reported and the Senate has accepted their report, that they are thereby discharged as to that matter as a committee. I think they have all the power they originally had, and they will continue to have those powers until they have finally reported and the Senate has virtually discharged them from their duty.

Hon. Mr. LANDRY—I call attention to the rule laid down at page 451 of Bourinot, which reads as follows:

> When a motion has been stated by the Speaker to the House, and proposed as a question for its determination, it is then in the possession of the House, to be decided or otherwise disposed of according to the established forms of proceeding. It may then be resolved in the affirmative or passed in the negative; or superseded by an amendment, or withdrawn with the unanimous consent of the House. It is, however, an ancient rule of parliament that 'no question or motion can regularly be offered if it is substantially the same with one on which the judgment of the House has already been expressed during current session.' The old rule of parliament reads: 'That a question being once made, and carried in the affirmative or negative, cannot be questioned again, but must stand as a judgment of the House.'

The authority given by this House is given by motion which has been put by the chair. That motion has been carried. The committee has the right to call witnesses, and by this motion of my hon. friend this House is asked to reaffirm in this particular case a power which is already given. I think the motion of the hon. gentleman is not in order, inasmuch as it reaffirms what has been already decided by the House.

The SPEAKER—I do not think the point of order is well taken, because no resolution of this House has been passed deciding that these two gentlemen shall be examined.

The motion was agreed to.

BILL INTRODUCED.

Bill (40) An Act respecting the Canada Southern Railway Company.—(Hon. Mr. Kerr, Toronto.)

SECOND READINGS.

Bill (58) An Act respecting the Imperial Loan and Investment Company of Canada.—(Hon. Mr. Cloran.)

Bill (136) An Act respecting the Similkameen and Keremeos Railway Company.—(Hon. Mr. Watson.)

Bill (142) An Act respecting the Rio de Janeiro Light and Power Company, Limited, and to change its name to 'The Rio de Janeiro Tramway, Light and Power Company, Limited.'—(Hon. Mr. Kerr, Toronto.)

YUKON TERRITORY ACT AMENDMENT BILL.

IN COMMITTEE.

The House resolved itself into a Committee of the Whole on Bill (39) An Act to amend the Yukon Territory Act.

(In the Committee.)

Hon. Mr. SCOTT—This Bill consists of a single clause. It authorizes the Commissioner in Council in the Yukon Territory to make ordinances in addition to the ordinances already authorized to be made, divid-

ing the Territory into electoral districts, and also to make the franchise, with this single stipulation, that the franchise shall not require any voter to be a resident in the Territory longer than one year. That is the whole Bill.

Hon. Sir MACKENZIE BOWELL—Does the language of the latter part of the clause carry out the idea which the hon. gentleman has mentioned ?

Hon. Mr. SCOTT—That is the intention.

Hon. Sir MACKENZIE BOWELL—It seems to me that the words 'not longer than twelve months' should be 'not less than twelve months.'

Hon. Mr. SCOTT—They could not, under this clause, require a residence longer than one year.

Hon. Mr. LOUGHEED—The intention is that voters shall be residents at least one year in the Territory ?

Hon. Mr. SCOTT—No.

Hon. Sir MACKENZIE BOWELL—Is not that the intention ?

Hon. Mr. SCOTT—They cannot attach a qualification that a man must be thirteen months in the Territory before he can vote. They may make a qualification for a shorter residence than one year.

Hon. Mr. POWER—Under this Bill the Council of the Territory can prescribe simply residence in the district at the time of the election, and no more than that, if they please. If they choose to go further, they may say that a man shall be obliged, before being entitled to vote, to be a resident for a period of so many months, but they cannot go beyond twelve months.

Hon. Mr. LOUGHEED—The intention of parliament is that nobody should vote except he has been a resident at least a year within the district.

Hon. Mr. SCOTT—That is not the intention.

Hon. Mr. LOUGHEED—That is the law as it is in the Northwest Territories to-day. It is the qualification required to vote for the assembly or the House of Commons—that is to say, a voter has to be resident in the Territory for at least twelve months. That is surely the intention here.

Hon. Mr. SCOTT—No.

Hon. Mr. LOUGHEED—Do I understand the hon. gentleman to say that it proposes to give the council power to permit persons who have not resided in the Yukon Territory twelve months, to vote ?

Hon. Mr. SCOTT—Yes, it is proposed to leave it entirely to the Yukon council, provided they do not propose a residence longer than one year.

Hon. Mr. DeBOUCHERVILLE—As there is a doubt about the meaning of this part of the clause, I would suggest that the committee rise and report progress and let the Bill stand until we have the French edition distributed.

Hon. Sir MACKENZIE BOWELL—If the intention of the government is as interpreted by the hon. Secretary of State and the Speaker, it would enable a Yukon candidate a day or two before the election to import a sufficient number of people to carry the election. It is a most dangerous provision. The whole object of legislation should be to prevent frauds of that kind. It places the power in the hands of the Northwest council to swamp the legitimate residents of the country. I would respectfully ask the hon. gentleman to let the Bill stand and inquire of the Minister of the Interior what the meaning of the clause is.

Hon. Mr. LOUGHEED—Can the hon. gentleman point out why there should be a distinction between residents in the Northwest and residents in the Yukon ? I am almost confident in saying that the hon. Secretary of State is labouring under a mistake, and that the intention of the government is that the residence should be at least twelve months. That has been the policy throughout the whole of the Northwest Territory in federal and local elections, and why there should be such a radical departure as is now laid down by the hon. Secretary of State, it is difficult to understand. Surely it is not saying too much to provide that aliens in that territory should put in at least one year's residence before exercising the franchise.

Hon. Mr. SCOTT—Aliens would have no right to vote until they became naturalized. This applies only to British subjects.

Hon. Mr. DeBOUCHERVILLE—I think it would be better to let the Bill stand until the French edition is distributed.

Hon. Mr. ELLIS from the committee, reported that they had made some progress with the Bill and asked leave to sit again.

STEAMBOAT INSPECTION ACT AMENDMENT BILL.

THIRD READING.

The House resolved itself into a Committee of the Whole on Bill (101) An Act to amend the Steamboat Inspection Act, 1898.

(In the Committee.)

Hon. Mr. SCOTT—This is a very simple Bill the object of which is to give control to the Department of Marine and Fisheries of a class of vessels that are propelled by gas, fluid, naphtha, electricity, &c. Representation is made that in some cases these vessels even carry passengers.

Hon. Sir MACKENZIE BOWELL—Would it not be well to make this apply to automobiles ?

Hon. Mr. SCOTT—I should certainly like to see it applied.

Hon. Mr. LOUGHEED from the committee, reported the Bill without amendment. The Bill was then read the third time and passed.

DELAYED RETURNS.

Hon. Mr. LANDRY—Before the House adjourns I should like to ask the hon. Secretary of State to inquire for the returns concerning the lighthouse keeper of Crane Island for which I moved early in the session.

Hon. Mr. SCOTT—I shall make inquiry of the Marine and Fisheries Department.

The Senate adjourned until to-morrow.

THE SENATE.

Ottawa, Wednesday, July 13, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

INSURANCE ACT AMENDMENT BILL.

REPORTED FROM COMMITTEE.

Hon. Mr. DRUMMOND from the Committee on Banking and Commerce reported Bill (H) An Act further to amend the Insurance Act, with several amendments.

He said: In partial explanation of the amendments which have been made in this Bill I desire to say that the Bill received very close, careful and protracted consideration at the hands of the committee. It was submitted also to a sub-committee, who reported on it more than once. It was also put into the hands of Mr. Fitzgerald and Mr. Bradshaw and another expert on the subject of the Bill, and in consequence of the remodelled character of it, it has practically been rewritten, or nearly so. This measure, dealing as it does with matters of a highly technical character, affecting the interests of a large number of policy-holders in Canada is of a most important description. I can only say that it presents a great many questions for consideration which an expert alone can deal with, but Mr. Fitzgerald, in the committee, gave us the information that he had most carefully considered the interests of the Canadian policy-holders in framing the Bill as it is and I commend it to hon. gentlemen with that belief.

Hon. Mr. KERR (Toronto) moved that the amendments be taken into consideration to-morrow.

Hon. Mr. ELLIS—The amendments are numerous and important, and I trust that the hon. gentleman will not ask the House to deal with them to-morrow. A later date would be more satisfactory.

Hon. Mr. McMULLEN—The Bill should be reprinted and in the hands of every member before the House is asked to consider all the amendments. Every member should have an opportunity to read and study the amendments. I agree with the chairman of the committee that it is an exceedingly important Bill, and I am prepared to give it my best consideration in the interests of the policy-holders. We should have time to carefully study the Bill before being asked to pass it.

Hon. Mr. LANDRY—I have in my hand. the first report on this Bill. After the title of the Bill 'An Act further to amend

the Insurance Act,' we read the following: 'Reprinted as redrafted June 13, 1904, by Messrs. W. Fitzgerald, Superintendent of the Insurance Department, Thomas Bradshaw, representing the Canada Life Insurance Officers' Association and George D. Eldridge, President of the Mutual Reserve Company, in pursuance of instructions from the sub-committee to whom the Bill was referred by the Committee on Banking and Commerce.'

This is an extraordinary way to bring a public Bill to the cognizance of this honourable House. I think it is the first time anything of the kind has been done, a public Bill referred to a sub-committee, to be reprinted and circulated in this House, with the names of Thos. Bradshaw, Geo. D. Eldridge, and Mr. Fitzgerald as authorities to impress this House with the important character of the Bill.

Hon. Mr. DRUMMOND—Notwithstanding its being presented with that endorsement, the Bill was amended by the committee to-day, after careful consideration from the first word to the last, so the fact that it was so drafted does not by any means indicate that the Bill must go through as printed.

Hon. Mr. LANDRY—I understand that all these things could be properly said in the House—that the Bill had been referred to a sub-committee and examined by Mr. Fitzgerald, Mr. Bradshaw and Mr. Eldridge, but what appears to me as being singular and without precedent, is the fact that this Bill is put before the country with that endorsement.

Hon. Mr. DANDURAND—Perhaps the Bill thus printed is a report to the Committee on Banking and Commerce, and not for this House, because I understand this is not the Bill as reported to-day.

Hon. Mr. LANDRY—I hope the hon. gentleman is right. I hope the Bill will not come before this House with that endorsation. It is either a public Bill or a private Bill, and in either case we do not want on it the endorsation of Messrs. Fitzgerald, Bradshaw and Eldridge. I protest against it, if this is the final form in which the Bill is to appear.

Hon. Mr. DRUMMOND—It is not the final stage. It was presented as a report of the sub-committee to-day, and then amended by the committee in many particulars, so that when it comes before the Senate with those amendments inserted it will be without that endorsation ?

Hon. Sir MACKENZIE BOWELL—The objection taken to the form of the Bill by my hon. friend (Hon. Mr. Landry) is deserving of a great deal of consideration and respect. I think he is right. The irregularity has arisen in this way. The Committee on Banking and Commerce met, and as there was a great deal of discussion on the merits of the Bill it was referred to the sub-committee with instructions to call in the aid of these experts, one representing the actuaries of the Dominion, the superintendent of insurance, and Mr. Eldridge, also an actuary, and vice-president of the Mutual Reserve Company.

The result of their deliberation was this Bill, which was reported by the sub-committee to the Committee on Banking and Commerce, as it came into their hands after being reprinted. After it came to the Committee on Banking and Commerce, other amendments were made, as mentioned by the chairman of the committee to-day, and that Bill as amended, should have been presented to the Senate, the Committee on Banking and Commerce taking the responsibility, and should not have had the endorsation commented on upon it. I think it was an error, not an intentional one, but an oversight in reprinting the Bill and circulating it with that endorsation.

Hon. Mr. SCOTT—It is not intended that the Bill should be printed in this form, but it is a very great satisfaction to the House, to be advised in a measure so important as this one, and one that has elicited so many different views and opinions, that the action of the committee has been supported by those experts and by the company particularly interested. It is a very great advantage to the House to be so advised, but, of course, at the next stage the Bill will come in the ordinary way, simply with the amendments. I would suggest that the hon. gentleman should add to his motion that the Bill be reprinted in proper shape.

Hon. Sir MACKENZIE BOWELL—I may state for the information of the House that the law clerk has informed me that he would have the Bill reprinted for circulation.

Hon. Mr. YOUNG—I would suggest that the amendments be considered on Friday, and if the House is not ready to take up the Bill then, its consideration could be further postponed until next week.

Hon. Mr. McMULLEN—It is desirable that insurance men should have an opportunity to examine this Bill. If it is distributed to-morrow, members can consider it, and send copies of it to the different insurance companies who can look over it, and express their opinions before it comes up for third reading. I consider therefore that Tuesday next is as early as the House should take up the Bill. Notwithstanding the recommendation given by the Secretary of State to the distinguished individuals whose names appear on the back of the Bill, I hope that when it is reprinted it will be without that endorsation.

Hon. Sir MACKENZIE BOWELL—I am informed by the law clerk that it is already in the hands of the printers, and that it will be printed with the amendments made by the committee, and without the endorsation complained of. That endorsation was only put there for the information of members of the Banking and Commerce Committee.

Hon. Mr. KERR (Toronto)—Under the circumstances, I move that the amendments be taken into consideration on Friday, with the understanding that if hon. gentlemen are not ready to consider them then, the matter can be postponed until Tuesday of next week.

The motion was agreed to.

GRAND TRUNK PACIFIC RAILWAY COMPANY BILL.

THIRD READING

The Order of the Day being called :

Third reading of Bill (34) An Act respecting the Grand Trunk Pacific Railway Company.

Hon. Mr. DANDURAND said : I do not intend to move the amendment of which I gave notice, for various reasons, one of which is that it is doubtful if that amendment could be made to this present Bill, as it refers to another public Bill which has already been adopted. As I am the promoter of the Bill, I have considered the advisability of accepting the amendment suggested by the hon. gentleman from British Columbia (Hon. Mr. Templeman), and I strongly feel, for the reasons already given by some hon. gentlemen in this House and by myself, that it would interfere, to a certain extent, with the contract as signed between the government and the Grand Trunk Pacific Company, and that no such amendment should be made. I therefore content myself with simply moving the third reading of the Bill.

Hon. Mr. LANDRY—Before the motion is put I desire to raise a point of order.

Hon. Mr. SCOTT—That is what the hon. gentleman is always doing.

Hon. Mr. LANDRY—The first clause of the Bill reads as follows :

1. The agreement bearing date the twenty-ninth day of July, one thousand nine hundred and three, a copy of which forms the schedule to the National Transcontinental Railway Act, and the supplemental agreement between His Majesty, represented by the Honourable H. R. Emmerson, Minister of Railways and Canals, and the Grand Trunk Pacific Railway Company (hereinafter called 'the company'), bearing date the eighteenth day of February, one thousand nine hundred and four, a copy of which forms the schedule to the Act of the parliament of Canada, passed at the present session thereof, and intituled 'An Act to amend the National Transcontinental Railway Act,' and the execution of the said two agreements respectively is hereby confirmed and declared to be valid, subject to the provisions of the said Acts.

I claim that a Bill of this character should contain the agreement to which it refers. Todd, in his 'Private Bills Practice,' says :

In Bills for confirming any letters patent or agreement the committee is required to see that there is a true copy of the same annexed to the Bill.

I claim that this Bill should have the two agreements attached to it. We have the same principle laid down in 'Private Bills Practice in Canada,' by Edward Hartney, in 1882 :

In Bills for confirming any letters patent or agreement, it is the duty of the committee to see that a true copy is annexed to the Bill.

May propounds the same doctrine :

Where any agreement is to be sanctioned, such agreement is to be printed and distributed with the Bill.

This will be found at page 777 of the 10th edition of May. Bourinot says the same thing at page 770 :

The Bill must also have attached to it a copy of any letters patent or agreement, when its object is to confirm such.

The Bill, I contend, is not in proper form ; it should have the two agreements annexed to it, and cannot pass in its present shape.

Hon. Mr. SCOTT—The hon. gentleman is quite correct, if they had not already been printed and form part of the law of the country ; but last session and this session the agreements have been before parliament.

Hon. Mr. LANDRY—The National Transcontinental Railway Company Bill is not passed yet. It has not received the sanction of the Governor General. We do not know what the Governor will do with it, and therefore it is not yet the law of the country. We are asked to validate that agreement, and I take it that it is necessary it should be the schedule to this Bill.

Hon. Mr. SCOTT—And be repeated three times in the statutes ?

Hon. Mr. LANDRY—As often as the hon. gentleman likes.

Hon. Mr. SCOTT—No ; we shall not stultify ourselves that way.

Hon. Mr. LANDRY—I ask for a decision on the point of order raised.

Hon. Mr. DANDURAND—The hon. Secretary of State has already mentioned the fact that the agreement of last year was printed in the Act of last year, and the Bill of last session, the private Bill, was adopted in the same condition, the agreement being a schedule in the National Transcontinental Railway Company Act. We have again an amending agreement this year as a schedule to the National Transcontinental Railway Act, which has already been passed by the House, and the Grand Trunk Pacific Company Bill, the third reading of which I now move, refers to the schedule in the National Transcontinental Railway Bill already passed, so we have followed the same course this year that was followed last year. I see no reason why these schedules should be repeated in every Bill relating to the same matter.

Hon. Mr. LANDRY—The hon. gentleman must not forget that this Bill declares that the two agreements are hereby declared to be valid.

The SPEAKER—There is a provision which was adopted by the House on the recommendation of one of the committees to the effect that where a Bill proposes to ratify an agreement, the agreement should be set forth as a schedule of the Bill. The object was to provide that this House should know what it was doing when it undertook to ratify an agreement. We cannot deal with the agreement of last year, because that has been disposed of, but the agreement of this year has been considered by the House, and I feel doubtful whether, even if the objection were a substantial one, it could be taken at this stage of the Bill when it is up for third reading. The Bill has been before the House for a long time and if there was any formal objection to be taken, it should have been raised earlier ; but in any case I think the reason of the rule having ceased, the rule itself would cease to operate in this case and I hold that the point is not well taken.

Hon. Sir MACKENZIE BOWELL—I do not wish to discuss the question further than this—the remark made by the Speaker would lead to the conclusion that objection could only be taken at a certain stage of the Bill. I was under the impression that it was not only parliamentary practice, but the object of having Bills read the first, second and third times, a certain time intervening between each reading, was to give members an opportunity to consider what amendments or objections might be made to the Bill. Something might occur before the third reading which would be a fatal objection to the Bill. I am not appealing against the decision of the Speaker, but that has been my interpretation of the rights of members. My recollection is precisely the same as that of the Speaker in reference to how the suggestion was made to have agreements annexed as schedules to Bills dealing with them, but do not the authorities quoted to-day clearly lay down the principle, apart from the suggestion made by the Railway Committee, that the Bill shall contain the schedule which it is proposed to ratify ? I have not had an opportunity of looking at the authorities to which my hon. friend has referred, but they lay down a principle for our guidance in legislation. Of course, I am speaking, I frankly confess, under correction, but these are the ideas that suggest themselves to me on hearing my hon. friend

read that statement and the remarks of the Speaker.

Hon. Mr. SCOTT—The rule is a safe and sound one, no doubt; but is it to be presumed it is based on common sense. Here are two Bills coming from the House of Commons together, the National Transcontinental Railway and the Grand Trunk Pacific Bills. Every member of the House is familiar with the agreements. They have been discussed in this chamber. When the Bill was being passed in this chamber, if somebody had suggested that a copy of the agreement should be attached to it, would the House have accepted it? I certainly think not.

Hon. Mr. DANDURAND—I think the point was raised by the hon. gentleman from Stadacona and rejected?

Hon. Mr. LANDRY—Yes in committee.

Hon. Mr. SCOTT—The committee showed a good deal of common sense. I do not think the committee would stultify itself, because there happened to be a rule that did not exist, as far as the two Bills were concerned. By no possibility could the rule be quoted in regard to those Bills going through the House pari passu, that we must attach the agreement to the Bills.

Hon. Sir MACKENZIE BOWELL—It may be possible that those who take a different view from the hon. gentleman have no common sense?

Hon. Mr. SCOTT—I am sorry for them.

Hon. Sir MACKENZIE BOWELL—That is an ample compensation, if the hon. gentleman is sorry for them.

Hon. Mr. DANDURAND—I should like to know what question we are addressing ourselves to now?

Hon. Sir MACKENZIE BOWELL—To the question of order.

Hon. Mr. DANDURAND—It has been decided.

Hon. Mr. MACDONALD (B.C.)—I would ask the hon. gentleman why was it found necessary to ratify the contract of last year, and the amendment of this year? Parliament last year ratified the agreement of that year, and the parliament ratified the contract of this year. Is it quite necessary to ratify the Bill twice over? While he does that another hon. gentleman breaks through the charter of the company—commits a breach. The charter of the company chapter 122 says distinctly that when $2,000,000 is subscribed, certain things can be done, and the hon. gentleman's Bill reduces that amount to $1,000,000. If you confirm one agreement why do you break through the other? The other day the hon. Secretary of State had before us a Bill containing a breach of contract, and the hon. gentleman from de Lorimier now has a Bill with a breach of a charter, so that with all his other accomplishments he contributes to making a pair of breaches and these breaches are quite large enough to take in a big sized cabinet minister and Mr. Hays together. I am not opposing the Bill, but I contend that this is in a line with the logical sequence that my hon. friend preaches to me and others. It in very logical. The hon. gentleman last year spoke in the strongest language approving of the first contract. This year he spoke with equal strength in advocating that it be amended and breaking the first contract. That is logical sequence, and here he comes again with a still stronger point of logical sequence to break through the charter of the company. Of course this opens up the whole question, but I am not going to take advantage of that fact. I should like to ask the hon. Secretary of State or anybody who knows, what is the nature of the security deposited for the $5,000,000? Is anybody certain that there is one dollar of money or one government bond deposited? I believe that not one government bond or one dollar of money has been deposited. What the securities are I do not know, but I know they are not government bonds and they are not gold.

Hon. Mr. SCOTT—Montreal bank.

Hon. Mr. MACDONALD (B.C.)—And there is another very curious thing about the matter; the whole country supposed that the object of the Bill of last year was to have a competing line so as to keep down prices and rates from the Northwest to the sea coast. Does the hon. Secretary of State know that the charter of the company gives them the right to lease their lines to another company, gives them a right to hand over

their franchise, their maps and surveys and all the material of the railway to any other company, and not only that, it gives them power to amalgamate with any other company, instead of producing competition. If this company find, after going a certain distance, that they cannot complete their line, they can sell out to or amalgamate with another company. I am not aware that hon. members of this House have followed the Bill closely enough to know that like any ordinary railway company this company have the power to sell or dispose of their charter. I have placed on the order paper a motion about the employment of alien labour in the construction of this railway, and I should like the Secretary of State to say what the government intend to do about it. Of course if they make it a party question there is very little use in my making the motion, but I think every hon. gentleman in this House and every man in this country desires to see our own people employed before they import aliens to do the work on this road, and if this resolution of mine carries, or if it is rejected I hope the government will consider the matter. I believe the Alien Labour Act is quite strong enough as it is to enable the government to prevent the importation into the country of engineers and surveyors to do the work. If the hon. Secretary of State does not give a satisfactory reply I shall reserve my right to move this amendment.

Hon. Mr. SCOTT—Would it not be much better for the hon. gentleman to move the amendment, unless he is prepared to withdraw it after he hears my explanation. So far as the policy of the government on this subject is concerned, it is pretty well established since we came into office in 1896, that we were the first government to introduce any legislation on the statute-book which attached the conditions to persons coming from the other side under contract seeking employment in Canada. We made it an offence for persons to come in under contract, and we amended that by saying that if they came in in pursuance of a proclamation that was distributed in a foreign country to the south of us, they would not be liable. In various ways we have shown our desire to favour the employment of British subjects. When it became evident that Mr. Hays was employing United States engineers to the serious disadvantage of many eminent Canadian engineers who were quite qualified to take up the work of the location and survey of the line, the government took a very active course in appointing a commission to inquire into the facts, and I think the hon. gentleman can scarcely criticise the action of the government. We have been as decided on this matter as circumstances warranted. It is just possible that, so far as the employment of alien labour goes, we may be adopting too stringent measures. This road will probably involve the building of four or five thousand miles of railway, taking the main line and the branches, and with the other railways that will be built in the next ten years probably up to eight or ten thousand miles. I think I am quite within the mark when I say that the transcontinental line and the Mackenzie & Mann lines and the lines towards Hudson Bay and the other lines that are to be built, will reach that figure. Now, do hon. gentlemen suppose that there are men to be found in Canada that will be equal to the construction of that work within the periods fixed? We have therefore to be a little cautious in adopting too stringent legislation. If British subjects can be found to carry on the work, the preference will certainly be given to them. At the same time we have to recognize the fact that we are inviting people to settle in the Northwest, and we are spending a good many hundreds of thousands of dollars in order to favour that migration not only from the British islands, but also from various parts of Europe, Scandinavia and also from the United States, where we have had immigration agents for some years, and the enormous benefit that will be conferred on the country by the emigration to the Northwest will be fully recognized by the people of the Dominion. When a man goes into the Northwest it would be a very hard case if he were going to be a permanent settler to say to him the first year: 'It is quite clear you cannot plough your land this year; you cannot put in a crop, nor can you be employed on any public work that the government have subsidized.' Would it not be considered that this was a stringent law, when this man was going to be a bona fide settler and eventually become a

British subject? It would be very hard to say to him that he should not be permitted to work on a railroad that is being built in the same section of the country that he is going to settle in. I am merely pointing that out as one of the possible difficulties if we make the enacting law too stringent. The general policy of the government will be in the direction of the hon. gentleman's motion; if the law is not stringent enough it will be made sufficiently so this session or the next session, so that I think he may rely on the government carrying out the policy that it has already inaugurated. If it is a good law, and it requires to be amended so far as this railway is concerned, it should apply to all railways. My hon. friend's amendment would apply only to the Transcontinental Railway, but he knows very well that there are other railways being constructed, and if the amendment is a proper one to be applied to this railway it should be applied to all the others. Therefore I hope my hon. friend will not at the present moment press his amendment. As I said before, it should be applicable, not only to this railway, but to others.

Hon. Sir MACKENZIE BOWELL—There is a Bill promised by the Postmaster General.

Hon. Mr. SCOTT—I hope this parliament will terminate before the end of the year, and I do not think it is wise to bring in Bills continuously. If a Bill can be got ready it may be brought in this session; but I do not see any great harm if it does not come in until next session.

Hon. Sir MACKENZIE BOWELL—But the promise has been made in the lower House that this Bill was to be introduced. I am asking the character of the Bill. I am induced to ask that question because from the remarks that the hon. gentleman has made one would be led to suppose the Bill will not be of a drastic character.

Hon. Mr. SCOTT—The hon. gentleman knows my individual views on that subject.

Hon. Sir MACKENZIE BOWELL—I think I do.

Hon. Mr. SCOTT—And I think that measures, even of a limited character in regard to that subject, are apt to be drastic; but I am not going to discuss that just now. So far as the promises of the government are concerned, my hon. friend knows the government do not always carry out their promises with reference to legislation. They may or may not. It may be introduced at any time, I do not know what its character may be. It is not in shape for introduction. When it comes I hope it will meet the approval of parliament.

Hon. Mr. DeBOUCHERVILLE—I do not wish to speak against the decision of the Speaker, but I desire an explanation. Perhaps I did not understand the hon. Speaker, and he can correct me if I am wrong. I understood him to say that the authority cited by the hon. gentleman from Stadacona was sound, but at this stage of the proceedings it would not apply. Would the hon. Speaker have the kindness to correct me if I am wrong?

The SPEAKER—I did say to the hon. gentleman that there should be some limit as to where a debate on any particular question should cease. My decision was given some time ago, and other business has intervened. I am not aware that I said that the authorities quoted by the hon. gentleman were sound. I said I thought there was some understanding in this House that an agreement should be attached to a Bill when it was intended to ratify it; but I do not think there is any such rule. I think it is a sort of understanding come to by the Committee on Railways, Telegraphs and Harbours, for their own guidance, which does not bind the House. I did not rest my decision on the fact that this was the third reading of the Bill; but I said that even if one had some hesitation in ruling that the point of order was not well taken, the hesitation would be lessened by the fact that this objection was taken at this stage of the measure. The Bill has been before the House for weeks in its various stages, and this is a technical objection. As I understand, the hon. gentleman from Stadacona says it was raised in the committee, so that attention has been called to it, and to allow a measure to be defeated on a merely technical question like this, at this stage, would be contrary, as the hon. gentleman says to common sense, and rules of parliament are based on common sense.

Hon. Mr. DeBOUCHERVILLE—Without appealing from the decision of the Speaker,

the objection which I shall make can stand. The fact of the question having been raised in the committee does not apply to all the members. When I saw the Bill I thought it was merely a Bill to regulate the internal economy of the Transcontinental Railway. It was only a few days ago that my attention was called to it. Therefore, if the schedule had been put in the Bill I would certainly then have thought of it. Several hon. members have been absent and other hon. members did not make a study of the Bill, and I think it is always right to call the attention of the House to any matter which is being wrongly done. The 7th edition of May, page 481, reads as follows :

> If it should appear during the progress of a Bill that these rules have not been observed, the House will order it to be withdrawn.

I think that applies exactly to this Bill.

Hon. Mr. DANDURAND—I rise to a question of order. To what question is the hon. gentleman addressing himself ?

Hon. Mr. LANDRY—To the third reading of the Bill.

Hon. Mr. DeBOUCHERVILLE—I said I did not appeal from the decision of the Speaker, but I wish to read this quotation from May.

Hon. Mr. MACDONALD (B.C.)—I desire to say a few words in reply to the hon. Secretary of State, who stated that my motion applies to this company only. Of course it does, because this company have been guilty of most flagrant breaches of the law, and only this company. Strangers going to settle in the Northwest should be certainly looked upon as bona fide settlers, and if a Chinaman or any other alien resided in the country one year he could be employed on this railway under my resolution. He is not debarred at all. Mr. Hays was in Ottawa recently, consulting with the government about this labour question. I cannot tell what influence he is bringing to bear, but I do not see why we should not move in the same direction as they are moving in the United States. If a Canadian goes under contract to the United States, what happens ? He is stopped and deported. I do not believe in deporting any one from Canada, but I do not feel that we should not allow aliens from the United States to come in under contract to do work that should be given to our own people. The company have not exhausted the home supply of engineers and skilled labour. The evidence of Mr. Stephens was full of prevarication. A man was giving his evidence once in a court in British Columbia, when the judge said to him : 'You are prevaricating.' The witness said : 'I cannot help it. I lost my teeth some years ago, and ever since then I have been prevaricating.' Whether Mr. Stephens had lost his teeth or not he was prevaricating, and even Mr. Hays's evidence was not what it ought to have been. There are scores of capital engineers in Canada to-day who can do the work that is being done by engineers imported from the United States : but, as the Secretary of State says the government will do something in the matter, I shall not press the resolution.

Hon. Sir MACKENZIE BOWELL—I would suggest to my hon. friend to withdraw his resolution for the present and wait until the government measure comes down, and if it is not of a character that will meet his views he can move an amendment. I think there is very little difference in the opinion of the Secretary of State and my own upon the character of drastic Bills of that nature. I understand the hon. gentleman consents to withdraw his amendment. Then the question is on the third reading and I desire to place on record that I dissent in toto from the decision given by the hon. Speaker as to the right of every member to take objection at any stage of any Bill, and as a rule provides for signing a protest if it be necessary, I shall be quite willing to do that. I accept with a good deal of humility the declaration of the hon. Secretary of State that it would be neither common sense nor good judgment to differ from him, on the authorities cited by the hon. gentleman from Stadacona, and other authority that is indisputable. It may be the opinion of the Speaker, and it may be the conscientious conviction of my hon. friend opposite that it is nonsense that May and Todd and all the authorities were not possessed of the common sense which would characterize men of their great experience in framing rules and laying down principles to guide the legislative bodies under the British constitution. I am not going to discuss that question but I wish my own views to be put upon record on this question and having said that much, I propose to congratulate my hon. friend (Hon.

Mr. Dandurand) for having dropped his motion, he relieved me from giving expression to my opinion upon the question of order. Just look at these authorities I have on my desk. I have precedents from the House of Commons, I have precedents from the Senate, to prove that the hon. gentleman could not by any possibility make that motion here. I have the authority of His Honour the Speaker, who took objection, when he was a plain member of this House, and we have Todd and May and a number of other authorities, but I am relieved from making that speech. Do I understand that the minister without portfolio intends to withdraw his motion, or does he propose to send the Bill back to the committee to add the amendment of which he has given notice ?

Hon. Mr. TEMPLEMAN—It is not my intention to press my amendment.

Hon. Mr. MACDONALD (B.C.)—You are a nice fellow.

Hon. Sir MACKENZIE BOWELL—Perhaps the hon. gentleman thinks he has accomplished the object he had in view—that is of showing the people of British Columbia that he was in accord with them in desiring to have a provision of that character attached to the Bill. I hope the people of British Columbia will not think it was done as a fake motion, knowing well it could not be carried, because the hon. gentleman knows as a question of order that he could not have made that motion, the principle involved in that motion having been already decided by this House, and I think that rule, whether it is common sense or not, is pretty clearly laid down in the books. I wish to point that out to the hon. gentleman, and when the question comes up in his own province I have no doubt he will be able to point out the inference which he would draw, and which many members of this House drew, from the fact of the motion being put on record. We have only to consider the question of the third reading of the Bill. The point of order of the hon. gentleman from Stadacona having been declared by the Speaker as being not well taken, we shall have to accept it as it is, having put my own views upon record—and I am only speaking for myself—I am satisfied to let the Bill go through, because I cannot prevent it.

Hon. Sir MACKENZIE BOWELL.

Hon. Mr. MACDONALD (B.C.)—With regard to the announcement of my hon. friend from Victoria, I am surprised he is now going to withdraw his motion after the heroic effort he has made to bring it forward and to put himself right before the people of British Columbia. I do not care who brought it forward, but if the hon. gentleman had, early in the session, fought in the cabinet for this provision, he would have got it ; but in the meantime the company have interfered and the hon. gentleman dare not move. I am surprised at such cowardice——

Some Hon. MEMBERS—Order, order.

Hon. Mr. MACDONALD (B.C.)—I will call it cowardice. I do not care.

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

SECOND READINGS.

Bill (137) An Act respecting certain patents of the Canadian Office and School Furniture Company, Limited.—(Hon. Mr. Merner.)

Bill (40) An Act respecting the Canada Southern Railway Company.—(Hon. Mr. Kerr, Toronto.)

YUKON TERRITORY ACT AMENDMENT BILL.

THIRD READING.

The Order of the Day being called :

The House again in committee of the whole on Bill (39) An Act to amend the Yukon Territory Act.

Hon. Mr. SCOTT moved that the Speaker leave the chair.

Hon. Sir MACKENZIE BOWELL—Before the Speaker leaves the chair, might I ask the hon. Secretary of State if he has considered the point raised at the last stage of this Bill ?

Hon. Mr. SCOTT—Yes ; the object of the Bill is the interpretation I gave it yesterday, to debar the council from attaching any qualification to the franchise that would require a longer residence than one year, and the reasons given are that there are many people who have interests in the Yukon who go in there in the month of May, by the first steamer, and come out in the fall on the last steamer, and it might be interpreted to operate against their right to exercise the

franchise should an election be held in the meantime.

The motion was agreed to.

(In the Committee.)

Hon. Mr. SCOTT—The hon. leader of the opposition pointed out what I consider a great defect in the Bill, and that was that an ordinance might be passed declaring residence of a week, or some short period, would be sufficient qualification, which would be contrary to the sound principle which we all adhere to; and, therefore, I suggest an amendment limiting them to a period of not less than three months or more than twelve months. The clause would then read in this way:

1. Notwithstanding anything contained in the Yukon Territory Act, chapter 6 of the statutes of 1898, or in any Act in amendment thereof, the commissioner in council may make ordinances providing for the division of the territory into electoral districts for the purposes of the election of the representative members of the council of the territory, each of such districts to be represented by one or more of such members, and ordinances prescribing, as a qualification necessary to entitle any person to vote at an election of a representative member for an electoral district, residence in the district at the time of the election for any period not less than three months and not longer than twelve months prior thereto; and any ordinance heretofore made by the commissioner in council in so far as it did or so does provide or prescribe, is hereby declared to have been valid and effectual from the date when it was passed.

I move that the clause be amended by inserting the words 'not less than three months and' after the word 'period,' in the 11th line of the clause.

Hon. Sir MACKENZIE BOWELL—That will meet my objection on that point, although I still think the clause is very badly worded. We know the character of the population of a mining district like the Yukon. A reported discovery of gold causes a rush, and I have seen myself in Dawson hundreds of miners walking the streets just after such an excitement had taken place. If there was no provision as to residence, such as has been suggested in this amendment, you might have a thousand people flocking to any particular district on the eve of an election within a week, and within a few days later they might be all gone again. While there are many respectable people who go there to better their fortunes, we know the character of a large number of the people who migrate from one place to another in a mining country, and these were the reasons which prompted my objection to the Bill when I first read it. There are hundreds of people who own and work mines. They go in every spring and come out in the fall. These people have a substantial interest in the country, and should not be prevented from recording their votes, because they have interests which might be destroyed by the votes of many who go in there simply to pick up what they can, and then go out of the country. To give the council the right to regulate the franchise so that a man shall not be prevented from voting who has been out of the country for twelve months is a new feature in legislation. I can understand them giving the council the right to regulate their own franchise, but it should be upon a basis of realty, of residence or of taxation, but this provision is something new. If the object be to secure the real property owners a right to vote, it will be a conservative—I do not mean politically—policy.

Hon. Mr. LOUGHEED—I fail to see why a distinction is made between federal and local elections in the Yukon. The Act, as it at present stands with reference to federal elections, provides that every male person shall be qualified to vote for an election under the Act 'who has resided in the Yukon Territory for at least twelve months immediately preceding the election.' Now this government has laid down the principle that the local franchise shall be practically the franchise for the Dominion. That is the principle which prevails, with very little exception, throughout the whole Dominion. Why this particular license should be extended to the Yukon Territory is beyond my comprehension. The qualification should be the same for the federal as for the local franchise. On the other hand I fail to understand why this restriction which my hon. friend the Secretary of State has pointed out, should surround the franchise for the local elections in the Yukon Territory. To say that the assembly shall not exercise its discretion to determine what the franchise should be, is to take out of their hands something upon which they surely can exercise a very proper discretion. The suggestion made by the hon. Secretary of State, and embodied in this Bill, is

vicious. It will permit, in fact compel the Yukon assembly to establish a franchise by which those living within the territory for a period of less than twelve months to vote. It seems to me that no person, in any part of Canada, should have a right to vote who has not been at least a year a resident in the particular territory or district in which he is to exercise the franchise. It surely would take that time to familarize himself with the various subjects under discussion, and the merits of the candidates presenting themselves for the suffrages of the people. Twelve months residence should be the very least time to qualify a voter.

Hon. Mr. POWER—I do not think this measure is open to the objection taken by the hon. member from Calgary. Although it is called a Bill to amend the Yukon Territory Act, it is really to amend the Act of 1902, the first section of which reads as follows :

> Subsection three of section 5, is hereby repealed and the following substituted therefor :—
>
> 3. The natural born and naturalized male British subjects in the territory who have attained the full age of 21 years, and continuously resided there for a period of not less than twelve months shall elect five representatives to the territorial council.

The measure before us does not propose to repeal that. Now what does the measure before us propose ? It proposes that the council may, by ordinance, require that a voter shall have lived in the district—not the Yukon Territory but the district in which he is to vote, for a period not exceeding twelve months. That is a reasonable provision. As the population there moves about a good deal looking for new mining locations, I think it would be an exceedingly unreasonable provision to say that a man who had been three or four years in the territory should not have a right to vote for a councillor unless he had lived in the district for a full year. I do not think the Bill requires amendment.

Hon. Mr. MACDONALD (P.E.I.)—When we see lawyers differ as to the meaning of the Bill it is no wonder that laymen differ over it. As a layman looking at this Bill, I find it says that notwithstanding anything in the Act to which the hon. Speaker has referred as the qualification necessary to entitle any person to vote at an election for a representative in the Yukon Territory, all he requires is to reside in that territory, for a period of not less than 12 months. He does not require any other qualification whatever. The object is to give a person who has lived a certain time in that Territory the right to vote.

Hon. Sir MACKENZIE BOWELL—I should like if the Speaker will explain to us what the first line means if it is not a repeal of the whole of the section of law to which he called the attention of the Senate. 'Notwithstanding anything contained in the Yukon Act' the following provision shall guide in the election of the council. When it begins by such a declaration as this, I should take it for granted if I were to go up to vote, having been a resident of the district in which the election was to take place, I could properly take the oath administered to me that I had been a resident of that district for the required time, and consequently could vote. Would any returning officer be justified, under this provision, in putting the oath of qualification to me, if I were a resident in the district for three months, that is put to the voter provided for in the general law for federal election ? If the first line can be explained to me which refers to the law the Speaker has called attention to, I should like to know where the limitation is ?

Hon. Mr. LOUGHEED—I quite appreciate what the government is aiming at. His honour the Speaker is right in expressing what the intention is, but the introductory words sweep aside the qualifications of a year's residence within the Yukon Territory. I fail to understand why the language has not been adopted that obtains in the Northwest Territories Act, which provides that the voter shall be resident for a certain number of months within the electoral district, and resident twelve months within the Territory. Then it is quite clear, but the government cannot be complimented on the clearness of the language used in this section, because I can scarcely conceive of a more complex, obscure clause than this, and it will certainly lead to any amount of complication in the interpretation of it by the returning officers and others in the Yukon

Territory, distant probably from legal advice. It should be cleared up.

Hon. Mr. POWER—I think the hon. member from Calgary is not quite right again. The Yukon Territory Act did not contain any provision for electoral districts, or in fact any provision for the election of members of the council at all. That is provided by subsequent Acts, and this Bill is to empower the council to divide the Yukon Territory into electoral districts for the purpose of the local council, and it is necessary to say notwithstanding anything contained in the Yukon Territory Act, because the Yukon Territory Act deals with the Territory as a single district. The first provision was for the election of two councillors to be elected by the whole district, and now there are five elective councillors, and this measure provides that each one shall represent a district and authorizes the council to divide the Territory up into districts.

Hon. Sir MACKENZIE BOWELL—It goes further than that. It authorizes the council to do what they have not now the power to do—to provide what the qualifications of voters shall be, and, notwithstanding the opinions given, I question very much whether a man could be prevented from voting if he had been in the Territory for three months and one day. Under the law there is nothing to prevent him swearing in his vote. If the intention of the government is as has been stated by His Honour the Speaker, then adding the words found in the Northwest Territories Act, quoted by my hon. friend from Calgary, will make it clear.

Hon. Mr. ELLIS from the committee reported the Bill with amendments which were concurred in.

The Bill was then read the third time and passed.

DELAYED RETURNS.

Hon. Mr. LANDRY—I should like to call the attention of the hon. Secretary of State to the return which he presented to the House yesterday to an address dated the 14th of June, 1904, of a copy of all reports made since the opening of navigation, to the Department of the Interior on the subject of the French steamer 'Le Malou,' and more particularly a copy of a report of Frederick Potvin concerning this vessel. The Department of Trade and Commerce reply that they send a copy of the only report on the subject, and know nothing whatever of a report said to have been made by Dr. Potvin. The Department of the Interior say they have no records bearing on the subject in question. It would appear to be a matter relating to the Department of Marine and Fisheries. I know as a matter of fact that Dr. Potvin has made a report on the steamer 'Le Malou.' It may be in the Department of Marine and Fisheries and I would ask the hon. gentleman if it is there to have a copy of it produced.

Hon. Mr. SCOTT—I shall inquire.

Hon. Sir MACKENZIE BOWELL—Might I ask the hon. gentleman when I may have the return, promised some time ago, of correspondence having reference to contracts for the construction of ice-breakers ?

Hon. Mr. SCOTT—I shall make inquiry. It is very hard to keep track of those things. We always send to the department, that has charge of the work and they are sometimes very remiss.

Hon. Mr. LANDRY—While the hon. gentleman is addressing a note to the Department of Marine and Fisheries, perhaps he will be good enough to inquire about the papers relating to the case of Painchaud.

Hon. Mr. SCOTT—I sent over to-day to make further inquiry on that subject.

The Senate adjourned until to-morrow.

THE SENATE.

Ottawa, Thursday July 14, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine procedings.

THIRD READINGS.

Bill (111) An Act respecting the Edmonton Street Railway Company.—(Hon. Mr. Casgrain, de Lanaudière.)

Bill (136) An Act respecting the Similkameen and Keremeos Railway Company.—(Hon. Mr. Watson.)

Bill (142) An Act respecting the Rio Janeiro Light and Power Company, Limited,

and to change its name to the Rio Janeiro Tramway Light and Power Company Limited.—(Hon. Mr. Kerr, Toronto.)

Bill (40) An Act respecting the Canada Southern Railway Company.—(Hon. Mr. Kerr, Toronto.)

THE TREADGOLD CONCESSION.

MOTION.

Hon. Sir MACKENZIE BOWELL moved:

That an humble address be presented to His Excellency the Governor General; praying that he will cause to be laid upon the table of the Senate all correspondence between the government, or any member thereof, and His Honour Judge Britton, relating to the report which he should or should not make, as to his findings in relation to the granting of the Treadgold and other concessions in the Yukon Territory of Canada:

He said: It will be in the recollection of members of the Senate that a few days ago I placed a notice upon the paper, asking questions as to the report which was to be made by the commissioners appointed by the government to inquire into the effects which the Treadgold concessions had upon the Yukon Territory. It will be remembered that very grave complaints had come from that part of Canada, as to the effect which that concession had upon the gold mining industries of the Yukon. Those complaints it will also be remembered, were not confined exclusively to one party, but the leaders of the Liberal party, more particularly the president of the Reform Association, joined in the complaints. The question which I put was, whether the Treadgold concession had been cancelled, as reported in the newspapers, and also whether a report was made by the commissioners appointed to investigate the effect of the concession. It will be remembered also, that the hon. Secretary of State informed the Senate that the Treadgold concession had been cancelled, that no claim had been made by the Treadgold Company to be reimbursed any expenditures they had made in that country, but that certain rights which they had acquired under that concession were to be respected and guaranteed by the government. It will also be recollected that the Secretary of State evaded—I will not say that—neglected to answer the first question as to when the report was to be made, but upon being pressed by myself, for a reply, he informed the House that no report would be made; that Judge Britton, the only surviving commissioner, had been instructed by the government that it was not necessary to make any report, the concession having been cancelled. A few days afterwards, the leader of the opposition in the House of Commons said that he had noticed in the public press, that such an order had been given, and asked if such was the fact. The premier replied that he had seen that a statement of that kind had been made in another branch of parliament, but that he had not had time to see his colleague, and therefore was not in a position to answer the question, giving the impression that if a notice of that kind had been served upon Judge Britton, it had not been authorzied by the executive; but he said that he would answer next day. Sir Wilfrid Laurier did answer the next day: he said he had seen his colleague, meaning I presume the Secretary of State, and had learned that he had written to Judge Britton, instructing him that it was not necessary to make any report, or intimating to him that as the Treadgold concession had been cancelled it was not necessary to make a report, and that as soon as the action of the Secretary of State had been learned by the Executive Council, the Secretary of State had been instructed—no, I do not think that was the word—that the order not to make a report, had been cancelled, and the judge had been instructed to make a report. Any one familiar with the principles of responsible government must be surprised at the action of the Secretary of State, and the manner in which the country is governed under the present cabinet. This is not the first time these things have occurred. We have repeatedly had in this House, members of the government moving measures sent up from the House of Commons, of a very important character, some of them affecting the legal rights to estates in portions of Canada, and others again—affecting the tariff, the imposition of duties upon tobacco, and changes in the Customs Department, &c., of which the minister who proposed the measures had no more knowledge than any member of this House who is not a member of the cabinet, and consequently could not be held responsible for the contents of those Bills, except as a member of the cabinet. I might state further, that the gentleman

who led this House before the hon. Secretary of State occupied that position when questioned on such points, frankly acknowledged that the Bills sent to him, although they affected legal rights and properties, and acquiring and disposing of lands in the Northwest Territories, had never been submitted to his department; having laid down what he designated as a principle, the governing by heads of departments and not by the cabinet, where every man is held responsible under our system to the people. We were told that in England the heads of the different departments acted without consulting in all cases, the cabinet. Whatever may have been the principle guiding the administration of affairs in England, it certainly has never been the principle that has guided the administration of the government of this country until the present cabinet came into power, and we now have the humiliating spectacle presented to us—I should not say to us, but to the Secretary of State, of having his action repudiated by his leader, and by the cabinet. I might use another word, but I do not know that any other would convey the meaning I intend to impress upon the House, when giving expression to this opinion. We find a commission solemnly appointed after a great deal of agitation, and many complaints from the Yukon Territory, and a discussion in the House of Commons for days. The charges were of such a grave character that the government were compelled to appoint a commission to inquire into the allegations made by members of their own party, as well as by opponents of the government, as to the effect of their legislation and Orders in Council upon that territory. Then there was appointed a judge who had given an opinion in the House of Commons upon the question, and defended the government on this point, and an independent gentleman outside, an expert in mining questions, to go to the Yukon and make a personal examination under oath, as to the effect which this Treadgold concession had had upon the country, and to ascertain whether the complaints against it had been justified. What that commission has cost, I do not know. Probably the hon. Secretary of State may be able to tell us; but this we do know, that these two gentlemen proceeded to the Yukon Territory, and there made an investigation. I shall not at this moment criticise the manner in which that investigation was conducted further than to say that if the reports in the public press are at all credited, there can be no question but that they limited the investigation to the smallest possible compass, and I might say further that the instructions given to the commissioners were not as broad as they should have been to elicit all the facts necessary to ascertain what effect the Treadgold concession had upon that country, or was likely to have upon it in the future. Therefore it is no more than just and fair to this House and to the country that all the correspondence between the government and Judge Britton, or between the hon. Secretary of State or any other member of the government in reference to the question of a report being made, should be laid before the Senate. Judging from the position which one of the commissioners took in the House of Commons, I should not suppose for a moment that the hon. Secretary of State would be under the impression when he gave the instruction to Judge Britton not to make a report, that it would not be as favourable as it could possibly be made. I do not wish to cast any reflection upon that gentleman, but when a man goes on a jury to try a case, on which he has already expressed very strong opinions, we might naturally suppose what the verdict would be, and for that reason, I suppose, the hon. Secretary of State in his youthful simplicity thought it was necessary, after what had been done by the government, to ask this gentleman not to make a report. Under our system of government, I think his action in that respect was inexcusable. He assumed a responsibility which he had no right to assume. It was a grave breach of the privileges of parliament; not only that, but a direct reflection upon his colleagues, to assume the responsibility, without first consulting the premier at least. During the seventeen years I was in the government, no member of the cabinet would have dared to take such a step without the consent of his colleagues, and I can only marvel, and I think the country will marvel, at the position assumed by the Secretary of State. I must compliment him on the humility he has displayed under the little snub he re-

ceived from the premier. The hon. gentleman has been told that he assumed a responsibility which he had no right to assume, and must take a back seat, and remain there until told what he should do; yet he accepts the position and retains his portfolio. When I saw in a Toronto paper that the hon. gentleman had taken umbrage at the action of his premier and resigned his portfolio, I must say I had grave doubts, and I thought if he did, he was making a comfortable place for his friend alongside him without portfolio. I have great respect for the leader of this House, and I should be sorry to see him retire from his present position, but I had hoped that he would be succeeded by the hon. gentleman without portfolio, (Hon. Mr. Templeman) and as a brother journalist, I felt inclined to congratulate him. If there is to be a vacancy, I hope to see the hon. gentleman take that position. I hope the hon. Secretary of State will bring down these papers, in order that we may see the extent of the responsibility which a member of the cabinet assumes without the sanction of his colleagues.

Hon. Mr. SCOTT—I do not propose to discuss the large and constitutional question that my hon. friend has touched upon—that is as to whether the present members of the cabinet assume larger responsibilities than is proper and correct. At the time of my hon. friend's experience in the cabinet, the business of the country was not in the expanded condition it is to-day. Canada had not become a nation and so every small matter was brought to council. I can tell my hon. friend to-day it would be absolutely impossible to carry on the government if individual members did not assume some responsibility. I say with perfect confidence and in all sincerity, that it would be absolutely impossible to carry on the government of the country to-day if the smaller matters that come before the administration had all to be brought before council. There are a great many matters that come before a department that the individual head must deal with. Coming more particularly to the subject on which my hon. friend has called for papers, when agitation and excitement were aroused as to the improvidence of the government in granting what is called a concession to the Treadgold syndicate, the government very properly decided to issue a commission for the purpose of ascertaining whether there was really any ground for the charges of fraud. There were charges of fraud and improvidence, and charges that the syndicate were authorized to encroach on vested interests there, and the only way to get at the facts was to issue a commission, and that commission consisted of a judge of the court and an expert. The judge of a court would be quite unable to make a satisfactory report unless aided by an expert. It is a question purely of hydraulic engineering, a very intricate question, one in which even very few engineers can be found who have the necessary experience. It is only in parts of California that conditions exist such as existed up in the Yukon that would give any engineer a knowledge of the ultimate effect of elevating a large body of water. There were two points to consider. There were a number of bench claims on high ground that were very valuable, but could not be worked because there was no water. There were the claims that were already vested in the miners along the streams. They became alarmed at the possible diminution of their water supply. The problem was, would the miners having existing claims have still sufficient water to work these claims, if a body of water was brought up to a higher elevation in order to make the bench claims valuable. It was not a judicial point. A judge was appointed for the purpose of guiding the mode of inquiry, with seeing that the evidence was relevant and that proper evidence was taken down, that evidence not bearing on the question was rejected. There was an expert chosen, a gentleman from Montreal, Hardman I think was his name. After the commission was issued to him he declined to go. Then an inquiry was made as to who was the next best man. He ought to be a representative of the mining interests, and so the secretary of the Mining Institute of Canada, the late Mr. Bell, who edited the 'Mining Review,' was thought to be the most fit person, and he and Judge Britton went out to the Yukon and took a mass of evidence. My hon. friend thinks the inquiry was not exhaustive enough. I think myself it erred in the direction of being too exhaustive. I believe there are six volumes of 500 pages each to be boiled down. Before the evidence

was extended, unfortunately, Mr. Bell, the mining engineer, met with an accident on his return to Ottawa, which ended fatally. Judge Britton was left alone without the aid of an expert, and the point was what was best to be done: so Judge Britton was then directed to make the report himself. It was to be presumed he had, at all events, gathered some views from the expert. He may or may not have done so, but as the inquiry had been very much extended he was directed to make his own individual report. In the month of June, the syndicate sent a communication to the Department of the Interior, stating that they wished to withdraw from the concession, that they were no longer prepared to take up the enterprise. The minister reported that to council and council passed the minute accepting the surrender unconditionally. There were no compensations. My hon. friend has rather strained a word I used the other day in reference to rights they might have acquired. My language might have been stronger than it should have been. I cannot, of course, tell what the rights are, but I presume while the grant was in existence they had certain rights. They probably went on certain lands. They might have been guilty of trespass if such a provision had not been made in cancelling the Order in Council, because the concession is now as if it had never existed. It might be a question for the courts to say that 'The Order in Council having been cancelled, they had no right to proceed in the manner they had done.' Of course that would be preposterous. While they had the authority to carry out the enterprise they ought to be protected in anything they had done under it. When the Order in Council was passed, in the exercise of my judgment, the correspondence had been carried on with Judge Britton through me, I considered that there was no occasion for a report on something that did not exist. The subject-matter had ceased to exist. The important member of the commission, the expert, was dead. Now, I ask hon. gentlemen what would be the value of any report Judge Britton could make? He is a judge of law, and the points involved are those which could only be within the knowledge of a hydraulic engineer. We, unfortunately, have not the benefit of any opinions that Mr. Bell may have formed. The evidence was taken down in shorthand, and had to be all written out. The work of extending the evidence had not been completed before Mr. Bell's death. In view of all the facts I see no object in a report—I suppose I am wrong, there are few cases on which His Majesty's opposition and His Majesty's government agree, and when they do agree I must be very wrong. But I am like the man 'who convinced against his will is of the same opinion still.' I think that is the common sense view to take of it. What can you inquire into? Into what might have been? Even the report of a hydraulic engineer could only have possible weight, because the conditions of the topography of the country differ so much from hydraulic works elsewhere. I may say en passant that the miners' interests were absolutely protected in the concession under the circumstances. Any report seemed to me to be futile. I thought so when I wrote to Judge Britton, and I think so now. He was to return the evidence, leaving it to everybody to judge; there are many hon. gentlemen in this chamber who think their conclusion on the evidence would be as valuable as Judge Britton's. Mr. Britton is a judge of law, but not of hydraulics, and it is rather an unfair thing to ask Mr. Britton to make a report, the subject-matter of which he has no possible knowledge. It is a very special subject. There are very few men who are capable of passing an opinion of the effect of hydraulic engineering..

Hon. Sir MACKENZIE BOWELL—Is that the last letter?

Hon. Mr. SCOTT—No, the first letter. I sent for the papers while the hon. gentleman was speaking. I will read the guilty communication. It reads as follows:

Secretary of State, Canada.

In view of the surrender of the rights, powers and privileges granted by Order in Council of the 21st April, 1902, to Malcolm H. Orr-Ewing, A. N. C. Treadgold, and Walter Barwick, which surrender has been accepted by His Excellency the Governor General in Council on the 22nd inst., there is no occasion for proceeding further with the investigation into the affairs of what is commonly known as the 'Treadgold Concession.'

I have to ask that you would kindly transmit to me the evidence which you have gathered referring to that part of the inquiry, without, however, drawing any conclusion therefrom.

Your report will, therefore, be confined to other subjects specifically set forth in your commission which you were directed to inquire into and investigate.

I am, sir, yours truly,
(Sd.) R. W. SCOTT,
Secretary of State.

Then Mr. Justice Britton acknowledges that :

I beg to acknowledge the receipt of your favour of the 27th inst., informing me that, in view of the surrender of the rights, powers and privileges granted by Order in Council of 21st April, 1902, to Malcolm H. Orr-Ewing, A. N. C. Treadgold, and Walter Barwick, there is no occasion for proceeding further with the investigation into the affairs of what is commonly known as the 'Treadgold Concession.'

You ask me to transmit the evidence referring to that part of the inquiry.

The evidence in reference to the various subjects embraced in the inquiry of the commissioners is bound together, making in all six volumes of about 550 pages each. Persons who presented themselves as witnesses in many cases came to speak of some particular concession or to present something supposed to be of use not in any way connected with Treadgold, when a statement would be volunteered, or an answer given to a question put by some persons in the room, and then followed further statements and discussion about the Treadgold concessions. If this has to be separated, the labour will be great and it will take some time.

The evidence specifically given in reference to the Treadgold concessions can be taken out of these books and bound separately, and can be transmitted almost at once.

Waiting your reply,
Your obedient servant,
B. M. BRITTON.

In the meantime my hon. friend had started the ball rolling and said that Senator Scott was suppressing Judge Britton's report and so the Secretary of State sent this telegram when he found the opposition and the government both concurred in the impropriety of the position he was taking :

Referring to my letter of 27th June advising you of surrender of powers and privileges granted to the Treadgold syndicate of the acceptance of the surrender by His Excellency in Council, I added that there was now no occasion of proceeding further with the investigation into the affairs of the Treadgold concession. Before writing that letter the Privy Council had not been consulted and, attention having been called to the subject, council did not approve of my action. I therefore cancel the letter of the 27th June and you will please proceed as if that letter had not been written.

R. W. SCOTT.

I next day confirmed that telegram by letter. All the correspondence is here from the first, from the time of the granting of the concession to the present time. It was not asked for, but I thought it better that all the information should go. There is the Order in Council and the concession and the various commissions that were granted. First to the engineer at Montreal and then to Mr. Justice Britton, and subsequently to the late Mr. Bell.

Hon. Mr. DeBOUCHERVILLE—Is the Order in Council condemning the hon. Secretary of State among these papers ?

Hon. Mr. SCOTT—There was no order in Council condemning the Secretary of State. When I found my colleagues did not concur, I simply telegraphed to Judge Britton to cancel my letter and regard it as never having been written, so that no special harm has been done. I therefore have much pleasure in laying on the table the papers. I might say a good deal more, but it is a dead subject now and I do not think the public will take so much stock in the six volumes of 550 pages each, as they would have if the concession had been carried on. We have none too much time to deal with living subjects, and I see no object in taking up a dead subject. The judge cannot satisfactorily pass on a hydraulic question. My view was that every gentleman who took any interest in the subject could read the evidence and draw his own deduction from it. Supposing Judge Britton stated it was not an improvident concession, what good would result ? Would it convert the people who had criticised the action of the government ? Those who thought the concession was a wise and prudent one would not be disturbed if Judge Britton condemned it. They would say : 'There is the evidence, I presume I am quite as capable of construing it as Judge Britton.' If it were a question of law I would bow to him, but he must feel embarrassed in being called upon to make a report on a subject-matter not within his purview. His colleague who could advise him is, unfortunately, dead. I think it is a misfortune that Judge Britton should be called upon to make a report, because it must be obvious to every gentleman that where a judge is called upon to make a report upon something entirely outside of questions of law, he is a layman as far as that particular subject is concerned. He should not be expected to express opinions on outside matters.

Hon. Sir MACKENZIE BOWELL—The arguments that have been advanced by my hon. friend if such they may be designated, simply mean that no matter what maladministration of the affairs of the country may take place and a commission appointed to investigate them, and something occurs in the meantime which leads a member of the cabinet to think it unnecessary to make a report, therefore we shall have no report. That is the trend of my hon. friend's argument. The object of the appointment of that commission was simply to ascertain whether the conduct of the government in the granting of these concessions was of such a character as to impede the progress of the mining interests of that country. The miners and others interested in that country declared that the administration of the government of Canada had been detrimental to the interests of the miners and the progress of that country, and the judge and his colleague were appointed to investigate that complaint. The only man who would have a knowledge of the hydraulic mining, to which the hon. gentleman referred and which has very little to do with the question, is, unfortunately, dead; but the government appointed a commission for a certain purpose. That commission went to the Yukon Territory; they made certain investigations under their instructions. They came back with the evidence, and the Secretary of State tells the chief of that commission that because the government have cancelled the concession that they made, that it is not necessary for him to make any report, so that the country is not to know whether the effect of the granting of the concession was detrimental to the interests of that country or not. That was the principal reason. I am not going to follow the hon. gentleman through the whole of his statement. He referred to the bench claims. I suppose he knows that there are bench claims worked to-day, and I suppose he does know, if not he should not have referred to it, that these bench claims have water sufficient to enable them to be worked successfully. I am speaking from a little experience just now.

Hon. Mr. SCOTT—Are there no bench claims where water is not available?

Hon. Sir MACKENZIE BOWELL—Certainly. But the water is brought there. We all know you cannot work any of these claims without water. We know further that even with quartz claims you require water to wash the debris from the gold after the rocks are crushed; but they do work many of the bench claims at the present moment, and there are certain lines by which it is done. I myself walked into a tunnel of over 600 feet into one of the mountains, three, four or five hundred feet above the level, where the washing takes place, and it was 125 feet—an interesting point—I do not know if it has anything to do with this —125 feet into the tunnel and there the earth was frozen as hard as a brick, and it had to be melted or thawed by means of the exhaust steam that was carried into the tunnel, and then brought out and washed at the bottom of the hill. What I object to more particularly in the hon. gentleman's theory of government is the fact that he said we are a nation, and, being a nation therefore, each head of a department must govern without the consent and knowledge of, or consultation with his colleagues.

Hon. Mr. SCOTT—I never said that.

Hon. Sir MACKENZIE BOWELL—I know the hon. gentleman did not, but that is the inference. The hon. gentleman said that Canada had grown to be a nation and that being a nation the government of the country must be carried on in the manner in which the hon. gentleman has carried it on. I take exception to the expression in every sense of the word, and I say that we are no more a nation now than we were twenty years ago. We are an integral part of the British nation and nothing more or less. We are growing, it is true, and we are becoming a more important part of the empire than we were twenty, thirty or forty years ago, and I trust that the improvement in our prosperity, wealth and importance will continue; but to rise and tell us, as the premier told the country on one occasion, that he went to bed one night and woke up next morning and found that he had created a nation, or that we were a nation, is not the fact. I contend we are no more a nation to-day than we were thirty years ago. We are part of a nation, and I am glad to know that we are becoming a more important part of it every day that we live —so important that they recognize the fact

now in the mother country that Canada is an intregal part of the British empire. The inference to be drawn from the expression which is constantly used, that we are a nation would lead the younger people to suppose that we are gradually drifting from Britain, and that we are ultimately to raise our own flag and become independent of the mother country.

I have no feeling of that kind, and I trust the day will never come when we shall hear, even inferentially, expressions of that kind, to lead the younger portion of the Canadian people to believe that we are to be anything more than a part of the British empire—I do not mean to say a dependency, as it is understood by many people—but I mean to say that we are a part and parcel of the whole, and that a Canadian has the same rights and privileges in any part of the British empire as though he lived in the mother country. I want no prouder boast and inheritance to hand down to my children than the fact that they are citizens of the British empire. What clap-trap to speak of Canada as a nation, as though we are now any more a nation than we were sixty or seventy years ago, when I came to this country. I repudiate the inference drawn from remarks of that kind. If we were an independent nation, and still continued to govern the country under the system that prevails in England and in Canada to-day, the principle laid down by the hon. gentleman never could be carried out unless we had ministers like himself, who are prepared to assume responsibility, and when they are repudiated, as he himself says he was, by his own colleagues and by the opposition, quietly takes a snub like a well-whipped child. I can understand what he means by Canada being a nation. I believe the views to which I have given expression are the views of any man who knows anything of the system of responsible government. When we have the copies of the documents before us, if I find anything in them that is worthy of referring to hereafter, I shall take the liberty of doing so. Might I ask the hon. gentleman whether he will, without a motion made by myself, bring down a statement of the cost to the country of that commission? If the hon. gentleman says yes, I shall not put a notice on the paper. If he thinks it necessary that I should put a notice on the paper, I shall do so.

Hon. Mr. SCOTT—I am not in a position to say what it has cost the country. I do not think any account has been sent in, and I do not know whether any money has been advanced. Until we get the final account we cannot tell what the cost will be.

Hon. Mr. CLORAN—Will the hon. gentleman from Belleville (Sir Mackenzie Bowell) state if he repudiates the opinion expressed some time ago in London by the Right Hon. Joseph Chamberlain, that the empire should be considered a sisterhood of nations? The hon. gentleman does not answer. It is not proper to challenge the word used by the hon. leader of the House in regard to the destiny of Canada when it is used by an imperial statesman. It is a noble ambition for a young country to look forward to the time when it shall be a nation.

Hon. Sir MACKENZIE BOWELL—They say Canada now is a nation.

Hon. Mr. CLORAN—I am criticising the hon. gentleman's denunciation of the use of that word. He will not allow the Secretary of State to speak of Canada as a nation, though a British statesman says we are, and the leader of our own government stated before the King, and before the statesmen of the empire, that Canada is a nation, and he was not called to time.

Hon. Mr. MACDONALD (B.C.)—That does not make Canada a nation.

Hon. Mr. CLORAN—No; but I do not wish the remarks of the leader of the opposition to go on record as being the unanimous opinion of the people of Canada, that we are not entitled to look forward to the day when we shall be a nation. We have the best authority to look for that development. We have the statement made by the leader of this government, in a notable gathering in Great Britain and elsewhere, without being challenged for it, as the Secretary of State is being challenged here to-day by the leader of the opposition. I do not think the simple word dropped by the Secretary of State called for such fierce denunciation on the part of the leader of the opposition.

The SPEAKER—Inasmuch as the correspondence moved for has already been laid on the table, I ask the opinion of the House

as to the order that this address be presented to His Excellency the Governor General by such members of this House as are members of the Privy Council.

Hon. Sir MACKENZIE BOWELL—It is a question whether such a form of motion should be used and whether it should not be simply an order of the House. I notice the question was discussed once in the House of Commons, and it puzzles me as to where the distinction should be drawn. It is a matter of form.

The SPEAKER—The distinction has been observed in the House of Commons, and I think it is a pity we do not observe it here, but we never have done so. With the permission of the House, I shall consider that question as not having been put, and the motion is that the hon. member from Belleville be permitted to withdraw his motion.

The motion was withdrawn.

THE STEAMER 'GAUSS.'

Hon. Mr. LANDRY inquired :

Is it the intention of the government to grant the commander of the 'Gauss' complete liberty in the choice to be made of the men who are to compose the crew of the said vessel?

Hon. Mr. SCOTT—The commander of the 'Arctic,' formerly the 'Gauss,' will be provided with a proper crew found qualified by the department for the expedition.

WHARF AT ST. ALPHONSE OF HA! HA! BAY.

MOTION.

Hon. Mr. LANDRY moved :

That an humble address be presented to His Excellency the Governor General; praying that His Excellency will be pleased to cause to be laid before this House a statement indicating, year by year, from the year 1901, inclusive, up to this day, the detail of the expense incurred in the construction of the wharf at St. Alphonse of Ha! Ha! Bay.

The motion was agreed to.

THE WHARF AT POINTE AUX TREMBLES.

INQUIRY.

Hon. Mr. LANDRY inquired :

1. Did the government ask for tenders for the construction of a wharf at Pointe aux Trembles, in the county of Portneuf ?
2. Was the contract for the construction of such wharf granted to the lowest tenderer ?
3. If not, to whom.
4. For what price ?
5. When are the works to be commenced ?

Hon. Mr. SCOTT—The replies are as follows :

1. Yes.
2. Yes.
3. See above.
4. $33,775.
5. Contractors are supposed to start work as soon as possible, there being no fixed date for commencement.

Hon. Mr. LANDRY—Is the name of the contractor given ?

Hon. Mr. SCOTT—No, they did not give me the name. He is the lowest tenderer, however, whoever he was.

THIRD READINGS.

Bill (M) An Act respecting the Pacific Bank of Canada.—(Hon. Mr. Templeman.)

Bill (121) An Act respecting the Century Life Insurance Company.—(Hon. Mr. Perley.)

PILOTAGE ACT AMENDMENT BILL.

THIRD READING.

The House resolved itself into a Committee of the Whole on Bill (100) An Act to amend the Pilotage Act.

(In the Committee.)

Hon. Mr. MACDONALD (B.C.)—Where has this great change been found necessary ?

Hon. Mr. SCOTT—It is by representations from the shipping interests. Last year a change was made so far as Montreal and Saguenay were concerned. There had been some friction in both places, and the department had to take it over, and representations were made, from the shipping interests and boards of trade in other places, that they would like to have the supreme authority here, if they so desired it. It must emanate from the local body, however.

Hon. Mr. YOUNG, from the committee, reported the Bill with amendments, which were concurred in.

The Bill was then read the third time and passed.

SHIPPING CASUALTIES ACT AMENDMENT BILL.

THIRD READING.

Hon. Mr. SCOTT moved that the House resolve itself into a Committee of the Whole on Bill (102) An Act to amend the Shipping Casualties Act, 1901.

Hon. Mr. LANDRY—I have just received a telegram from the president of the pilots in Quebec, saying he is coming up with a deputation, and asking that the Bill be postponed until Monday.

Hon. Mr. TEMPLEMAN—This Bill has been delayed on two or three occasions on account of similar requests having been made, to permit pilots to come here and be heard. I understand that there are two or three amendments to be made to the Bill, which probably will be in a line with what my hon. friend wants. There is some object in having the Bill passed to-day and assented to along with other Bills to-morrow or Monday. There are pending some cases which require to be investigated, and probably tried, under the provisions of this Marine Casualties Bill, as at present being amended, and which are now being deferred, owing to the fact that machinery is not quite ready. Unless the reasons are very strong for a postponement, I should prefer to have the Bill passed to-day.

Hon. Mr. LANDRY—I do not know what the reasons are; I have simply received the telegram to which I have referred. The hon. gentleman says a similar telegram was sent some time ago. It was not from this body. This is from the pilots below Quebec; the previous demand was from the pilots between Montreal and Quebec.

Hon. Mr. TEMPLEMAN—Would it not serve the hon. gentleman's purpose if he passed the Bill, and let the pilots be heard in the House of Commons when it goes back there? I know it is the desire of the Minister of Marine and Fisheries that this Bill should pass to-day or to-morrow, in order to receive the Royal Assent.

The motion was agreed to.

In committee, on the first clause,

1. Section 2 of the Shipping Casualties Act, 1901, is amended by the addition of the following paragraph .—

(g.) The expression 'pilot' means any person not belonging to a ship who has the conduct thereof.

Hon. Mr. YOUNG.

Hon. Sir MACKENZIE BOWELL—What is the law now? Cannot a man on the ship be a pilot?

Hon. Mr. TEMPLEMAN—The Act does not provide for inquiring into the conduct of a pilot. It is bringing the officer, known as a pilot, under the jurisdiction of the Shipping Casualties Act, so that under that Act an inquiry can be made when an accident takes place, so that the responsibility can be fixed, and a penalty imposed, under that Act. This clause defines the meaning of the word 'pilot.'

Hon. Mr. MACDONALD (P.E.I.)—This clause would not apply to all the pilots, because a ship might have one of its officers employed as a pilot, and he would not be amenable under the law as it stands, because it only applies to a pilot when he is a person not belonging to the ship who has the conduct of a vessel.

Hon. Mr. POWER—In that case the pilot would be one of the officers of the ship, and would come under the Act, anyway.

Hon. Sir MACKENZIE BOWELL—Would he be subject to the law governing pilots?

Hon. Mr. TEMPLEMAN—Under the law as it stands, the expression 'master' includes every person having charge of a vessel, excepting the pilot.

Hon. Mr. LOUGHEED—You would still eliminate from the Act an officer of a ship acting in the capacity of a pilot. Section 2 of the present Act does not extend to an officer of a ship acting in the capacity of a pilot, so it would not reach an officer of a ship acting as a pilot.

Hon. Mr. POWER—The hon. gentleman is slightly in error. Paragraph (b) of section 2 of the Shipping Casualties Act says:

> The expression 'master' includes every person except a pilot having command or charge of any vessel.

So any seaman or other man on board of a ship, having charge of a ship, is a master, excepting a pilot. If you leave it that way, it will include a pilot belonging to the ship, because this paragraph, which we propose to add now, says: 'Any person not belonging to a ship.' Even if he is a pilot, and belongs to the ship, he will not come under the term 'pilot,' but come under the term 'master.'

Hon. Mr. LOUGHEED—Let us assume an officer of a ship under the Act as it now stands is acting as a pilot, does the Act reach him ?

Hon. Mr. POWER—It does not.

Hon. Mr. LOUGHEED—Under the present law, it is conceded that the pilot, although an officer of the ship, acting in the capacity of a pilot, cannot be reached by the Act. Now, the amendment does not cover that, because it only refers to that class of pilot who does not belong to the ship.

Hon. Mr. POWER—It takes the pilot who is in the ship and belongs to the ship out of the class of pilots altogether and leave him in the class of master.

Hon. Sir MACKENZIE BOWELL—Do the penalties which are imposed for neglected duty apply to the master who is declared not to be a pilot under this clause ?

Hon. Mr. TEMPLEMAN—Yes.

Hon. Sir MACKENZIE BOWELL—There are certain penalties attached to a neglect of duty by a pilot.

Hon. Mr. POWER—The penalties are mentioned later on in the Act. I wish to move an additional subsection to this section, as subsection two of section one, providing for the insertion of the word 'pilot' after the word 'mate' wherever the words 'master,' 'mate' or 'engineer' occur. These words occur in a great many places, and in order to prevent any doubt as to whether the law applies to the pilot, I propose to submit this sub-clause.

Hon. Mr. MACDONALD (B.C.)—Does that cover the case of a captain, mate or pilot of his own vessel ? The captain acts as pilot sometimes. He would be master and would be liable.

The amendment was adopted.

The clause as amended was adopted.

On clause 2,

Hon. Mr. POWER—It would not be quite clear from the wording of this sub-clause whether there is to be one officer appointed for the whole of Canada, or whether the intention is that there shall be officers appointed for each district, or that there shall be an officer appointed for each case, and I propose to add for the first subsection after clause 4, the following :—

And may define the territorial jurisdiction of any such officer or person.

Hon. Mr. MACDONALD (B.C.)—That is reasonable.

The amendment was adopted.

Hon. Mr. POWER—Then in line 17 after the word 'default' it is necessary to add some words. The clause reads :

2. If, upon a preliminary inquiry, the officer holding it is of opinion that any loss, or damage, or the stranding of any ship, or any loss of life, has been caused by the wrongful act or default——

There is another cause from which accidents sometimes happen, that is, the incapacity of the pilot through old age or ignorance or any other cause, and the court which investigates should have the right to deal with incapacity as well as defaults, and I propose to add 'or by the incapacity.'

Hon. Mr. McGREGOR—There should be no incapacity in pilots. They are licensed every year.

Hon. Mr. POWER—I am informed by the officer who conducts these inquiries that there are cases of incapacity. If there is no incapacity this clause will not operate.

Hon. Sir MACKENZIE BOWELL—Does it not strike the minister that this is a singular clause, it says :

4. The minister may appoint a principal officer of customs or any officer of the government of Canada, or any person to make preliminary inquiries respecting such shipping casualties.

You first say the minister may appoint the officer of customs. Then he may appoint an officer of the government of Canada or any person. Why is there not a simple declaration that he may appoint any person.

Hon. Mr. TEMPLEMAN—At present the law reads as follows :

The minister may direct.

And this is substituted. It will be observed that the minister cannot, under the law as it stands at present, name any person until an accident occurs, and then he appoints the nearest custom-house officer or any other officer to make the inquiry. It

is now proposed that the minister shall appoint certain shipping masters, other officers of the government at certain places on the coast, to be officers to make inquiries when any accident occurs, so that the officer appointed can make the inquiry just as soon as he knows an accident has taken place, without any instruction or new appointment from the minister. The whole object of this is to expedite inquiries into marine accidents.

Hon. Sir MACKENZIE BOWELL—That is not the point I raised. Under the present law, power is conferred upon the minister to appoint a customs official. The amendment proposed is that he appoint a customs officer or he may appoint an officer of the government or any other person.

Hon. Mr. TEMPLEMAN—As the law is at present he may appoint any officer of customs residing at or near the place where such shipping casualty occurs, or he may appoint an officer of the government of Canada, or he may appoint any person. The minister cannot act until an accident takes place.

Hon. Sir MACKENZIE BOWELL—He can appoint a government officer or any one else.

Hon. Mr. LANDRY—He could appoint a barber.

Hon. Mr. POWER—I think there is a little misapprehension with respect to this change. The law as it stands now provides that there shall be a special appointment made in each case. That has been found inconvenient in working, and involves delay. The Minister of Marine and Fisheries may not be very easily accessible, and it has been felt by the officers who have to do the work in the department that it is desirable that there should be a permanent officer; and the clause which is now under consideration provides for the appointment of officers of a quasi permanent character. The minister may appoint any person to make the preliminary inquiries respecting such shipping casualties. That means shipping casualties in general and not any one in particular.

Hon. Mr. LANDRY—I move that the words 'principal officers of customs or any officer of the government of Canada or' be struck out, so that it will read:

The minister may appoint any person to make preliminary inquiries.

Hon. Mr. TEMPLEMAN—Oh, no.

Hon. Mr. LANDRY—The hon. leader of the opposition is trying to find out why they adopt there the words 'any person.'

Hon. Mr. POWER—It is in the existing law.

Hon. Mr. TEMPLEMAN—Hon. gentlemen will see that he will appoint an officer of customs if there is one in that vicinity. If there is no officer of customs he may appoint some other person.

Hon. Sir MACKENZIE BOWELL—The government want the power to appoint some of their friends to do the work which has heretofore been done by other officials.

Hon. Mr. POWER—The hon. leader of the opposition is labouring under a misapprehension. Section 4 of the present Act reads:

Or any other person appointed by the minister.

But the object of this Bill is to have a permanent officer, so that there will be no delay making inquiries.

Hon. Sir MACKENZIE BOWELL—It is a pity that the responsible minister in charge could not make that explanation himself. It is very fortunate he has some one beside him who can make the explanation.

The clause was adopted.

On clause 3,

Hon. Mr. TEMPLEMAN—I propose to strike out the words in the 33rd line after the word 'exceeding.' The amount of the fine is very indefinite under this clause; it would not be known what the income of the pilot was, and there might be some little difficulty in ascertaining the actual amount of the fine and I propose to insert the words:

Not exceeding $400 and not less than $50.

That will make the fine a definite amount.

The amendment was adopted, and the clause as amended was agreed to.

Hon. Mr. ELLIS, from the committee, reported the Bill with amendments, which were concurred in.

Hon. Mr. TEMPLEMAN moved the suspension of rule 41.

Hon. Mr. LANDRY—I object

Hon. Mr. TEMPLEMAN—Then I shall move that the Bill be read the third time to-morrow.

The motion was agreed to.

ALLIANCE BANK OF CANADA BILL.

SECOND READING.

Hon. Mr. BEIQUE moved the second reading of Bill (140) An Act respecting the Alliance Bank of Canada.

Hon. Mr. LANDRY—There is no petition for this Bill.

Hon. Mr. BEIQUE—The Bill was reported by the Standing Orders Committee.

Hon. Mr. LANDRY—But there was no motion to suspend the rule.

Hon. Mr. BEIQUE—Yes.

The SPEAKER—As I understand, the chairman of the Committee on Standing Orders reported in favour of suspending the rule in connection with this Bill, and he then moved that the report be adopted and the report was adopted and there is no necessity for anything further.

Hon. Mr. LANDRY—Rule 17 reads :

No motion to suspend, modify or amend any rule or part thereof shall be in order except on one day's notice in writing, specifying precisely the rule proposed to be suspended, modified or amended and the purpose of such suspension.

That has not been done. The rule proceeds :—

But any rules may be suspended without notice by the unanimous consent of the Senate, and the rule proposed to be suspended shall be precisely and distinctly stated, and no motion for the suspension of the rules upon any petition for a private Bill shall be in order unless the same shall have been recommended by the Committee on Standing Orders.

The committee has recommended that, but the motion has not been made and the rule says :

No motion for the suspension of the rule shall be made unless it shall be recommended by committee. The recommendation was given, but the motion was not made and the rules were not suspended.

The SPEAKER—The Committee on Standing Orders reported yesterday as follows.

Your committee have examined the following Bill (140), from the House of Commons, referred to them under the 59th rule, intituled : 'An Act respecting the Alliance Bank of Canada.'

Satisfactory reasons being given why no petition was presented, your committee recommend the suspension of the 54th rule, as it will be competent for the committee to whom the Bill shall be referred to provide that no injury shall arise therefrom.

All which is respectfully submitted.

FINLAY M. YOUNG,
Chairman.

On motion of the Honourable Mr. Young, seconded by the Honourable Mr. Béique, it was

Ordered, that the said report be adopted.

And it was ordered without any dissent and the rule has been suspended.

Hon Mr. LANDRY—I beg to differ from that ruling completely. Rule 17 says that no motion for the suspension of the rules shall be made unless it is recommended. That supposes two things. That supposes the motion to be made, and made in accordance with the recommendation and by the committee. That recommendation has been made, but the motion has not.

Hon. Mr. VIDAL—The hon. gentleman, in my judgment, is quite right. The recommendation has been made but no motion has been made.

Hon. Mr. LANDRY—I am willing to withdraw the objection if it be well understood that a recommendation of the committee is not sufficient and that a motion must be made.

Hon. Mr. BEIQUE—For my part I have not examined the point, but at first sight I would be under the impression that the rule does not apply in a case of this kind, when, impliedly, the report of the committee and the adoption of the report of the committee implies the suspension of the rule. I do not think that the point is well taken.

Hon. Mr. LANDRY—If the hon. gentleman takes that view of it I maintain my objection and ask the ruling of the chair.

The SPEAKER—The hon. gentleman from de Salaberry is willing to waive the point for the present.

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

SHIPPING CASUALTIES ACT AMENDMENT BILL.

SECOND READING.

Hon. Mr. LANDRY—I beg to withdraw my objection to the second reading of Bill (102) An Act to amend the Shipping Casualties Act, 1902.

Hon. Mr. TEMPLEMAN—Then I move that the order of the House fixing the third reading of this Bill for to-morrow be rescinded.

The motion was agreed to.

Hon. Mr. TEMPLEMAN—I move that the Bill be read a third time.

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

AN ADJOURNMENT.

Hon. Mr. SCOTT—As there is nothing on the order paper for to-morrow, and several hon. gentlemen have expressed a desire to be absent to-morrow, I move that when the House adjourns to-day it do stand adjourned until Monday, at 3 o'clock, and a resolution may be adopted permitting any committee that desire to meet to-morrow may do so.

Hon. Mr. MACDONALD (B.C.)—I do not rise to object, but I wish to say that this is done through lobbying. It is too apparent altogether, and it is not the right thing to do.

Hon. Mr. VIDAL—There is a call for the Railway Committee to meet to-morrow.

The SPEAKER—Does the hon. gentleman from British Columbia object?

Hon. Mr. MACDONALD (B.C.)—No.

MUTUAL RESERVE COMMITTEE.

NOTICE OF MOTION.

Hon. Mr. BEIQUE—I beg to give notice that I will at the next meeting of the House move that the chairman of the select committee on the Mutual Reserve Fund Life Association be requested to make his report on the matter on which I am appealing to the House.

Hon. Mr. LANDRY—In the absence of the hon. chairman of the committee I may tell the hon. gentleman that the report was prepared, but had not reached him.

Hon. Mr. BEIQUE—It might be filed and put on the order paper.

Hon. Mr. WILSON—The hon. gentleman has not given his notice.

Hon. Mr. BEIQUE—I am giving it for the next sitting of the House.

Hon. Mr. ELLIS—I should like to know in what position the senators who are members of the Joint Committee on Printing will be in? There will be a meeting to-morrow.

Hon. Mr. LANDRY—Certainly a committee of the Senate may always sit during an adjournment.

The motion was agreed to.

The Senate adjourned until 3 p.m. on Monday.

THE SENATE.

Ottawa, Monday, July 18, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

MUTUAL RESERVE LIFE ASSOCIATION COMMITTEE.

SEVENTH REPORT.

Hon. Mr. CLORAN, from the select committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York, presented their seventh report. The report was read by the Clerk as follows:

The Senate,
Committee Room No. 2,
Thursday, July 14th, 1904.

The Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York, beg leave to make their Seventh report as follows:

1. At a meeting of your committee held on 12th July instant, a certain document was produced and admitted in evidence as Exhibit No. 36, a copy of which is contained in the copy of the evidence herewith submitted.

2. At a meeting of your committee held on the 13th July instant, it was moved by the hon. Mr. Lougheed:

That the committee reconsider its action of the 12th instant, in admitting Exhibit No. 36.

In amendment thereto it was moved by the Honourable Mr. Landry :

That all the words after 'that' be struck out and the following substituted :

The Exhibit No. 36 accepted yesterday the 12th instant by this committee be considered as tending to prove the consideration for which a sum of $5,000 has been paid by the Mutual Reserve Company to one Patterson, and not as a proof of the truth of the charges which such document contains.

3. It was objected, by the Honourable Mr. Béique, that the amendment was out of order, on the ground that Exhibit No. 36, having been offered for evidence and received as such, could not now be qualified as sought to be done by the amendment; that, moreover, the said amendment was not in accordance with the facts.

4. The chairman thereupon ruled that it was in the power of this committee to qualify its previous action in accepting Exhibit No. 36, and that, inasmuch as the amendment offered was not a flat contradiction of such action nor of the main motion, the amendment was in order.

5. The question being then put upon the amendment, the committee divided thereon :

Yeas : The Honourable Messieurs Cloran, Domville, Landry, McMullen, McSweeney, Sullivan, Wilson—7.

Nays : The Honourable Messieurs Béique, Gibson, Lougheed, Sir Alphonse Pelletier, Watson—5.

So it was

Resolved in the affirmative.

6. The Honourable Mr. Béique having appealed from the decision of the chairman, it was

Resolved that the chairman do report the facts to the Senate.

7. The motion of the Honourable Mr. Lougheed, as so amended was then carried on the same division reversed.

8. At a meeting of your committee held this day Thursday, July 14th, it was

Resolved that together with the report to be made by the chairman as to the action of the committee with respect to Exhibit No. 36, there be submitted to the Senate a copy of all the evidence adduced before the committee up to and including the 13th July instant.

9. A copy of the said evidence is herewith submitted.

All which is respectfully submitted.

(Signed) H. J. CLORAN,
Chairman.

Hon. Mr. CLORAN said : In connection with this report I am under the necessity of making a short explanation, in view of the fact that I find on the Orders of the Day, under the heading of 'Notices of Motion,' a motion made by the hon. gentleman from de Salaberry to the following effect :

That he will move, that the Chairman of the Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York be ordered to report to the House that part of the proceedings of said committee had on the 13th instant, relative to an appeal made by Senator Béique from the chairman's ruling on a point of order raised on a motion in amendment, made by Senator Landry, to a motion moved by Senator Lougheed; and that he will appeal to the House from said ruling of said chairman.

I may at once say in regard to the latter portion of this notice of motion, I have not the slightest objection that he should make any appeal whatever : but what I find very strange is that the hon. gentleman from de Salaberry should ask this House to order me to present the report. Does the hon. gentleman mean to say that the report was in my possession, and that I had refused to present it to the Senate ?

Hon. Mr. BEIQUE—The report was in the possession of the hon. gentleman during part of the sitting of the House last Thursday, and the hon. member, after having signed the report, absented himself from the House, and therefore I deemed it my duty to give the notice of motion which appears on the order paper, in case the hon. member should not make the report, as he has done to-day.

Hon. Mr. CLORAN—The explanation is rather lame to justify the hon. gentleman for putting on the orders a notice to 'order' the chairman of the committee to make a report to the House. Had the hon. gentleman had the courtesy or discretion to ask where the report was at the time, he would not have allowed himself to fall into such an error.

Hon. Mr. BEIQUE—Do I understand the hon. gentleman to deny that he signed the report while the House was in session on Thursday and afterwards absented himself for the rest of the sitting ?

Hon. Mr. CLORAN—The hon. gentleman is making a statement which cannot bear out this attitude.

Hon. Mr. BEIQUE—Is it true ?

Hon. Mr. CLORAN—I will come to the consideration of that later on.

Hon. Mr. SCOTT—It is altogether irregular to have this discussion when a report is laid on the table. The hon. gentleman is speaking to the report. I myself, and other gentlemen here have learned of this now for the first time. We are not in a position to pronounce any sensible opinion on the report and it seems irregular to enter upon a discussion of it without notice. We can

have all the explanations to-morrow when the report appears in the minutes.

Hon. Mr. CLORAN—I quite concur in the remarks of the Hon. Secretary of State. If I were discussing the merits of the report, I would not be in order, but I am discussing the attitude of a member of this House who has put a notice on the paper.

Hon. Mr. SCOTT—That will be better considered to-morrow when we shall have the papers before us.

Hon. Mr. CLORAN—The sooner the explanation is given the better for both parties. I can discuss this question when we come to the notice of motion placed on the orders. I can wait until then.

Hon. Mr. YOUNG—The hon. gentleman should move that the report be taken into consideration.

Hon. Mr. CLORAN moved that the report be taken into consideration to-morrow. He said: I will now avail myself of the opportunity and my right——

The SPEAKER—The hon. gentleman has already spoken.

Hon. Mr. CLORAN—I made no speech. I made the motion on the suggestion of the hon. gentleman from Killarney.

The SPEAKER—The hon. gentleman spoke and wound up his speech with a motion.

The motion was agreed to.

A SUPPLY BILL.

FIRST, SECOND AND THIRD READINGS.

A message was received from the House of Commons with Bill (No. 156) An Act for granting to His Majesty certain sums of money for the public service for the financial year ending June 30, 1905.

The Bill was read the first time.

Hon. Mr. SCOTT—The fiscal year terminated on the 30th June and, therefore, it is quite impossible to pay any more moneys until the Supply Bill has been adopted by parliament, and approved by His Excellency the Governor General. The main reason for pressing it forward at the present time, is that the civil service cannot be paid. They are usually paid the middle of the month, and by consent, in the other chamber, the Bill was allowed to go through for one-fifth of the amount contained in the Supply Bill laid on the table. That is the first estimate. It has no reference to the supplemental estimates of last year or the supplemental estimates of the present year. It refers only to those items in the Supply Bill first brought down that have passed the House of Commons, and to one-fifth of the balance. The Supply Bill as presented, contains items to the amount of $62,800,000 as against $68,300,000 in the preceding year. It would be one-fifth of the latter amount less those particular items that have already received the approval of the House of Commons. Those are the amounts to which the consent of the Senate is asked. I move the suspension of rule 41 so far as it relates to this Bill.

Hon. Mr. LANDRY—Is there a motion for the suspension of the rule?

Hon. Mr. SCOTT—A motion is not necessary, as I understand. I have never heard that the rule should be suspended as far as the Supply Bill is concerned.

Hon. Mr. LANDRY—If the hon. gentleman never heard that a motion was necessary to suspend the rule, I do not know why he makes it.

Hon. Mr. SCOTT—It was suggested to me to make it.

Hon. Mr. LANDRY—Because it was the proper thing.

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

BILLS INTRODUCED.

Bill (80) An Act respecting the West Canadian Collieries, Limited.—Hon. Mr. McHugh.)

Bill (144) An Act to amend the Act of the present session respecting the Temiscouata Railway Company.—Hon. Sir Alphonse Pelletier.)

Bill (150) An Act to amend the Act of the present session entitled An Act to incorporate the Thorold and Lake Erie Railway Company.—(Hon. Mr. Domville.)

RAILWAY ACT AMENDMENT BILL.

FIRST READING.

A message was received from the House of Commons with Bill (73) An Act to amend the Railway Act, 1903.

The Bill was read the first time.

Hon. Mr. SCOTT—I move that the Bill be read the second time on Wednesday next. It is a Bill consisting of two clauses. It provides that no agreement with employees shall relieve the company from liability for personal injury. It is to prevent operatives contracting out, as it is called.

The motion was agreed to.

REVISED STATUTES OF CANADA ACT AMENDMENT BILL.

FIRST READING.

A message was received from the House of Commons with Bill (154) An Act to amend chapter 61 of the Statutes of 1903 respecting the Revised Statutes of Canada.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the Bill be read a second time on Wednesday next. He said: This is a very short Bill. It refers to some typographical or clerical errors that appeared in the Bill passed in 1903, substituting the word 'are' for 'were,' and after the word 'all' by striking out the word 'such.' I shall be glad to give an explanation of the Bill on the second reading.

The motion was agreed to.

The Senate adjourned during pleasure.

BILLS ASSENTED TO.

After some time the Senate was resumed.

The Honourable Mr. Justice Sedgewick, acting as Deputy to His Excellency the Governor General, being seated at the foot of the Throne,

The Honourable the Speaker commanded the Gentleman Usher of the Black Rod to proceed to the House of Commons and acquaint that House: 'It is the Deputy Governor's desire that they attend him immediately in this House.'

Who being come with their Speaker,

The Clerk of the Crown in Chancery read the titles of the Bills to be passed severally, as follow:—

An Act respecting the Home Bank of Canada.

An Act respecting the Toronto and Hamilton Railway Company.

An Act respecting the Lake Erie and Detroit River Railway Company.

An Act respecting the Berlin, Waterloo, Wellesley and Lake Huron Railway Company.

An Act to incorporate the Crawford Bay and St. Mary's Railway Company.

An Act respecting the Nicola, Kamloops and Similkameen Coal and Railway Company.

An Act to amend the Criminal Code, 1892.

An Act to amend the Criminal Code, 1892.

An Act respecting the Ontario Accident Insurance Company.

An Act to incorporate the Brantford and Hamilton Railway Company.

An Act respecting the Temiscouata Railway Company.

An Act to incorporate the Thorold and Lake Erie Railway Company.

An Act respecting the Tilsonburg, Lake Erie and Pacific Railway Company.

An Act to incorporate the Interprovincial Railway Bridge Company of New Brunswick.

An Act respecting the Kettle River Valley Railway Company.

An Act to amend the Act providing for the payment of Bounties on Lead contained in lead-bearing ores mined in Canada.

An Act to amend the Criminal Code, 1892, respecting the punishment of Fraudulent Debtors.

An Act respecting the James' Bay Railway Company.

An Act respecting the Hudson's Bay and Northwest Railway Company.

An Act respecting certain patents of the Canadian General Electric Company, Limited, and others.

An Act to incorporate the Montreal, Nipissing and Georgian Bay Railway Company.

An Act respecting a certain patent of E. A. Small.

An Act respecting certain patents of Lewis E. Curtis.

An Act to incorporate the Canadian Artillery Association.

An Act to incorporate the Chicoutimi and Northeastern Railway Company.

An Act to amend the Act respecting the Navigation of Canadian Waters.

An Act respecting the Real Estate Title Guarantee and Trust Company.

An Act to incorporate the Monarch Life Assurance Company.

An Act to incorporate the Bessemer and Barry's Bay Railway Company.

An Act respecting the Sprague's Falls Manufacturing Company, Limited.

An Act respecting the Nova Scotia Permanent Benefit Building Society and Savings Fund.

An Act to amend the National Transcontinental Railway Act.

An Act respecting certain patents of William A. Damen.

An Act respecting certain patents of Seigfried Gironcoli.

An Act to amend the Canada Temperance Act.

An Act respecting the Essex Terminal Railway Company.

An Act respecting the Ottawa River Railway Company.

An Act respecting the Huron and Ontario Railway Company.

An Act respecting the Trans-Canada Railway Company.

An Act to incorporate the Dominion Fire Insurance Company.

An Act to incorporate the Farmers' Bank of Canada.

An Act respecting the Ottawa Fire Insurance Company.

An Act respecting certain patents of Edwin R. Cahoone.

An Act for the relief of Andrew William Mann.

An Act to incorporate the Cedar Rapids Manufacturing and Power Company.

An Act for the relief of Jennie Davidson Moore.

An Act for the relief of Eliza Robertson.

An Act respecting the Northern Bank.

An Act to incorporate the Okotoks and High River Lumbering and Development Company.

An Act to amend the Steamboat Inspection Act, 1898.

An Act respecting the Grand Trunk Pacific Railway Company.

An Act to incorporate the Kingston and Dominion Central Railway Company.

An Act respecting the Similkameen and Keremeos Railway Company.

An Act respecting the Rio de Janeiro Light and Power Company, Limited, and to change its name to "The Rio de Janeiro Tramway, Light and Power Company, Limited."

An Act respecting the Century Life Insurance Company.

An Act to amend the Pilotage Act.

An Act to amend the Shipping Casualties Act, 1901.

An Act respecting the Canada Southern Railway Company.

An Act to amend the Yukon Territory Act.

An Act for granting to His Majesty certain sums of money required for the Public Service for the financial year ending the 30th June, 1905.

To these Bills the Royal Assent was pronounced by the Clerk of the Senate in the following words :—

In His Majesty's name, His Honour the Deputy of His Excellency the Governor General doth assent to these Bills.

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

The Senate adjourned until to-morrow.

THE SENATE.

Ottawa, Tuesday, July 19, 1904

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

THE MUTUAL RESERVE FUND ASSOCIATION COMMITTEE.

EIGHTH REPORT.

Hon. Mr. CLORAN from the Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association, presented their eighth report, which was read at the table as follows :

The Senate,
Committee Room No 2,
Tuesday, 19th July, 1904.

The Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York, beg leave to make their Eighth Report as follows :—

Your committee find that printed copies of the evidence adduced before them are not furnished as speedily as required. The last printed copy supplied contains the evidence of the 30th June only. The evidence taken since the Senate reassembled on the 11th July has not yet been printed for the committee.

Your committee are informed that this delay is due to the printing being held back, but by whose orders is unknown, no such order having been given by the Senate or by this committee.

All which is respectfully submitted.

H. J. CLORAN,
Chairman.

He said : The report simply states that no orders were given by the Senate or by the committee. I believe that is true. I may add that if this evidence is being held up in the Printing Bureau, it is without my knowledge and consent, especially in view of the fact that the counsel before the committee are daily asking for copies of the evidence and it is not in my power to give it to them, as I would like to do. Why this evidence is held up in the printing office is more than I can explain, and I think both the Senate and the committee are entitled to an explanation, if any body can give an explanation.

Hon. Mr. SCOTT—I shall inquire at the Printing Bureau. In the sense the hon. gentleman speaks of, a great deal of printing is held up. The Bureau is absolutely unequal to the demand upon it. Members of both Houses are complaining constantly. Four or five years ago I represented that the Printing Bureau was not in a position to

do the work demanded of it, and suggested an addition to it, but I have never been able to obtain authority to have an addition made. There is a great deal more printing than this report held back as a consequence.

Hon. Mr. LANDRY—Would the hon. gentleman be kind enough to inquire of the Printing Bureau, and give them an order to explain it?

Hon. Mr. SCOTT—The members of the House of Commons are pressing for the printing of their lists. Every day I receive letters inquiring. I am unable to answer them. The most pressing matters are printed first. This is not considered one of the most pressing.

Hon. Mr. LANDRY—Are the elections more important?

Hon. Mr. SCOTT—A good deal of the work has to be given out.

Hon. Sir MACKENZIE BOWELL—Is it because the Printing Bureau is overcrowded, or because an order was given?

Hon. Mr. SCOTT—It is overcrowded.

Hon. Mr. LANDRY—An order was given?

Hon. Sir MACKENZIE BOWELL—If an order was given, we ought to know who gave it.

THE ARCTIC VESSEL 'GAUSS.'

MOTION.

Hon. Sir MACKENZIE BOWELL moved:

That an humble address be presented to His Excellency the Governor General; praying that he will cause to be laid on the table of the Senate a copy of the instructions given to Capt. Spain, of the Marine and Fisheries Department, to investigate and report upon the charges reported in the public press to have been made by Capt. Bernier, of the Arctic vessel 'Gauss,' in relation to the fitness and conduct of the men which he alleged were 'foisted' upon him at Montreal by the Dominion government, together with a copy of the report of Capt. Spain thereon.

He said: In moving this address, I might call attention to the report of an investigation made by a reporter connected with 'La Presse' of Montreal, in which he points out that some ten or twelve, or a large number of kegs or barrels of meat were found buried in the sand which had been placed in the steamer 'Gauss' as ballast, and from all indications, and particularly the marks the barrels bore upon them, would lead one to suppose that it was meat that was put on the vessel just prior to her entering upon her last Arctic expedition. If so, that meat must have been a number of years old. The result was when it was taken out of the vessel and sent to some person to inspect it, the stench was such that they had to send it to some persons to be 're-salted,' it is said. The report proceeded to say that the meat was sent to some butcher with instructions to re-salt it, but that it was found to be of such a character, and so putrid and offensive, that it would have to be destroyed. There are other things connected with it. I shall not weary the House reading an article sent me in connection with it, but it is a matter in which the government should make investigation as to whether that character of food was placed on the vessel, when it was placed on the vessel, and whether it was as bad as the men complained of. If it was, they certainly had good cause for complaint. There evidently has been mismanagement somewhere and the probabilities are that this will be continued, from the answers given by the Secretary of State, to the question put by the hon. gentleman from Stadacona the other day, that the captain of the vessel and those really responsible are to have no word to say as to the qualifications and capacity of the crew who are to man this vessel. After what has taken place, one would think the Minister of Marine and Fisheries would be somewhat particular in the selection of men for this expedition, and that there would be no person appointed on this vessel to teach gunnery, in order to provide a pleasant voyage to the Arctic regions when there are no guns on the 'Gauss' to be used in the work of exploration. Perhaps the hon. Secretary of State has read this article. It is a very serious charge made against the provisioning of the vessel. Somebody is responsible, and the government ought to know at the earliest possible moment who is responsible.

Hon. Mr. SCOTT—I have no objection to the address going, and shall call the attention of the minister to the observations made by the hon. gentleman and the papers shall be brought down as soon as they can be prepared.

Hon. Mr. LANDRY—I think we should not let this occasion pass without saying a few words on this question of the steamer 'Gauss'. We were told the other day by

the hon. minister that the selection of the crew would depend entirely upon the Department of Marine and Fisheries. There is no objection to that, but in the face of those charges brought against the government by 'La Presse' the captain should be allowed to have a first class outfit for the expedition. It was not the case when he crossed from Bremen to Quebec. People were imposed on him, men that never saw the ocean. Employees in some office here were sent to Germany as members of the the crew. I was told, and have every reason to believe that the publication of the facts of that expedition when it arrived here was due to that gunner called Laferrière, who was more a reporter of 'La Presse' than a mariner. On going on board the vessel he found some photographs that were left behind by the expedition that went to the south pole. I suppose some body on board had secured those photographs in some town on the way to the south pole. Those photographs were taken by the man Laferrière and shown to everybody, causing a great scandal because the photographs were obscene. They were confiscated by the captain who said they did not belong to the man Laferrière, but were the property of the government itself, so that the government is now in the possession of those valuable pictures, the confiscation of which so roused the anger of Laferrière that as soon as he arrived in Quebec he called in another reporter of 'La Presse' in Quebec, Cinq Mars, and they framed that charge against Captain Bernier which was published in the paper. I do not know if the charge was sent to the government. I know that Captain Spain was sent to investigate, and we are anxious to see his report.

Hon. Mr. TEMPLEMAN—Had the hon. gentleman not better wait until he gets the report before making these statements ?

Hon. Mr. LANDRY—Shall we get the report ?

Hon. Mr. TEMPLEMAN—Certainly.

Hon. Mr. LANDRY—I am very glad to know that. It indicates that there is a report. It was denied in another place that there was a report.

Hon. Sir MACKENZIE BOWELL—The hon. gentlemen govern by departments, hence he does not know ?

Hon. Mr. LANDRY.

Hon. Mr. LANDRY—I remember in 1878, when I ran in the county of Montmagny, I was opposed on every platform by a man employed at Grosse Isle, a quarantine station. He appeared at every meeting in his uniform. I complained to the government but never accomplished anything, because the minister of the day, Mr. Pope, having referred the matter to Dr. Montizambert received a reply that the doctor was putting his life in the hands of the sailors who conveyed him from Grosse Isle to the mainland, and therefore he should have the choice of his men. It might have been a sound principle at that time; I should like it to be regarded as a sound principle now. Whoever is to have charge of that expedition to Hudson Bay should have under him men on whom he could rely, and if the government undertake to employ the crew, the first thing they should exact from those they select is a thorough knowledge of how to work a ship. I think that is essential to the success of the expedition.

THE BERNE CONVENTION.

INQUIRY AND MOTION.

Hon. Mr. DAVID rose to

Ask the government whether the imperial statute on copyright which enacts that the Berne Convention must be applied to colonies, is in force in Canada ?

Hon. Mr. SCOTT—From the best information I can get, we are still in the Berne Convention. Sir John Thompson, when a member of the late government, made strong representations and a year's notice was given, but the imperial government never acted upon it, so we are still in the Berne Convention.

Hon. Mr. DAVID—May I supplement the question by asking if the Canadian statute of 1889 is still in force ?

Hon. Mr. SCOTT—I cannot answer offhand.

Hon. Sir MACKENZIE BOWELL—Do I understand that the government has taken no action since the notice was given by Sir John Thompson?

Hon. Mr. SCOTT—There has been repeated correspondence. There was a long report some years ago, but the imperial government pointed out that they objected to it—they thought Canada ought to continue

in the Berne Convention. We have had a good deal of correspondence on the subject. We have passed Acts and some of them have been held up in Great Britain. It has been a disputed question.

Hon. Sir MACKENZIE BOWELL—Has the present government pressed its objections?

Hon. Mr. SCOTT—Oh, yes, repeatedly.

Hon. Mr. DAVID—I have put this question in order to be able to discuss the following motion when it comes up :

That an humble address be presented to His Excellency the Governor General ; praying that His Excellency will cause to be laid before the Senate copies of all correspondence, petitions and documents in the hands of the government, being connected with the copyright question, and the law on the subject ; also, for a statement of the number of foreign books which have been reprinted in Canada in accordance with our laws on copyright.

Hon. Mr. SCOTT—Will the hon. gentleman let the motion stand.

The motion was allowed to stand until tomorrow

PROTECTION OF HERRINGS.

INQUIRY.

Hon. Mr. LANDRY inquired :

1. Did the government, in the spring of the year 1903, receive petitions from the fishermen of Gaspé and Bonaventure asking for the protection of herrings as fish-bait and otherwise ?
2. What was the reply of the government ?
3. When and to whom was it given ?

Hon. Mr. SCOTT—The answers are as follows :

1. Yes.

2. The department, after fully considering the matter, has reached the conclusion that sufficient grounds do not exist for taking action on the lines of the petitions.

3. May 2, 1903 ; to Hon. Mr. Lemieux.

DALHOUSIE AND GASPE MAIL SERVICE.

INQUIRY.

Hon. Mr. LANDRY inquired of the government :

Has the government entered into arrangements with the company owning the 'Admiral' for the carriage of mails from Dalhousie to the port of Gaspé and to intermediate ports ?
What is the date of such contract ?
What is the duration of it ?
What is the annual amount paid for such carriage ?

Hon. Mr. SCOTT—No permanent arrangement has been made for the carriage of the mails by the steamer 'Admiral' between Dalhousie and the port of Gaspé and intermediate ports. The mails are being carried temporarily by this steamer at the present time pending arrangements being concluded having for their object the substitution of a better vessel.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

MOTION POSTPONED.

The Order of the Day being called :

That the chairman of the Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York be ordered to report to the House that part of the proceedings of said committee had on the 13th instant, relative to an appeal made by Senator Béique from the chairman's ruling on a point of order raised on a motion in amendment, made by Senator Landry, to a motion moved by Senator Lougheed ; and that he will appeal to the House from said ruling of said chairman.

Hon. Mr. BEIQUE—I ask that this stand until the report of the committee is taken up.

Hon. Mr. CLORAN—That may be next week.

Hon. Mr. BEIQUE—It is connected with the report.

Hon. Mr. LANDRY—It is to produce the report.

Hon. Mr. BEIQUE—That has been complied with, but the appeal has to be discussed yet.

Hon. Mr. CLORAN—The first part of the hon. gentleman's motion has been complied with without any interference on the part of the House. As to the second part, as I stated before, I have no objection to any appeal, and why the hon. gentleman does not proceed I cannot understand. It is my privilege now to explain the circumstances surrounding it.

Some hon. GENTLEMEN—No.

Hon. Mr. CLORAN—Is it not ? Then, is the object to postpone it so that no explanation can be made ? I do not wish to impose my personality on the House, but last evening I was called to order when making a motion and was not allowed to speak to my

motion. If I understand the position of the matter now I have a right to speak.

Hon. Mr. SCOTT—No, there is no motion before the House.

Hon. Mr. LANDRY—Are we to understand that when an hon. member's motion is called, and he asks that it be allowed to stand it is not a motion ?

Hon. Mr. POIRIER—Of course it is a motion.

Hon. Mr. LANDRY—I want a ruling on that point to guide me in the future. If a member rises and asks to have a motion stand, is it not a motion ?

Hon. Mr. SCOTT—It has never been so regarded. I know the common practice of the House has been that any member having a motion in charge has usually been allowed to let it stand until another day.

The SPEAKER—The point in this case is that the hon. gentleman from de Salaberry does not ask simply to have his motion stand, but that it stand to be taken up in connection with the report of the committee, which is on the Orders of the Day, to which it relates. I suppose we could take it up without any notice, but perhaps the hon. gentleman had better move a resolution now to let it stand until that stage.

Hon. Mr. BEIQUE—Then I move that it be allowed to stand to be taken up when the report of the Select Committee of the Mutual Reserve is taken up.

Mr. CLORAN—Before taking a vote on this motion I have now an opportunity to explain the circumstances under which the report of the proceedings of the committee on Thursday morning was not laid on the table. I do not know what motive the hon. gentleman from de Salaberry had for his hasty action, or what benefit he expected the House was to receive from the notice he put on the orders. At three o'clock, when the House assembled, the Speaker called for the presentation of reports of committees but up to that time I had not received the report from the clerk of the committee. I waited for an hour and one-half before it came to me. It should have been placed in my hands in time to be ready for presentation when the Speaker called for reports of committees. It was brought here by the clerk after I had sent messengers for it at twenty minutes to five, and when it reached me, we were proceeding with the Orders of the Day. If the hon. gentleman knew those circumstances, I cannot understand why he took the action he did, and if he did not know the circumstances, it was his duty to inquire of me or of the clerk where the report was. There was no necessity for his action. The House should take action when a chairman of the committee refuses to present a report, but not when the chairman is not in a position to present it. I do not understand why the hon. gentleman should be so active and hasty in the matter when there was no need for it.

Hon. Mr. BEIQUE—I have to compliment the hon. gentleman on being so thin-skinned on the present occasion. I readily accept, as no doubt the House does, the explanation he has given. As a matter of fact, I know how the incident occurred. The hon. gentleman was not responsible for the delay. But I saw the report brought to the Senate, when the second Order of the Day was taken up. I saw the hon. gentleman signing the report while the House was in session, and I expected that he would present it before the adjournment, which took place about an hour later. Before the House rose I called the attention of the House to the fact that I had expected the report would be filed, but that the hon. gentleman from Victoria (Hon. Mr. Cloran) was not in his place, and to prevent any delay I gave notice of motion. I was quite in order in doing so, and it was no reflection on the hon. gentleman. We are near the end of the session and it is important to prevent any delay. That is why I gave the notice of motion.

Hon. Mr. CLORAN—The explanation of the hon. senator obliges me to give a final explanation. I object very strongly to the word 'Order'; that is one point. Now how does the hon. gentleman know that I signed that report ?

Hon. Mr. BEIQUE—Because I saw the report brought in by Mr. Young, and handed by a messenger to the hon. member from Victoria, and I saw the hon. gentleman leaving his place, and going to the table and signing the report.

Hon. Mr. CLORAN—Did the hon. gentleman see me putting another sheet of paper

on the report? The hon. gentleman has no personal knowledge of the affair, and therefore it is not legal evidence. The explanation which is due to the House is this; when the report came in I did sign it, and was ready to present it even at that late hour, but a senator said to me 'If you attempt to present that report now I shall object and block it.' Another senator said 'There is evidence wanting in that report and I want to verify it before it is presented. That is why the report did not go in even at a quarter to five o'clock, and I think I did what was right in respecting the objections raised, as we had gone past the time for presenting reports.

Hon. Mr. POIRIER—One objection would have prevented it.

Hon. Mr. CLORAN—I was not going to start a discussion at 5 o'clock, when everybody was preparing to leave. The House will see that I acted with perfect impartiality in the matter.

Hon. Mr. BEIQUE—I know that a member of the House of Commons asked for twenty-four hours to answer one question; that question was, what was his name? I appreciate therefore the necessity of the hon. gentleman asking for twenty-four hours to decide whether he should present that report.

Hon. Mr. LANDRY—I think we should not accept this motion. The motion of the hon. gentleman from de Salaberry is :

That the chairman of the Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York be ordered to report to the House that part of the proceedings of said committee had on the 13th instant, relative to an appeal made by Senator Béique from the chairman's ruling on a point of order raised on a motion in amendment, made by Senator Landry, to a motion moved by Senator Lougheed ; and that he will appeal to the House from said ruling of said chairman.

The hon. gentleman cannot ask that motion to be delayed until the report comes in because the report is already on the table and printed in the minutes at page 542. I think the better way for the hon. gentleman to get out of this difficulty is to ask permission to drop the motion, because he cannot ask this House to give an order to produce a report which is already before the House.

Hon. Mr. BEIQUE—I generally have my own way of getting out of difficulties, and I am not prepared to get out of this one at the present time. The reason why I ask this motion to stand does not refer to the first part of it, which has been already complied with, but it is in regard to the appeal. I do not want to be open to the objection which might readily be raised by the hon. gentleman from Stadacona that I am not in order if I should have to ask that the decision be not sustained. It may not be necessary. It will depend upon the action of the hon. gentleman from Victoria, but as the notice of motion is connected with the report, and especially as this last portion refers on its face to an appeal which can be made only when the report is taken up, I think the motion is perfectly in order.

Hon. Mr. CLORAN—Then the hon. gentleman should strike out the first part of the motion.

Hon. Mr. BEIQUE—It would not read right then.

The motion was agreed to.

MERCANTILE AGENCY REPORTS.

INQUIRY.

Hon. Mr. McMILLAN rose to

Call the attention of parliament to the unsatisfactory and unreliable information which is given in the so-called yearly rating reports on the financial standing of business men and other persons in Canada, by the publishers of said reports.

That some means should be reached by which to prevent such liberties with people's names in financial matters without absolute and indisputable knowledge of the facts.

And that he will inquire if it is the intention of the government to introduce legislation on the lines above indicated.

He said : At this late stage of the session I do not expect an answer in the affirmative, and therefore the remarks that I have to make will be very very brief. The object is to bring this matter before parliament in order to get rid of the evil. It is a useless report and a publication which ought not to be allowed to circulate, for if it is of any value at all it ought to have authority to speak. I have consulted bankers and business men from different parts of Canada, and the invariable reply is that such reports are of little or no value, and even if there are names upon these commercial returns or reports that may possibly be cor-

rect. that the unreliable character of the reports generally renders them of little or no value. Hon. gentlemen know that these names are obtained in towns by parties who are supposed to mingle with people where the standing of different men is gossiped about, and that is the only source of information at present. For these reasons, and for the very important reason that authority on this subject ought to be of great value to business men, I think it is the duty of parliament to see that something in the way of legislation is procured for the purpose of furnishing reliable reports. It can be done. They could name officers in the different towns, cities, villages and other places, officers with whom they could report the standing of parties; such reports could be deposited by the party with an affidavit, and make them secret and confidential. If they could be secured they would be of some value. I do not know that it is necessary, to go into the matter more generally than this, as every hon. gentleman within my hearing knows exactly the situation ts well as I do and better. The prevailing opinion is that these reports are of no value at all and the sooner a good substantial one, having the authority of some responsible body will be procured and circulated amongst business men the better it will be. The matter is in the hands of the government, and if they think well of it at some future day they can devise some means to get rid of the existing evil.

Hon. Mr. SCOTT—The hon. senator from Glengarry has called attention to what are known as commercial agencies. They have been established for considerably over half a century on this continent, and their ramifications extend to all parts of this continent and practically to the continent of Europe. They are sustained by the banks and business people, otherwise they could not exist. Whether the reports are in all cases reliable or not, one can give no opinion. Certain it is that they are made use of by every business man having any considerable business to do, and while not absolutely guided by them, they are always an assistance, so I have understood. In reference to the suggestion that the government should take charge of the commercial agency, I cannot agree with my hon. friend. That is a system of paternalism that no government would dare to undertake.

Hon. Mr. McMILLAN—Revise the machinery.

Hon. Mr. SCOTT—Oh dear no—absolutely impossible for any government or corporation. It has only to be done by private enterprise and it is just worth so much as the parties attach value to it. Banks and commercial men all over the country use the commercial agencies, and adopt that as one of the means of finding out the credit of a customer.

Hon. Mr. McMILLAN—But they attach no value to the reports.

Hon. Mr. SCOTT—They may or may not. The subscriber to the agency pays a considerable sum annually for the information. If the information was of no value the concern would go down. I have always understood it is a profitable money-making industry. The concern in the United States has assumed gigantic proportions. The parties who established the principal agency in the United States have retired and are quite independent. I am not familiar with the agencies in Canada otherwise than simply knowing of their existence and knowing that at times when the credit of any man in business, whether in the banking business or commercial life or in any particular line is in question, those who desire to do business with him find it convenient to obtain the opinion of parties in the neighbourhood who have some knowledge of him as to his character and length of time in business, and whether he keeps his appointments, and so on. It is absolutely impossible for any government to take up a matter of that kind. No government could conduct an espionage into the private affairs of one of our citizens.

Hon. Mr. McMILLAN—That is what it is at present.

Hon. Mr. SCOTT—Yes, no doubt about that. But it is not an official report. If I get a report of a man, and know him personally, and it does not agree with my personal view, I should reject the report; but to say that the government should interfere and create an organization that would do the work of a commercial agency would be assuming a piece of paternalism that I think

no government would be justified in undertaking.

Hon. Mr. McMULLEN—I would say in my opinion the question that the hon. gentleman from Glengarry has raised is an exceedingly important one. If any improvement could be made upon the manner in which information is furnished the commercial business men of this country, it would be a step in the right direction. I know in some cases favouritism is shown in these reports ; men are reported as being worth a certain amount in the way of property and assets, and when you come to make an investigation or these men become insolvent the reported assets dwindle into thin air. They never did exist at all in some cases. I quite sympathize with the views that have been expressed. I think some legislation could be had to prevent false representation and false reports being published, if it could be prevented. I certainly think that commercial agencies of the kind that we have had in existence in this country should at least be required to pay a certain sum annually for the privileges they enjoy, or that they assume to undertake themselves. I have known cases myself where commercial men have suffered very serious loss by the very unreliable reports sent in by agents. I know of a case in this very town not very long ago, that of a manufacturing institution in which I was interested myself, and the result was that when we came to probe the affairs of that institution to the bottom we found that the basis upon which the report of the commercial agency was issued was virtually nothing ; there were no justifiable grounds whatever upon which a report such as was issued should have been issued and which led the company into granting credit and shipping the goods. Now it is desirable in the interest of the business men of this country that a better condition of things should be secured. These people unquestionably have the power, in making the reports, to make or ruin a man. They employ agents in towns and cities and from those agents they obtain their reports. If that agent has a personal grudge against any business man in the village or town, he may, from personal spleen or bitterness make an adverse report with regard to that man's financial standing ; that he is as a man not worthy of credit.

Hon. Mr. McMILLAN—Or not report him at all.

Hon. Mr. McMULLEN—Or not report him at all. I say it is an unfortunate condition of affairs where that kind of thing occurs, and I have no doubt it does occur. I have followed these commercial agency reports for a great many years. I have no doubt that in many cases they do the best they can, but there should be some way of holding them responsible, where it is clear that absolutely false, erroneous and unreliable reports have been given. There should really be some way of correcting that kind of thing, because it is impossible for business men to travel from one town to another and gather information for themselves. They have to get it in some way and they get it from that agency and pay considerable fees for information, in some cases, absolutely and utterly unreliable. I admit that it largely depends upon the character, efficiency and energy of the agent in any state or town whether these reports are worth very much or very little; but I do think the government should introduce a Bill compelling these institutions to take out charters or pay an annual license, under an Act restricting or guiding them in the discharge of their duty; there should be some provision that when untruthful and unreliable returns are made and the public lose because of these unreliable reports, these organizations should be held responsible. Serious wrongs have occurred because of unreliable mercantile agency reports and it will be a good thing to have a change.

Hon. Mr. EDWARDS—It certainly would be highly desirable if each of us could guarantee the other and we would have absolute security for everything we do ; but just so long as this world lasts I am afraid we shall never arrive at that condition of things. Men who do business will meet with losses in the future as they have done in the past, and I do not see why the incorporation of a mercantile agency would have any beneficial influence at all. In our own dealings with individuals we are sometimes mistaken. We sometimes extend credit on our judgment when that credit should not be extended, and similarly these mercantile agencies in giving their opinions—and I am sure they get the best opinions they can—also make mistakes and they will

continue to make mistakes to the end of time. As to the government taking up this matter, and interfering with it in any way whatever, it would be a very improper thing for any government to do. A mercantile agency is a purely commercial venture on the part of individuals who form an organization whereby they obtain the best information they can as to the credit of the various business men and bankers throughout the entire country. The business man, or the banker who is guided absolutely by the agency, is not a good business man. It is simply an assistance. The man who wisely conducts his affairs will himself perhaps be a better judge as to the credit he is giving than these mercantile agents can possibly be. They ought in time at least to know their customers better than any mercantile agency, but a man doing a large business, extending over a large country, finds these reports of considerable assistance. First there is the directory or whatever you may call it which assists him in doing his business, and extending his credit, but it is merely an assistance, and if he desires to insure stability it cannot be more than an assistance. We all know that a bank, or any business institution, may be worth a great deal of money today, though it may be worth a small amount of money a few days or weeks hence. The world speculates, and will always speculate; and just so long as the world does speculate the condition of business men will change from day to day, and just so long as this changing condition exists, there can be no assurance of stability. As far as I am concerned, as a business man, I do not rely upon the agency reports except merely as an assistance. I do not think any business man in the country relies on them thoroughly; they simply accept them as a guide and nothing more.

Hon. Mr. CLORAN—In regard to this matter, I have this to say as a suggestion. A case came under our notice in Montreal. It was with reference to S. Carsley and Co., probably the largest merchants of their kind in Canada. The commercial agent made application to Carsley and Co. for a subscription, and they declined to subscribe. The result was that this firm was practically blackmailed: that is they were not put on the list, and one had to call at the office to find out who Carsley and Co. were—though they are one of the largest drygoods institutions in Canada. The only recourse Carsley had was to sue for libel. I think the hon. gentleman from Glengarry (Mr. McMillan) has done good service in drawing the attention of the government to this matter and instead of allowing a person who is thus attacked by a commercial agency a civil remedy only, the agency should be brought within the provisions of the Criminal Code. Under these circumstances the discussion raised by the hon. gentleman from Glengarry, and endorsed by the hon. gentleman from Wellington (Mr. McMullen) and also by Senator Edwards practically because he did not believe they were reliable, when a commercial agency publishes reports that are not reliable and thereby injuring the credit of a business man. that company should be brought not only within the reach of the civil law but also be rendered liable to criminal prosecution.

Hon. Sir MACKENZIE BOWELL—Are they not now ?

Hon. Mr. CLORAN—No.

SOLICITOR GENERAL'S UTTERANCES IN ENGLAND.

Hon. Sir MACKENZIE BOWELL—I should like to call the attention of the hon. Secretary of State to a paragraph in an associated press despatch wired from London. It appears in the 'Globe' and other papers of yesterday, purporting to be a report of a speech made by the Solicitor General in England. and reads as follows :

> Hon. Mr. Lemieux, Solicitor-general of Canada, speaking at the Willesden Liberal Association, said that Canada had given the motherland a preference and was ready to continue it without asking any return, as Canadians were not going to put up their loyalty for sale. They should apply to the present position of the colonies and the empire the old axiom, 'Let well enough alone.' Quebec was loyal, happy and satisfied to live under the British flag, but if they wished to tighten the tie they would break it. The relations to-day between Canada and the motherland were very friendly, but if they tried to embalm such relations on the statute-books they might be found in the statute-books, but not in the heart.

I should like to ask the hon. Secretary of State whether these are the sentiments of the government. and if the government justify speeches of this character by one who, though not of the cabinet, is certainly one

of the government. The statement made that we intend to continue the preference without asking any return, does not comport with the statement made by the Finance Minister in his budget speech. He gave a very clear intimation then, that unless some concessions were made the preference would be withdrawn. Then I should like to know why we should have this constant reference to the loyalty of Quebec ? Who doubts the loyalty of Quebec ? Is it necessary for a member of the government to go to England and proclaim the loyalty of any particular section of this country ? I have yet to learn that any one has doubted the loyalty to the Crown of Quebec or of any other portion of this Dominion. There may be a few individuals who would like to sever the tie that binds us to the mother country, but they are very few, in my opinion, and very far between. He goes on to say :

> Quebec was loyal, happy and satisfied to live under the British flag, but if they wished to tighten the tie they would break it.

He says that if you attempt to tighten that tie or bring the interests of the mother country more in unison with those of her children at a distance, that you will break that tie. I should like to know from the hon. Secretary of State whether the whole power of breaking that tie rests with him and his colleagues, or whether all his colleagues think alike on this question ? There are many in this country, and in Quebec, who do not entertain the views Mr. Lemieux holds in this matter, and when he speaks for any one particular province on a great question of this kind I do not think questions of such vast importance should be confined to any particular province. I should consider that if an Ontario man went abroad and spoke in that manner about Ontario, ignoring the whole of the rest of the Dominion, that it would be a consummate piece of impertinence on his part, and would not be tolerated or justified by any one. He says further :

> But if they tried to embalm such relations on the statute-books they might be found in the statute-books, but not in the heart.

There might be a few individuals who hold that view, but I take it that the vast majority of the people of this country hold entirely different views, and this gentleman had no right, being a member of the government, to utter such sentiments at any meeting in England or anywhere else. If he had spoken for himself individually I do not know that I should have any complaint to make, but he speaks for the whole province of Quebec, and I may express very grave doubts whether the whole of the province of Quebec hold such views. There may be individuals in Quebec and there may be individuals in other provinces who would agree with these sentiments, but my impression is that the vast majority of the people of Quebec, like the vast majority of the people of the Dominion, entertain no such views as have been uttered by this gentleman. I should like to ask the hon. Secretary of State whether he considers this gentleman justified in uttering sentiments of this character at a public meeting ? If the hon. gentleman will read the reports and articles in other journals from a special correspondent he will see that such expressions as these will be seized upon by those who are opposing the extension of preferential trade to this country as an evidence that the people of Canada—and particularly the people of Quebec—are opposed altogether to any further action being taken in England, upon this very important question. Surely our loyalty is not to be impugned if we ask the British government to give us better concessions in the market of England than we have to-day, in consideration that we give them certain concessions. The hon. premier we know, before the elections, gave utterance to very strong sentiments upon this question.

He spoke of the great advantages that were to accrue to this country from the concessions which are not now enjoyed by the Canadian people and by other colonies in the home market. It is only a few months ago since the Finance Minister declared in the House of Commons what the English people might expect unless they were prepared to extend better trade relations in the future than they have done in the past. Such sentiments are vicious and likely to lead to a great deal of harm. They are diametrically opposed to the sentiments uttered by members of the government of which he is a member. I do not know whether the attention of the government has been called to this or not, but as long as the government govern by departments we may take it for

granted that the hon. Secretary of State will only speak for himself, as he did when he ordered that no report should be made on the subject of the Treadgold concession. If he has received the same castigation from his chief, he will have to accept it, and I shall be very glad to know that the premier and Minister of Justice repudiate the sentiments such as those that have been uttered by one of their colleagues. Such sentiments are likely to lead the people of Great Britain who are anti-colonial to take the view that while we were gracious enough to give them a preference without any return for it, if we insist upon asking them to concede any rights for ourselves the tie which binds us together is to be broken. I thought it well to give expression to views which are my own, and which I believe are the views of the great majority of the people of Canada, on the impropriety of a member of the government giving utterance to sentiments such as those which I have read.

Hon. Mr. SCOTT—I have no intention to discuss or express any opinion on the short cablegram that has been quoted. I am quite sure if we had the whole of Mr. Lemieux's address—because it was not limited to a dozen lines—we would find that it produced an echo in the breast of every Englishman who heard it and he would be reminded that it was to the people of lower Canada they were indebted for having to-day Canada the brightest gem in the empire. It is due to the people of lower Canada that the Dominion is now a part of the empire, and has stood by the empire when others were slow to show their feelings of loyalty. This government has given greater evidence of its attachment to the empire than the government of my hon. friend ever did. My hon. friend even now questions the value of the preference we have given to Great Britain: but Great Britain fully appreciates the action taken by this government. There was a time within the memory of many hon. gentlemen here when a high protective tariff kept out English goods. When the government of that day was remonstrated with, what was the answer? If they are not pleased with it so much the worse for British connection. That was the text of the Toronto 'Mail,' which was the organ of the hon. gentleman, and it comes with a very bad grace from the hon. gentleman to make the statements he has made with regard to the Liberal party. This government sent to South Africa 7,000 or 8,000 men at the public expense. When the hon. gentleman and his friends were in power, what reply did they make to the Foreign Minister of the day when a Canadian contingent was called for? If you pay the expenses of raising a volunteer force in Canada, we will send a detachment. That was the answer I got in full once in this chamber, and I remind my hon. friend that the history of those events is not forgotten by the Canadian people. The Liberal party have shown their desire to cement the empire much more earnestly and effectually than the governments that preceded them.

Hon. Mr. McMULLEN—I am very glad to hear the sentiments expressed by the hon. Secretary of State with regard to the report which my hon. friend has drawn attention to. I earnestly hope that when the full report of Mr. Lemieux's speech is published in this country, some of the sentiments attributed to him will disappear. I confess I was amazed when I read the report in the 'Globe' and I am very glad that the government repudiate the assertions in that report because I have always had confidence in our friends in the province of Quebec.

Hon. Mr. SCOTT—I repudiate nothing. I was quite satisfied that Mr. Lemieux spoke loyally and truthfully.

Hon. Mr. CLORAN—The Hon. Mr. Lemieux has again spoken in London, and I am surprised that the leader of the opposition did not ask the Secretary of State to answer that also. He made another speech yesterday which is reported in the press.

Hon. GENTLEMEN—Read it.

Hon. Mr. CLORAN—It is in French. The hon. Secretary of State has told a historical truth, which this Dominion should not forget, of the loyalty of the French Canadian race, and he has stated a simple fact, that if Canada is a part of the empire to-day it is due to the province of Quebec. The hon. leader of the opposition has quoted the brief and garbled report which appears in the newspapers and has asked the government 'Does that represent their sentiments?' There is no need for such a question. Until the Liberal party shows a tendency to dis-

loyalty to the empire, there is no necessity to raise such a question. It is creating a bad impression throughout the country. What is the opposition trying to do? Trying to discredit the government on account of the recall of Lord Dundonald? Why not take the British press and see what views are held in the mother country? The Westminster 'Gazette,' probably one of the strongest organs of public opinion in the empire, says: 'It is time the imperial government should recall Lord Dundonald by cablegram.' The St. James 'Gazette,' another important organ, says: 'They are making political capital out of his action,' and that this demonstration of adieu is done in the most inexcusable way and without tact. The Manchester 'Guardian' says that Lord Dundonald has forgotten——

Hon. Mr. LANDRY—I rise to a point of order. I want to know if we will be allowed to answer all this when there is nothing before the chair?

The SPEAKER—Attention having been called to the fact there is nothing before the chair, the discussion must end.

Hon. Mr. DANDURAND—Before the Orders of the Day are called, I should like to ask a question of the leader of the opposition. I see that the Grand Master of the Orange Association has stated in Montreal that all the Orange lodges are Tory committees. I should like to know if they were organized under the directorship af the hon. gentleman when he was Grand Master.

Hon. Mr. LANDRY—Will the hon. gentleman ask that question of Mr. Emmerson?

Hon. Sir MACKENZIE BOWELL—Probably the Hon. Mr. Emmerson could answer the hon. gentleman, but I may tell him that the Grand Master of the Orange Association, Mr. Sproule, never made such a statement.

Hon. Mr. DANDURAND—I saw it in the Montreal 'Gazette.'

Hon. Sir MACKENZIE BOWELL—I saw it and read it two or three times, because I thought it an extraordinary statement. What Mr. Sproule did say was that they had been charged with being a political organization, and if such were the case he would like to introduce the order into the province of Quebec in order to reform political opinion, but he never made the statements attributed to him. The statements made by the hon. Secretary of State would leave the impression that I had attacked the loyalty of the province of Quebec. Now I made special provision for that; I said there was no necessity for a man constantly prating of that which nobody disputed, and yet the hon. gentleman, followed by a very humble follower in the rear benches, took occasion to say that Quebec was exceedingly loyal and the brightest gem in the British Crown. Who said it was not? The hon. gentleman gave the impression that I had made a statement which questioned the loyalty of the people of Quebec. I had made special reference to the fact that nobody in the Dominion, so far as I was aware, doubted the loyalty of the province of Quebec, and for that reason there was no necessity for continually prating about it any more than if the loyalty of the province of Ontario were being discussed. I will not go into the question of the dismissal of Lord Dundonald. I shall be quite ready to discuss that when it comes up, even with the talented gentleman who introduced the subject. But referring to the question about the Orange order, the hon. gentleman should read the speech thoroughly, and then apply to one of the ministers for information and he will tell him all about it.

SECOND READING.

Bill (80) An Act respecting the West Canadian Collieries, Limited.—(Hon. Mr. McHugh).

Bill (144) An Act to amend the Act of the present session respecting the Temiscouata Railway Company.—(Hon. Sir Alphonse Pelletier).

Bill (150) An Act to amend the Act of the present session intituled: An Act to incorporate the Thorold and Lake Erie Railway Company.—(Hon. Mr. Domville).

INSURANCE ACT AMENDMENT BILL.

The Order of the Day being called:

Consideration of the amendments made by the Standing Committee on Banking and Commerce to (Bill H) An Act further to amend the Insurance Act.—(Hon. Mr. Kerr, Toronto.)

Hon. Mr. LANDRY—Before the question is put—because last year we had a decision that points of order should be taken before a question is put—I want to raise a point of order on this Bill. Rule 66 provides as follows :

The committee to which a private Bill may have been referred shall report the same to the Senate in every case ; and when any material alteration has been made in the preamble of the Bill, such alteration and the reasons for the same are to be stated in the report.

The Bill which we have now before us has been changed in the title. When it was referred to the committee it was Bill (H) An Act further to amend the Insurance Act. It has been changed by the committee into a Bill called 'An Act respecting Canadian assessment policy-holders in the Mutual Reserve Life Insurance Company.' And the preamble also is different from the preamble of the Bill as read here the second time. I claim, therefore, that under rule 66, the Bill is not in order and should be referred back to committee so that the reasons could be stated for changing the preamble and title of the Bill.

The SPEAKER—This Bill was not referred as a private Bill.

Hon. Mr. LANDRY—But it is a private Bill.

Hon. Mr. SCOTT—It is amending a public Act.

Hon. Mr. LANDRY—It is certainly a private Bill.

Hon. Mr. KERR (Toronto)—I understand the Speaker has ruled that the motion is in order.

The SPEAKER—The Bill was referred to the committee as a public Bill ; it has been reported back with amendments, and the House can deal with it as it pleases.

Hon. Mr. LANDRY — The committee changed it to a private Bill.

The SPEAKER—The committee recommended changes in it which the House can deal with as it pleases.

Hon. Mr. KERR (Toronto)—When this Bill was before the House on the second reading, I said it was my intention, with the leave of the House and with a view of meeting the wishes of members of the House, to move, on the Bill being read the second time, that it should be referred to the standing committee on Banking and Commerce, in order that all persons interested in the provisions of the proposed Bill might have an opportunity of being heard, and, in that way, full justice being done in the matter. The Bill accordingly was read the second time, was referred to the Standing Committee on Banking and Commerce, and received from that committee the fullest consideration. We have the assurance on record here in our debates, from the chairman of the committee, of the ample, full and careful attention which the Bill received, not only at the hands of the Banking and Commerce Committee, but of the sub-committee to whom it had been referred. Further, the committee having reported the amendments which appeared in their reprint of the Bill, it is now before the House for consideration. I am aware that there are different views to be expressed by some members of the Senate with reference to the Bill and I feel that it is important that the discussion should not be in any way restricted. I have no interest whatever in seeing that the Bill takes this or any other special form, and I am exceedingly anxious that every view which it is desirable should be submitted may be presented. With that object in view I propose to ask that the Bill should now be referred to a Committee of the Whole House, and in that way every amendment that has been offered can be considered in detail. I therefore move :

That the order of the day be discharged and that the House immediately resolve itself into a committee of the whole for a consideration of Bill (H) An Act further to amend the Insurance Act' and the amendments reported by the Standing Committee on Banking and Commerce, as set forth in the said Bill as reprinted by the said standing committee.

I hope this will meet with the approval of the House. Instead of being restricted to a consideration of the amendments, hon. gentlemen will be enabled to deal with the whole Bill, as they would with an ordinary public Bill in Committee of the Whole House.

Hon. Mr. LANDRY—I rise to another point of order. The Order of the Day is for the consideration of amendments made to this Bill by the Standing Committee on Banking and Commerce. Now the hon. gentleman asks to put that order aside and

wants us to go into a Committee of the Whole House. I do not think that is regular.

Hon. Mr. DeBOUCHERVILLE—The motion of the hon. member from Toronto is to refer to a Committee of the Whole House a Bill which was sent to the committee on Banking and Commerce, as a public Bill entitled, an Act further to amend the Insurance Act. The report is not an Act to amend the Insurance Act; the title of the Bill has been changed. It is now reported as an Act concerning policy-holders in the Mutual Reserve Fund Insurance Company of New York. That is a private Bill and there are certain rules which must be followed, but which have not been followed in this case. Can we pass a Bill which is now declared to be a private Bill when the rules applying to private Bills have not been complied with?

Hon. Mr. KERR (Toronto)—How could a committee amend either the title to the Bill or any of the provisions? They have not done so. They have reported certain propositions for the consideration of this House. These propositions may or may not be entertained. They may be dealt with as this House thinks proper, but the Bill is certainly the same Bill (H) and with the same old title, and it is not until this House takes action upon it that either the title of the Bill can be changed or any of the amendments suggested can be incorporated in the Bill.

Hon. Mr. LANDRY—If an hon. gentleman moves for the second reading of a Bill will he be entitled to ask that the Order of the Day be discharged, and that the Bill he read the third time? That is virtually what he is doing now.

Hon. Mr. SCOTT—The hon. gentleman from Toronto, in order to give greater freedom in debate, thought there would be a better opportunity for gentlemen to express themselves if the House was in committee. That is the only object he has, as I understand it. If I remember correctly, this Bill passed the second reading some time ago and was referred to the Committee on Banking and Commerce. It comes back to this House and it is for the House to say whether they accept the suggestions of the committee on Banking and Commerce, it is always within the control of the House, and it is merely a question whether it would be more convenient to have the discussion of the Bill in committee or before the House.

Hon. Mr. McMULLEN—It was understood when this Bill got its second reading that the House was not at all committed to its principle. The promoter of the Bill asked that it should be sent to the committee for the purpose of being recast and given careful consideration. And the House in taking that action did not commit itself to the principle of the Bill at all. Now, if the House take the course that is proposed by the resolution, they virtually commit themselves to the principle of the Bill.

Hon. Mr. SCOTT—Oh, no.

Hon. Mr. McMULLEN—The hon. Secretary of State may say 'no,' but I claim that if we consent to refer the Bill to a Committee of the Whole, we virtually concede the principle of the Bill.

Hon. Mr. SCOTT—You can vote against it as often as you like.

Hon. Mr. McMULLEN—We are unquestionably dealing with one of the most important measures ever brought before the Senate. I would be safe within the mark if I said that seventy-five families out of every hundred in this country have some member or members of their household paying into some life insurance company. It is most desirable therefore that we should guard most carefully and zealously the interest of the public in all life insurance enactments. We should see that every company is required to live religiously up to the terms of its charter, and keep good faith with the public; and any company failing to do so, and resorting to means that cannot be commended or endorsed, which comes back to parliament for the purpose of getting new legislation, should have its record carefully scanned when asking for such legislation. By doing that we would read a lesson which would be useful to every life insurance company in Canada, whether a stock or an assessment company. We want to make the impression on all people who form these companies that they must live up to their contracts with the public and keep good faith with parliament. That they must operate within their legitimate sphere, if

they seek more legislation. Now what is the fact with regard to this company? We have had a committee of this House sitting for three or four weeks investigating the condition of this company in Canada. That committee has not yet finished its work. It is gathering and compiling very valuable information, which every member of the Senate should read. If, after a careful perusal of the evidence taken by that committee, any one comes to the conclusion that it is his duty to support this Bill, I shall certainly concede to him the right that I claim for myself; but I do believe that if hon. gentlemen will carefully read that evidence, a majority of them will say that this company deserves to be treated by this House with a great deal of suspicion, and that if any legislation at all is granted, we should be exceedingly careful what liberties we grant them. I hold it is not courteous to this committee to proceed with the Bill until that investigation is completed. We are ignoring the work of a committee appointed by this chamber. Are we going in advance of the work the committee is doing to proceed with the consideration of this Bill without a final report of the committee? I earnestly hope that this chamber will not discredit itself by taking a course of that kind.

Give that committee full and fair opportunity to complete their work, and after they have done that, the whole information and all the evidence that has been adduced, will be before the House, and they can then proceed intelligently, after a thorough perusal of that evidence which has been placed before that committee from both sides. I think that would be the proper course. There is another point to which I wish to draw attention. I have sent out several copies of this Bill to experts throughout the Dominion, members of insurance companies, asking them to give it their personal consideration, and make such amendment or improvement in the clauses of the Bill as they would consider desirable in the interests of the policy-holders, and to return the Bill when they are through with it. I have not had time yet, to receive from the experts any of those returns, which I hope soon to get. I should like to have in my possession the opinion of experts of this country with regard to the provisions of this Bill. I should like to know whether the views that they entertain with regard to its peculiarities are in accordance with the views I myself hold, or whether they differ from me. I shall be very glad indeed if they should come to the conclusion that the Bill is one in the interest of the policy-holders—that it is a good Bill. We only want here—at least that is my opinion, and I am sure it is the opinion of every senator in this room—to guard the best interests of the policy-holders. That is what we should do above everything else. The officers of the company can take care of themselves. They have been through the mill pretty severely. They have gone through an investigation in the state of New York, and in several other states, and through all those investigations there has been a considerable amount of discreditable conduct proved against those officers: still they appear to hold on to office, and to remain at the head of that institution. I have in my hand a report that is published by the state of New York, that was taken before Cyrus F. Payn, the insurance inspector of that state. I have read it over carefully, and I would recommend every member of this House to read that publication. It can be obtained in the Library. In that state after carefully holding an investigation into the conduct, transactions and manœuvres of that particular company, he comes out and condemns in very pointed terms some of their methods. He points out very clearly that some methods adopted by that company cannot possibly be defended. That is their record in the state in which they had their head office, and we know that throughout other states they have been precluded from doing business altogether, yet they come to Canada, promoting a Bill now before this House for the purpose of clothing them in a new garb, giving them virtually a new license, putting them in a position that they can go back to the people of Canada and say 'We have turned over a new leaf; we will bury the past. We will let what is bad go, and begin now anew.' The question is whether it is wise, with all the evidence that was taken before the committee of this House, with all the evidence that has been taken before the state inspector of New York, and with other evidence at the back of that, of the unsavory record of this insurance com-

pany, that we should clothe these people in a new garb, and permit them to continue in business in Canada. Some senators might ask me—and it would be a very reasonable question, what would you do with the interests of the poor policy-holders? Well, I would say that in my humble opinion, after a careful study of this Bill, it would be very much better to allow the New York Mutual Reserve Fund Life Association to go into liquidation, and pay the policy-holders in Canada their percentage of the fund that is yet in the hands of the government, for if it is only a mite it is better than nothing at all later on. I contend that the basis laid down by this Bill, and under which they propose to go on and do business, is a fallacious basis. They cannot possibly succeed upon it, and cannot put up a reserve of that substantial character that would warrant the people of this country in believing that they could meet their obligations; and apart from that, it is not desirable in the interests of the policy-holders. What has been the position of the policy-holders in this case? First take the class that has a right to continue the assessments. That is the first class dealt with in the provisions of the Bill. They are allowed, if they choose, to still continue the assessment system. The company take the assessments they are paid since the commencement of their policy up to the present time. They calculate what amount of insurance that would insure for them in an old line company, and they continue them for that amount of insurance, with a proportionate yearly payment, for the remainder of their lives. They are allowed to keep on paying a yearly sum, and, on their death, they promise them that they will pay the amount fixed as the amount they are entitled to hold, as an insurance policy. In addition to that, they have to submit to a loading of five per cent to cover expenses, and, in addition to that, they have to submit to an assessment to enable the company to put up its reserve so that they can get their license from the Dominion government under the new system. What would be the position of a policy-holder—say that he is a man 45 to 50 years old, in a healthy condition? He can go before any doctor, and pass an examination and in doing so, he gets a certificate of health, and he can step across the road to a responsible company which has a respectable surplus, a good responsible rest, and he can secure a policy for the amount that is there stipulated that he has to pay in year by year for the remainder of his life. He can do that, and he is not subjected to any five per cent for expenses, and not subjected to the sum that is charged for the purpose of producing the rest, to enable them to make the deposit of their reserve. Take the second class, the man who has been a policy-holder, say for a number of years. Assume that it is a $2,000 policy. He has been paying on it, perhaps for 10 years. At the end of the 10 years, which is to say now, the company come to him, and say 'We have been carrying insurance too cheap for you. You have been getting it for less than what you should have paid, and would pay to ordinary life companies. Now we ask you to do one of two things. You will either consent to an impairment of your policy to a sum for which you could have got insurance in an old line company, and to pay annually, a sum equal to the proportion of what you paid during the 10 years in which you held that policy, for the remainder of your life, and five per cent for expenses; and in addition to that, we will ask you to consent to a sum being charged up against your policy, proportionate to your fair share of what is necessary to produce the reserve that we are required to hold under the Insurance Act, in order to obtain our license to do business. That is the second class. The third class is composed of the men who hold say a policy of $2,000. The policy holder has paid for 10 years, and he decides to continue his policy at the same amount at which it has existed for the last 10 years. In order to enable him to do that, they say 'we have been carrying you for 10 years, for less than we should have carried you. We now ask you to contribute a sum in addition to the monthly assessment to which you were subjected for the last 10 years to bring you up to what you would have to pay in an ordinary standard life association, and in addition to that we want your policy made subject to a charge proportionate to the amount of your policy, in proportion to the entire amount of insurance out, so as to produce the necessary reserve, after giving you credit for your share of the $132,000, that is in the hands of the Dominion government. Now you have to comply with

that, and after that, your yearly payment will be up to the sum that you would have to pay if you had entered an ordinary life company. That is the third class.

Hon. Mr. McMILLAN—At what age ?

Hon. Mr. McMULLEN—The sum is according to the age. There is another class they propose to revive, those that have held policies in the New York Mutual Reserve Fund Life Association that have not expired for more than 10 years. That would be looked upon at first glance, as a most magnanimous offer, the company purposing to revive all policies that have not lapsed for more than 10 years. I think when I get through I shall be able to show the hon. gentleman that they might have invited a revival of all policies from the day they started to do business down to the present day just as well. What are the terms upon which they revive lapsed policies ? First the man has to pay the years assessments he would have paid on that policy, with interest added for every year of the 10 years. He has got up now to the condition of things that as this includes policy-holders that have met their assessment, then he has to consent to an impairment of his policy to bring him in unison with the other company's. If he is not going to pay an increased amount, his policy has to be impaired so as to bring it down to a sum equal to the other policies, and if he wants to continue at the high rate he has to pay more.

Hon. Mr. BEIQUE—I think the hon. gentleman is altogether mistaken.

Hon. Mr. KERR (Toronto)—I do not think there is any object in discussing a straw man. The question is, what this Bill is, and it is not at all what my hon. friend states.

Hon. Mr. McMULLEN—I have put my own interpretation upon the Bill, and if I am in error, I shall be only too glad to be corrected, but my impression is that they will have to submit to an impairment, and will have to continue the annual payment after they have paid up the arrears for ten years, for the remainder of their lives, in order to secure the insurance that they have contracted for.

Hon. Mr. BEIQUE—Please point that out in the Bill?

Hon. Mr. LOUGHEED—We are not discussing the Bill. We are discussing whether we should go into committee.

Hon. Mr. McMULLEN—The whole of the provisions of the Bill are before the House, I appeal to the chair, whether the motion to refer the matter to the Committee of the Whole involves a free discussion on the merits of the Bill ?

Hon. Mr. BOLDUC—I beg to call attention to the point of order raised by the hon. gentleman from Stadacona, and I should like to have a ruling on that question. Has the hon. gentleman the right to withdraw his motion and substitute a different motion ?

The SPEAKER—Which point of order raised by the hon. gentleman from Stadacona does the hon. gentleman refer to ?

Hon. Mr. LANDRY—I shall deal with it now.

The SPEAKER—I propose to deal with it at present.

Hon. Mr. LANDRY—My point was raised first.

The SPEAKER—I prefer to deal with it now.

Hon. Mr. LANDRY—As the hon. Speaker prefers this course, I bow to his will.

The SPEAKER—I was just going to say that while it is unfortunate that a discussion of the principle of the Bill should come up on the motion to go into committee, still I do not think I should be justified in ruling the speech out of order. The hon. gentleman may now state his other point.

Hon. Mr. LANDRY—The hon. gentleman has placed on the Orders of the Day a motion for the consideration of the amendments made by the Standing Committee on Banking and Commerce to this Bill. Without any notice at all, he sets aside that motion, and moves, that the House go into Committee of the Whole on the Bill. He has no right to do that. The Orders of the Day give us the routine of the business of this House, and we are bound by the Orders of the Day. I read from Bourinot on page 422 as follows :

It has been decided in the English Commons that a motion, even in reference to divisions of

the House, can be taken out of its order only by universal consent.

Hon. Mr. KERR (Toronto)—I had no idea at all of inconveniencing members, and thought I was doing something that would probably meet their views, better than the other course, but if the hon. gentleman objects, there is no necessity to raise the point or order. If there is any objection, I am quite willing to withdraw the motion and proceed with the Bill as it appears in the order paper.

Hon. Mr. BEIQUE—I may say that I am somewhat responsible for the course pursued in this matter.

Hon. Mr. LANDRY—I thought so.

Hon. Mr. BEIQUE—Because I intimated that I proposed to suggest amendments to that Bill, but I can take the other course; I can give notice of motion for amendments on the third reading.

Hon. Mr. KERR (Toronto)—I ask leave to withdraw the motion I made a few minutes ago.

Hon. Mr. WILSON—An hon. gentleman of this House has spoken for some time upon this motion, and we were told definitely that when the 2nd reading was moved, so as to send the Bill to the Committee on Banking and Commerce, that it would not commit us to the principle of the Bill, and that the freest discussion could be had.

Hon. Mr. YOUNG—I think we should have an understanding in this matter, so that we shall know what we are doing. The hon. gentleman explained that it was for the convenience of the House that he suggested the Committee of the Whole, so that hon. members could discuss the Bill clause by clause. It was not for his own particular convenience, but for the convenience of every hon. member of this House, it being a more convenient way to discuss it than the course he suggests now of moving the adoption of the report of the Committee on Banking and Commerce. With all due regard to my hon. friend, I do think it will afford a very much better opportunity for the House to discuss a Bill of a highly technical character, in regard to which information may be desired by individual members in regard to several of the clauses, in Committee of the Whole.

Hon. Mr. McMILLAN—That is not adopting the principle of the Bill. The Bill might be rejected, if we had not proceeded to that stage.

Hon. Mr. YOUNG—If the principle of the Bill is not adopted in the Committee of the Whole, we can move that the committee rise, and that kills the Bill.

Hon. Sir MACKENZIE BOWELL—Those who are opposed to the principle of the Bill, instead of voting concurrence in the amendment, could move that the amendments be concurred in this day six months, and if that were carried, it would kill the Bill.

Hon. Mr. TESSIER—If the House is against the principle of the Bill, it ought to decide against it now, and not waste time. The principle of the Bill is discussed on the second reading and not in Committee of the Whole. The Bill goes to Committee of the Whole to discuss the different clauses of it. But what is the use of sending it to the Committee of the Whole, where members may speak six times on every clause, and you can have a long discussion, where you are against the principle of the Bill. I think the hon. gentleman from Wellington is quite right.

Hon. Mr. KERR (Toronto)—I have no desire to interrupt the very able discussion which has been proceeding. It is all pertinent to the question before the House, but as objection has been taken, and the hon. gentleman claims I have no right to make this motion except by unanimous consent, I therefore ask to withdraw it, and will proceed with the motion on the order paper.

Hon. Mr. LANDRY—The hon. gentleman cannot withdraw his motion.

Hon. Mr. BEIQUE—I suggest that the point of order of the hon. gentleman cannot be maintained.

Hon. Mr. LANDRY—He may withdraw with the unanimous consent of the House.

The SPEAKER—If the hon. gentleman's objection is maintained, that disposes of the original motion.

Hon. Mr. KERR (Toronto)—Let us get right to the question of order. I beg to withdraw my motion.

The SPEAKER—I am disposed to agree with the hon. gentleman from Stadacona. In fact I said to the hon. gentleman from Toronto that I thought possibly he should have given notice of this motion.

Hon. Mr. LANDRY—I have no objection, if the House is willing to allow it, to withdraw my objection, so as to permit the Bill to go to committee.

Hon. Mr. KERR (Toronto)—There are other gentlemen who have taken the same objection.

The SPEAKER—Is it the pleasure of the House to go into committee on this measure or take up the motion as it appears on the order paper? The hon. gentleman from Stadacona raised a question of order; he now withdraws that, and says he is willing that the House should go into Committee of the Whole on it. Is that the feeling of the House?

Hon. Mr. BOLDUC—He cannot withdraw.

The SPEAKER—An hon. gentleman who makes a technical objection has a right to withdraw.

Hon. Mr. SCOTT—Several hon. gentlemen persist in the objection.

Hon. Mr. KERR (Toronto)—Then I move concurrence in the report of the committee.

Hon. Mr. McMULLEN—I am very sorry that I was interrupted in the remarks I was making with regard to the Bill, but I hope that the change which is being made in the report before the House will give me greater latitude than I had before, because the amendments suggested by the committee are fully under discussion. Now, with regard to the point which I was drawing the attention of the House to, as to the matter of those who had held policies up to ten years before, the terms on which they would be taken back. I tried to the best of my ability to point out the conditions on which those people would be reinstated, and if, in my remarks, I have overdrawn any points, I should be very glad to be shown where I am wrong; but I contend the terms on which they purpose taking back those policy-

holders are from a policy-holders' standpoint, no temptation whatever. There is nothing in it that would induce any intelligent man to ask reinstatement in a company whose record has been so unsavory, and whose irresponsibility has been exposed. It is the old story, 'Will you walk into my parlour.' They come under the terms laid down by the company, they will be subjected to conditions and extortions and impairments of policies, and the result will be, that they could have secured life insurance in straight line companies for less, or at least as little as in this company with the record of their not being responsible as the old line companies are. If the committee had pressed upon Mr. Eldridge to go back to the date when the company first started business and reinstate every man that ever held a policy on the same terms, I have not the slightest doubt he would do it, simply because they would have to pay up first the arrears with interest on all arrears until the time they are reinstated, then consent to a reduction proportionate to the reduction in the other classes, and pay an annual payment for all time proportionate to what they would have to pay in an old line company. What particular temptation is it to any man to seek to be reinstated in a company of that kind? The declared object of the Bill is to give the company power to issue old line business, that is, the same as an old line company. Now if you read over the preamble of that Bill you will come to the conclusion that is what the company is seeking. If it is not so, I should like the hon. senator from Montreal to point out where I am wrong. But the company already have that power, and have enjoyed it since 1899. They can put every policy-holder into that position without any legislation whatever. Why not put in the preamble of the Bill that that is what they are seeking? That statement cannot be challenged. They have tried to get all the policy-holders to go into that business, but although they have urged, pressed and coaxed them, they have got only twenty-five per cent agree to the change. What will this Bill do with the remaining seventy-five per cent? This Bill will present the matter in a different light, in this way—you have either to consent, by the provisions of this Bill, to the impairment of your policy and payment in addition to what you have paid

during the years it has been in existence, and a payment proportionate to the sum to be paid for the balance of your life, or if you want to maintain your policy at what it was originally, you have first to pay up an increased assessment, until you come up to the present date, and then you have to pay a proportionate sum for the years to come to what you paid in assessments during the years past, and what you have paid in a lump sum to make the sum up to the price you would have to pay if you went to an old line company. In addition to that, you have to subject your policy to assume your proportionate share of what is necessary for the company to hold their reserve, and you have to pay five per cent of your yearly payment for the purpose of meeting expenses. When that proposition is presented to a policy-holder, if he is a man that can pass a doctor's examination, it is better for him to take insurance elsewhere. It is no relief, no advantage to the policy-holder. Not only that, he does not get any share of the $152,000 that is now in the Dominion treasury. He is simply promised credit on his policy for that amount of money. He is simply promised that they will give him credit for a certain amount, and then his policy will be carried on for the balance of the amount until such time as he dies; but if the company have no money to pay the policy when it has matured, he not only loses his proportion of the $152,000 which he is entitled to get now, he loses all he pays in addition to that, to keep it in force during the years of his life, and when he dies the whole is gone, his percentage of the $152,000 is gone and also the money he pays. There is nothing in it at all for the policy-holders. If you were dealing with a company that had a respectable record, and had met financial disaster through fire or loss of property and not by extravagance, and they came to parliament for relief for their policy-holders, I would be disposed to do the very best I could for them; but here is a company that has in the most extravagant manner squandered the resources of that company. It is proved to-day that in one case, through the reckless conduct of an agent called Moss, the company lost a sum amounting to $999,000, money of the policy-holders which should be in the hands of the company now to meet maturing covenants.

Hon. Mr. BEIQUE—When the hon. gentleman talks of $999,000 having been squandered, he is under a misapprehension. That is the amount which has been spent in Canada for the nineteen years that the company has been carrying on business in the Dominion. It is the total amount of agents' expenses in Canada.

Hon. Mr. McMULLEN—My hon. friend undertook to correct me a few moments ago. I will attempt, in my simplicity, to read him a lesson now. He was paying very poor attention to the evidence given before the committee to-day if he has come to the conclusion which he has expressed; because the evidence goes clearly to prove that Mr. Moss, who was general agent over all the other agents of the company in the United States, eventually wound up with a sum of $999,000, virtually that he had received and was supposed to have scattered among agents, but it had never been returned to the company or accounted for. More than that they say that those agents, amongst whom the money was scattered, will have to submit to reductions year after year, until such time as that money is refunded. Does anybody who knows anything about insurance agents believe that if their account is covered by a blanket debt which will keep them from getting commissions for fifteen to twenty years, that they will earn very large commissions? An agent, under such circumstances, is working for a dead dog, and above all men in the world insurance agents do not like to do that. I say it shows recklessness in the manner in which that company has handled its affairs. Another thing is the course pursued by Mr. Burnham, the president of the company last year. In the interest of the company an effort was made to remove him from his place. A number of shareholders took action. They met in New York and gathered such force and influence that they demanded from Mr. Burnham, if they did not impeach him as president of that company and have him arrested or prosecuted for malfeasance in office that he would resign at the close of the year. He agreed to do that. He entered into a covenant that if they would drop the

prosecution he would not only resign at the end of the year, but would pay all costs incurred in connection with the investigation. He paid $15,000 costs out of the reserve of the policy-holders to get rid of that action, and to hold his place peaceably to the 1st of January; but he did not resign. He secured his re-election, and he is president to-day, notwithstanding the fact that the New York Inspector of Insurance has pronounced in the plainest terms on the recklessness and extravagance of this particular company. I would commend his report to the hon. gentleman from Montreal for his perusal, because I believe him to be a conscientious, honourable man. If he comes to the conclusion, after reading the report of that investigation, that the company is entitled to any consideration at the hands of this House, I will consent to go on with this Bill, otherwise I shall not consent until we have threshed out the whole merits of this company and the committee has completed its work.

Hon. Mr. BEIQUE—What report does the hon. member refer to?

Hon. Mr. McMULLEN—The report of the Inspector of Insurance for the state of New York, published in 1899. The hon. gentleman will get it in the library. There are some very innocent-looking clauses in this Bill. One of them provides that the passage of this Bill shall in no way interfere with any action pending at the present time. We all know that there is an action pending before the Privy Council. That action was brought for the purpose of compelling the company to return to a gentleman named Foster the amount of money he has paid in, which he claims was got from him under false pretenses. He said the terms, conditions and representations made at the time he had agreed to become a policy-holder in the company were false and misleading, and he has brought an action to secure the return of his money. He succeeded in the first court; the company appealed and he succeeded again, and the case is now before the Lords in the Privy Council. If he succeeds there they will have to return him his money. If this Bill passes in its present shape, it will shut out every man from bringing an action of the same kind, because it provides that it shall only affect cases that are now pending. I contend that is an exceedingly important provision. We have the statement from Mr. Eldridge that the assessment business in Canada does not stand alone, that all the assessment business in the United States and Canada is virtually put into one fund, and out of that the policies are paid. If under the provision that is now proposed to be made, the amount of money that is held in the New York end of the business is not available, under the new system all the assets that the company will have in the hands of the government here will be $152,000, and that will apply to both classes. Under the present condition, we have, as has been stated, a deposit in Canada of something like $228,000. Of that $152,000 is proposed to be appropriated as a sum to be contributed towards the reserve that is to be kept on behalf of the two classes that I have referred to, that is the class that consents to the impairment of the policy and the class that consents to pay up an increased sum to maintain the policy as it is. The $152,000 is there, and cannot be removed, at least under present conditions, but you will notice another very simple clause in this Bill, which I also think is worthy of attention. That clause is that as long as the company continues to do no new business, that money cannot be withdrawn. When they cease to do new business in Canada, what then? I would conclude, they would have a right to withdraw the money. If this Bill goes through at all, we want to see it amended, so that that money must remain as long as there is a policy in Canada standing against the company, up to the amount deposited with the government.

Hon. Mr. DeBOUCHERVILLE—The hon. gentleman should adjourn the debate.

Hon. Mr. SCOTT—No, we must proceed with it now, because it must go to the House of Commons.

Hon. Mr. McMULLEN—Out of respect for itself, this House should demand that the evidence be submitted in order that we may proceed intelligently. While the committee is sitting, and eliciting valuable evidence, we should postpone action in this House. The clauses of the Bill should not be proceeded with until that committee has

had an opportunity of reporting, and it is unfair for the hon. Secretary of State to try and shackle the investigation. He took the stand in the first place, of opposing the appointment of a committee. He said it was a shame.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. McMULLEN—He said it would do no good.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. McMULLEN—I appeal to the country to say whether it is doing good or not. I am willing that every policy-holder should read the evidence and decide for himself. I am willing to be judged by the people of Canada to say whether the money spent on that committee, has not been well spent in the interest of the policy-holders.

Hon. Mr. SCOTT—No.

Hon. Mr. McMULLEN—The hon. Secretary of State has not done credit to himself in the stand he has taken.

Hon. Mr. SCOTT—I do not propose to be lectured by the hon. gentleman. If I had done my duty, I would have had that committee dismissed long ago, as a disgrace to the Senate.

Hon. Mr. McMULLEN—I say, when the House decided by a majority to appoint that committee, it should have an opportunity to perform its work decently, and report to the House. With the evidence before the House, they could go on with the Bill or not as they please. I move the adjournment of the debate.

The SPEAKER—It being six o'clock, I now leave the chair.

Hon. Mr. DOMVILLE—But the adjournment of the debate has been moved.

The SPEAKER—It is six o'clock, I leave the chair.

After Recess.

Hon. Mr. McMULLEN—When the House rose at six o'clock, I was endeavouring to present some criticisms regarding the Bill which is now under consideration. I was pointing out the effect of some of the clauses which will be brought into force by the passage of the Bill. I have shown that if the Bill becomes law, as it is now drawn, at least two things will be accomplished on the part of the company: First, the moment they give the government notice that they are not undertaking new business in Canada, as provided in clause 5, they will be able to draw from the Receiver General all the money in his hands, except what is held under their license for straight line business, that they have taken since 1899. They will be able to draw at least $100,000 of that money. The clause reads as follows:

5. After the date of the said license the company shall be subject to make deposit only as provided in sections 7 to 11, both inclusive, of The Insurance Act, and all the assets in Canada of the company in respect of the said assessment policies shall be applicable to all the insurance liabilities of the company in Canada; provided that the deposits of the company with the Receiver General of Canada shall not be reduced below the amount at the date of the said license so long as the company is undertaking in Canada new contracts of insurance.

Now, the very moment that they cancel the undertaking of new contracts, they notify the government that they have ceased and ask the Receiver General to hand over a cheque for every dollar except the money that is held under the provisions of their charter of 1899. That is one feature of the Bill that is decidedly objectionable. Now, the last clause of the Bill to which I drew attention is as follows:

Nothing in this Act shall affect any suit, action, or other proceeding now pending in respect of any assessment policy.

What will be the interpretation of that clause? I have referred to the case of Mr. Foster. He has brought action for a return of the moneys paid upon his policy on the ground that it was through misrepresentation and fraud that he was coaxed into insuring with the Mutual Reserve Fund Association. He has succeeded in the first court and in appeal, and the case is now before the Lords of the Privy Council in England. The witness Eldridge, who is before the committee, stated that he had his passage taken to go home to London to fight that case.

He told us in the committee that President Burnham had to go and take his place. That appeal is now coming up, and if it should go against them, what is going to be the result? What will be the effect of that decision? The effect of that decision will be that every man that has been led into effecting insurance fraudulently by representations that are untrue, and cannot be substantiated in court, who brings an

action to recover his money on the ground that it was taken from him by misrepresentation, will be likely to succeed. There is a decision of the Privy Council in the Foster case, that he has a right to succeed. Now, what is this innocent little clause No. 7? It has been read half a dozen times, but I shall read it again. It is as follows:

> Nothing in this Act shall affect any suit, action, or other proceeding now pending in respect of any assessment policy.

That is the clause. It says, 'now pending.' If it is not commenced, it is out of court. Everything is out of court except Mr. Foster's action. I said a moment ago that the object of this Bill is not to give the company power to do business on old policy lines in Canada. They have that power now. They have had it since 1899. It does not give them one tittle of power more than they had. They can place every assessment policy-holder on the old line business in accordance with the system adopted by old line companies. Of course, they have tried to force policy-holders into taking that course. They have only succeeded with 25 per cent. There is 75 per cent that they have not been able to get in. If this Bill is passed they will be able to take them all in. What will be the choice? The choice by the Bill is that if you want to participate in any of the advantages, if you want to get a percentage of the $152,000 which is left in the hands of the Receiver General, if you want to participate in the division of that money, you have to take either one or the other of the alternatives. You have to submit to have your policy impaired, or you have to contribute an additional sum from year to year, to bring your contributions to the point that you would have had to pay on the old line company. When you have done that, this Bill provides that the company can load up the policies with a percentage of the money necessary to enable them to point out to the department, that they have reserved a sufficient fund to enable them to obtain their license. How are they going to do that? They ask for their license, and they say: 'We have $152,000 in cash in the hands of the Receiver General.' In addition to that, say that the business under the system they had in Canada would require the deposit to be $600,000, they would require $540,000. Well, they say to the Receiver General, 'We have not got it in money; we have not a dollar to deposit with you, but we will tell you what we are going to do. We are going to charge up to each policy-holder his percentage of that $450,000 as a mortgage against his policy for a specific purpose. What is it? In order to stand there as an asset of the company so that we can swear that we have a sufficient reserve, including the amount that is charged to each policy with the $150,000 deposited with you, to secure our license.' That is what they ask to do by this Bill. They do not put in a dollar themselves. Notwithstanding the enormous plundering that has taken place, they do not appear to have any money. If they have, they are not willing to put it in. They want the policy-holders to find the means of putting the institution on its feet, and in a position that it can do business over again. That is the position they ask the policy-holders to take. I have referred to the peculiar character of this company. I have no personal animosity against the New York Mutual Reserve; I simply have a feeling of disgust for a company that have extracted from the pockets of the people of this country the large amount of money that they have taken in nineteen years, and in the face of the record that they have got, in the face of the evidence of mismanagement and squandering, that is proved not merely here, but in the investigation in their own state, to have existed—in the face of all that, they have the brass to come to Canada and ask us to give them a new lease of life by the passage of this Bill. They have as much brass as one of the statues out here on Parliament Hill, or they would not dare to ask for a new lease of life. If this Bill is passed they will go over to the United States and say 'Gentlemen, you challenged the responsibility and the standing and the honesty and the business character of the New York Mutual Reserve. You tried to criticise us and injure us. We went to Canada. What did we do there? The Houses of parliament in Canada passed an Act placing the company in a position not only to continue business, but to extend their business with the people of that country. We have a new license from the Dominion of Canada, notwithstanding

all the evidence of corruption, debauchery, and extravagance, that you claim to produce in the city of New York. The state of New York says it has characterized the history of this company. But the company will say, 'Look at what we have got from the parliament of Canada,' and they will herald it from one end of the state to the other, to show that the Canadians at least had confidence in it.' Well, I know that a great many policy-holders in Canada are sick and sorry they ever invested their money in that company. I have never met one who has not expressed to me his regret that he had cast his lot in with a company like the New York Mutual Reserve Life. I did say in the commencement of my address to-day, that we ought to be very careful of the legislation we give to life insurance companies. I care not whether they are assessment companies or stock companies, that come here, who are not able to present a clean sheet and a clean record. You should exact from these people proper conduct, if they are not in a position to present before a committee of this House, evidence that disasters have overtaken them for which they are not responsible, if they have come to them in a manner that they could not possibly avoid. Under those conditions we have a right to listen to them, and consider seriously what we should do in that case; but here is a company that has been most extravagantly handled. They have squandered $999,000 of the policy-holders' money. It is not my word I am giving to the House. When the committee which is now sitting presents their report, it will not only be proved by those that were criticising the company, that that money has actually been lost, but that admission will appear on oath by Mr. Eldridge himself. He admitted this afternoon, that Mr. Moss had drawn the money, that the company had handed it over to him, and the only way that they ever expected to obtain the return of that money, was through the commission that the agents will earn in years to come, and if the agents dwindle down in number, we may reach the last days of the world's history before that money is all returned. I know there is a feeling that if this Bill does not pass the policy-holders will get nothing. Just let me deal with that question shortly. What is there for the policy-holders now? There is $152,000 at least, in the hands of the Receiver General. What is there in the hands of the company outside of this? Simply the money that the policy-holders contribute themselves. If they go on, and put the money into the institution, judging from the past history of the company for nineteen years, they may expect to get 60 cents out of every dollar that they put into the company. That is all they have got for the last nineteen years—about 60 cents for every dollar they put in. What good is this remedy going to do the policy-holders? It is better for the policy-holders to take their dividends out of the $152,000 now, a mere mite, a mere nothing. Is it better to take that now and put the company into insolvency, or go on for ten or fifteen years more and only get 60 cents for every dollar which they put in? There is no money there except what is contributed by the policy-holders. It has no financial backbone. Mr. Eldridge says the policies have no surrender value at all. There is no money to the credit of the company. Unless the policy-holders provide the money themselves there is nothing for them. What is the limit for the policy-holders? There might be something in it for the man who has the positive assurance of his physician that he cannot live more than two or three years. His policy might mature, and the company might pay that risk in order to maintain their status and get the money from the rest; but there is no encouragement for the rest. No man of common sense will, after mature consideration, contribute one dollar to the company with the hope that he is going to get anything more out of it. There is a passage in sacred writ which comes to my mind very forcibly in considering this whole business, and it is that passage about a certain individual who started to travel from Jerusalem to Jericho. We know what was the result of his undertaking that journey. We know that he fell amongst thieves. We know that they stripped and wounded him. Now, are we going to render to the policy-holder of the Mutual Reserve the services of the good Samaritan? Are we going to heal up his wounds and clothe him? No, we are not. What are we doing by this Bill? We are clothing the man who did the robbing with a new suit of clothing—putting him in new

robes. What are we saying to the man who got robbed? We say to him, 'We cannot do anything for you; go back to Jerusalem and when your sores are healed, start the journey to Jericho over again in the hope that the robbers won't treat you as badly next time as they did before.' This is virtually what we are saying to these people. We are saying to the policy-holders, 'Judging from the evidence before the committee, it is plain that they have robbed you; it is claimed they have taken your money; it is claimed they have bled you for insurance purposes, and they have paid you nothing. We are sorry, but we cannot do anything for you. The only thing we can do is, we are going to clothe the company in a new garb. We are going to dress them in better clothes than they wore before. Perhaps if you try them over again your last experience will not be as bad as the first.' That is virtually what we are saying by this Bill. I have stated that a very important investigation is going on in regard to this matter, and I hold that we should wait until the close of that investigation before we proceed further with this Bill. I therefore move, seconded by the hon. Mr. Bolduc, that the further consideration of this Bill be deferred until the committee of investigation have completed their inquiry and presented their final report.

Hon. Mr. BEIQUE — I should have thought the hon. gentleman would have made another motion—a motion that before passing judgment upon the company we would wait until the evidence had been produced in defence. We have been sitting in committee for the last three or four weeks hearing evidence charging the company with all kinds of crimes, and it is only on Monday of this week that the company has been afforded an opportunity of entering on their defence, and as a member of the committee, who has followed the proceedings with the utmost care and attention, I must say that I am amazed at what I have heard from the hon. gentleman from Wellington. I am amazed at his appreciation of the Bill which is now before us, and I am amazed at the aspersions which he has undertaken to cast on the company, especially at this stage. I think it would be more becoming on the part of members of the Senate to give fair-play to these parties, whoever they may be; give them a chance of putting in their defence before passing judgment upon them. I will be able to show from the very evidence which has been brought up by the hon. gentleman from Wellington that he is mistaken with reference to the charges which have been made before the committee. But before calling attention to that branch of the question, I ask hon. gentlemen to bear with me for a few minutes while dealing with the Bill in a very summary way, and I call special attention to this very important fact which the hon. gentleman from Wellington has evidently lost sight of: Under our Canadian law it is the duty of the government to exact from any foreign company doing business in this country under the level premium system—that is, under a regular system—a deposit at all times with the government of Canada of an amount sufficient to cover fully the risks which have been taken, in order, should the company fail, that this money may be used for reinsuring every policy-holder with a solvent company. This has to be borne in mind, and starting from that consideration, if it was true that this company was not to be trusted, it would be an additional reason for me to facilitate their being brought under the regular system of insurance, in order to better protect the interests of all policy-holders. There are two classes of policy-holders, one under the assessment system to the amount of $8,000,000, which is still covered by policies in force, and to an amount of maybe $20,000,000 of lapsed policies, or more than $20,000,000; and the other class is the class of policy-holders under the regular system, or the level premium policy, which has been obtaining only since 1899.

Hon. Mr. McMILLAN—Will the hon. gentleman answer this question? He said the amount of money in the hands of the government now is to be used for reinsurance in some other good company. Will he kindly explain what that means? I am at a loss to know. There are only $228,000 now in the hands of the government, and there are $8,000,000 of insurance in force against the company. The $228,000 will not go very far towards meeting the demand to be made of the company in regard to the

$8,000,000. How is the $228,000 to be used in order to reinsure the policy-holders with some solvent company ?

Hon. Mr. BEIQUE—I am thankful to the hon. gentleman for having interrupted me, because it will give me an opportunity of making myself better understood. What I have stated is, that under the insurance law it is the duty of the insurance inspector to see that all foreign companies doing business in Canada under the regular system of insurance—the level premium system—not the assessment premium system, but the level premium system, the system of insurance which this company, the Mutual Reserve, has been carrying on from 1899 to this date, be made to deposit with the government a guarantee to all policy-holders under that system. If the company was put in liquidation all the insurance effected from the 7th August, 1899, under the level premium system, would be fully protected, because the government would have in their hands in the $80,000 deposited, an amount sufficient to reinsure the policy-holders in a solvent company. But there is the other class of insurance which is not on the level premium insurance, but on the assessment plan. It is the system which was carried on by this company from 1885 to 1899, and under that system there is in the hands of the government an amount of $228,000, an amount which would be far from sufficient to reinsure that class of policy-holders with a solvent company, and therefore it is important to pass the Bill, even if it is not perfect—and for my part I do not believe it is perfect—and I propose to suggest four or five amendments. By all means let us put our heads together and try to provide relief for this class of policy-holders, representing $8,000,000 now outstanding and $20,000,000 of lapsed policies, because their assessments became prohibitive, by putting that class of policy-holders also under the level premium system, so that the company will have to deposit with the Canadian government an amount sufficient to fully guarantee them in the future against all possible contingencies, or mismanagement on the part of the company. I repeat that our law in Canada is such that all Canadian policy-holders in a United States company have the double guarantee. They have their recourse against all the assets of the company, if it is a United States company or a British company, concurrently with all policy-holders in the United States or in England, or in any foreign country, but they have besides a special deposit which is a special guarantee to them alone, which by itself is a complete and sufficient guarantee to cover entirely the whole risk of those Canadian policy-holders ; therefore I say whatever may be the management of that company, if they are placed under the level premium system, the moment the deposit is made we have fully protected all Canadian policy-holders against all possible bad management. If the hon. gentleman chose to read the Insurance Act that provision will be found in section 10 of the Act. Our law is excellent in that respect. I regret to have to take issue with the hon. gentleman from Wellington on this question. I have no doubt he is in perfect good faith, and I regret it the more because he is an old parliamentarian, and I know of his experience, I know of his industry, of his intelligence, and it would be much more agreeable to me if, instead of having to take issue with him, I could take the same course he does ; but I cannot do so after the attention I have given to both the Bill and the investigation. Let us see what the Bill with which we have to do is. The Bill is for this object : Instead of having two classes of policy-holders in this company as there are now, the class under the assessment system and the class under the level premium system since 1899, it is proposed to transfer them all to one class, the level premium system class, and it is proposed to do it on a basis fair to both themselves and the company, and in such a way as to guard against all future contingencies. For the purpose, three different options are given in the Bill as reported by the Committee on Banking and Commerce. Under these three different options, the policy-holders will not be called upon to pay any arrears, as the hon. gentleman from Wellington has stated in his remarks. Nothing of the kind. The hon. gentleman from Wellington will not find anything of the kind in the Bill if he pays serious attention to it.

Hon. Mr. McMULLEN—What class is my hon. friend dealing with ?

Hon. Mr. BEIQUE—The Bill is dealing only with one class. I repeat it. That in-

surance company has been carrying on business with two classes under two different systems, the level premium system since 1899, and prior to 1899 under the assessment plan, and the Bill is dealing, not with the level premium policy-holders from 1899 to this date; they are fully protected by the law to which I have called attention. The Bill is dealing exclusively with the one class of policy-holders under the assessment plan.

Hon. Mr. McMULLEN—I made no reference whatever to the class that have come in since 1899.

Hon. Mr. BEIQUE—The Bill is dealing only with that class of policy-holders under the assessment plan, and proposes to transfer them from the assessment plan to the level premium plan, and how is it to be done? It is to be done on the basis of the British insurance tables. Given an amount of $5,000 on the basis of these British tables it will have to be ascertained what amount of insurance the insured will be entitled to. He will have the option, either at the age to which he has attained at the time the license will be issued or pratically at the passing of the Bill, or, if he chooses at the age at which he entered the company. If he selects the age when he entered the company, then his policy will be subject to a lien, and he will have to pay on the amount of that lien interest at 4½ per cent, while he is insured with this company. That is the second option. Then if he chooses the first option he will not be charged with any lien of the kind, but his premium will be based on his attained age at the time of the issue of the license. He has a third option, that of the regular level premium as he would have in any other company. I will be asked what are the advantages that he is getting. The advantages are these; as far as these policy-holders who have protected their policies to this day are concerned, the main advantages that they will receive will be to have their share in $152,000 of the deposit in the hands of the Canadian government being applied either to the premium, in reduction of the lien, if he chooses that option, or in reduction of the premium, if he chooses the other option, and they will have the much more valuable privilege of remaining insured with a solvent company under the regular system after they have attained an age which might be prohibitive for a great number of them, when their health is impaired to such an extent that they would not be received, a large number of them, in any other company. It is perfectly evident that with the proportion of lapses that there has been in this company, reducing the business from some $40,000,000 to $8,000,000 that the cream of their business has disappeared and has gone to other companies; therefore there remains with this company only the bad risks. There remain parties who would not be accepted in any other company on the level premium system, and it is an immense advantage, in my opinion, to be fully protected under the level premium system, guaranteed by a proper deposit, without even having to furnish the usual medical certificates. When this Bill came before the House for the first time hon. gentlemen will remember that I suggested that the Senate could protect, and that it would be the duty of the Senate to protect, not only the policy-holders who have paid their insurance up to this date, but that we should devise means of protecting the $20,000,000 of policy-holders who have allowed their policies to lapse, because they were not able to respond to the high assessments which have been made from 1895 to this date. I was glad to see that when the Banking and Commerce Committee brought in this Bill, they had found means to protect them, and that this very Bill provides for the revival of those policies that lapsed during the ten years previous to the passing of this legislation. Now, hon. gentlemen, will it not be a great advantage for these policy-holders? The hon. member from Wellington (Hon. Mr. McMullen) laughs.

Hon. Mr. McMULLEN—Yes, and I shall show why I laugh.

Hon. Mr. BEIQUE—I know why the hon. gentleman laughs. He laughs because he understands the Bill as obliging these policy-holders to pay the arrears. That is what he has been arguing. If the hon. member was not mistaken in that, I would side with him, because it would be no advantage at all. But there is nothing of the kind, and the hon. gentleman cannot find a word in the Bill to that effect. They will be exactly on

a par with the other policy-holders who have protected their policies, with the single exception, that they will not participate in the $152,000 which is in the hands of the government, and which is appropriated exclusively by the Bill for those who have protected their policies to this day. It is very proper, because those who have allowed their policies to lapse have no right to that deposit, and it is fair that those who have protected their policies should have the full benefit of that amount; otherwise, in every respect, they will have the same three options as the others, and as I propose, when the time comes, possibly an additional option.

Hon. Mr. McMULLEN—Would the hon. gentleman kindly explain what will be the position of these reinstated policy-holders as to the amount that they will be entitled to get in the way of insurance?

Hon. Mr. BEIQUE—Their position will be the same exactly as those who have protected their policies, with the single difference in clause (h) of the Bill, which reads as follows:

(*h.*) The company shall revive, for the amount to be computed as in this section provided, any assessment policy which has lapsed for non-payment of premium within the ten years immediately preceding the passing of this Act, upon the holder making application therefor within ninety days after the date of the said license and within the said time delivering to the company a certificate signed by such holder in the form required by the company of his continued good health: Provided that such policy-holder shall not be entitled to share in the dividend provided by paragraph (d) of this section.

Hon. Mr. McMULLEN—My hon. friend does not mean to convey to this House the idea that no special consideration will be given to those who have paid the annual assessments on their policies for the last ten years, when compared with those who allowed their policies to lapse, ten years ago? Now, he says they will be put on the same ground: does my hon. friend intend to convey that idea?

Hon. Mr. BEIQUE—If the hon. member had taken the trouble to follow my reading he would have found the answer in the last words I read: 'Provided that such policy-holders shall not be entitled to share in the dividend provided by paragraph (d) of this section. Paragraph (d) of this section deals with the $152,000. I have stated twice at least that the only difference between those policy-holders who have allowed their policies to lapse, and the others, is, that they will not be allowed to participate in the $152,000, which will enure to the exclusive benefit of those who have protected their policies, and which is but fair.

Hon. Mr. McMULLEN—Suppose a man had taken out a policy, and it was in existence for five years, upon which he paid an assessment of twenty dollars a year: that would be one hundred dollars. He allowed that policy to drop ten years ago. Now, all he paid was one hundred dollars. Another man took out a policy the same date, and he has paid his assessments, twenty dollars a year, for fifteen years: that would be three hundred dollars. The one man has only paid one hundred dollars, while the other has paid three hundred dollars; are they both to be placed on the same basis, as to the amount that they will receive in the way of insurance, save and except that the man who has continued to pay his assessments will participate in the $152,000, and the man that has not paid will not. Will both get a policy now, or will it be maintained at $1,000?

Hon. Mr. BEIQUE—If they are of the same age, they will be entitled to have the same policy, paying the same premium. The thing is obvious? The one who has continued paying his policy, has had the benefit of being insured. If he had died during the ten years, he, having protected his policy by paying the assessment, his heirs would have been entitled to recover, whereas the one who discontinued paying his premiums, having allowed his policy to lapse, his heirs would not have been entitled to recover, and therefore not having continued to pay his premiums, he has not contributed any part of the $152,000, now in the hands of the government, and he should not be entitled to participate in that. Any one who takes the trouble to study the Bill, will see that it is a measure that should command the serious attention of this House, and I say it without any hesitation.

Hon. Mr. CLORAN—The hon. gentleman has not answered the question of the hon. senator from Wellington as I understand it. That question is: two men insure with the

company in the year 1890, say for $1,000 each. One pays for five years and drops out. He has paid in $100. The other continues paying for fifteen years, and pays $300. What the hon senator wanted to know, is this: I am the man who has dropped at the end of five years. Under clause (h) of this Bill I am entitled, on certain conditions, to have my policy revived. Though I paid $200 in ten years, would I have any claim on the deposit?

Hon. Mr. BEIQUE—Not a cent. Let it be well understood. I take A and B who have been insured at the same age. One has allowed his policy to lapse three months after the insurance; the other has protected his insurance to this date. A who has allowed his policy to lapse, will be put exactly on the same footing by this Bill. as B, except that he will have to furnish a medical certificate, that his health is not impaired, and that he will not participate in the $152,000 which has been accumulated through the assessments of those who have protected their policies. Otherwise, they are exactly on the same footing.

Hon. Mr. McMULLEN—Then after these two men have agreed, the one to renew his policy that has been lapsed for ten years, and the other that has continually paid his assessment, my hon. friend says they will be placed exactly on an equal footing, save and except that one man will be entitled to participate in the $152,000, and the other will not.

Hon. Mr. BEIQUE—And they will pay the same premiums, cent for cent?

Hon. Mr. McMULLEN—Do I understand my hon. friend to say, that the premium that will be paid by each man, if they are of an equal age, will be the same?

Hon. Mr. BEIQUE—Exactly, cent for cent.

Hon. Mr. McMULLEN—Well, where is the benefit to the first man who has paid his assessment continually, in the $152,000, if his premium yearly is exactly the same as the premium of the man that allowed his policy to lapse, and has paid nothing for ten years? He is placed exactly on the same footing. What particular advantage is there in participating in the $152,000?

Hon. Mr. BEIQUE—The hon. gentleman has put the same question, and I have to repeat that his benefit has been in being insured during those years, and his heirs being able to recover the amount of his policy in case of his death; whereas, A, who has not paid his premiums, would not have been able to recover. The policy-holder will also have this advantage: he will not be required to furnish a medical certificate, and although he may be a dying man, he is entitled to have his policy continued, and will participate in the $152.000, through the assessments.

Hon. Mr. McMULLEN—Then the amount that each of those men will be called upon to pay annually into the company, will be up to the standard of the ordinary sum that is paid for life insurance in any old line company, that is along with the rate that is collected by any old line company?

Hon. Mr. BEIQUE—Nothing more, and nothing less.

Hon. Mr. McMULLEN—He pays an amount in accordance with what he would have to pay, if he went into an old line company. Well now, what is his position? Here is a company that has squandered and scattered its resources until there is nothing left. Now they say to this man, we will take you in again, and we shall charge you the same rate you would be charged if you were going to another company across the street.

Hon. Mr. BEIQUE—The hon. gentleman is a fair man, and I do not complain of his asking questions, but I do not think that it would be fair for him to interrupt my speech as he is trying to do. I must correct the last answer I have given. The hon. member asked me if it will be cent for cent; it will be cent for cent, as I have stated, but the loading on the policy-holders with whom we are dealing is only 5 per cent, whereas the loading on ordinary insurance exceeds 5 per cent considerably. My desire would have been that we should have dealt with this Bill in Committee of the Whole. I was prepared to offer several amendments, some in the direction of covering the points to which the hon. member for Wellington has called attention, but as objection has been taken to that course, I shall have to put them on the order paper, so that

they will be taken into consideration when we come to the third reading, if, as I hope, the Bill is to pass this House. Now, I call special attention to another point. The reference which was made to the committee was to inquire as to the position of the Mutual Reserve in Canada. To my mind, if the investigation had been limited to that, we could have in the course of two or three days, been perfectly informed as to that position, and it would have been the proper course. However, the majority of the committee have deemed it advisable to proceed in another way, and we have gone into a mass of evidence, during which the witnesses who have been called, especially two or three of the witnesses, have cast a great many aspersions on the company. The point to which I desire to call your special attention is, as to the condition of the company in Canada, as regards the Canadian policy-holders. As soon as I was appointed a member of that committee, I directed my efforts towards procuring this information. I got the company to produce a statement showing from year to year during the nineteen years they have done business in this country the amount of premiums they received, the total income in Canada and in the United States—the total amount which they paid to policy-holders from year to year in Canada, and the United States, the expenses from year to year in Canada and in the United States separately, and the expenses from year to year, to officers and employees at the general offices in the United States, the amount of assets from year to year, and the amount of reserves from year to year, in the hands of the government. Now, what is the result of these figures? In round figures, the company has collected a total in Canada, from Canadian policy-holders during nineteen years, under the assessment plan, of $5,060,000. They have paid to policy-holders during the same period $3,060,000. It has cost the company, in expenses, during the nineteen years, the amount of $999,000, to which my hon friend has referred.

Hon. Mr. McMULLEN—I did not refer to it at all.

Hon. Mr. BEIQUE—If the hon. member reads his speech he will find that he referred to that very figure at least twice, and he referred to it not as representing the expenses of the company, but as the amount which had been squandered, and the amount which had been paid to Moss.

Hon. Mr. McMULLEN—Will the hon. gentleman allow me——

Hon. Mr. BEIQUE—I rose to correct the hon. gentleman on that, but he persisted in his statement.

Hon. Mr. McMULLEN—I was not referring at all to the expenses in Canada, connected with their business. I was referring to the $999,000 squandered by Chief Superintendent Moss, and charged to him as money that he had drawn to distribute amongst agents, and that up to the present time it had never been returned or accounted for, and no vouchers presented. That was the money I was referring to.

Hon. Mr. BEIQUE—The hon. gentleman is quite right; the statement he made is the very statement he repeats, and it is exactly what I want to correct, in two very important respects. I want to quote to him, from the report of his own examination. A day or two after I had elicited the information to which I have referred, the hon. gentleman covered the same ground, and he will find it on page 80 of part III. of the printed evidence, which is now before the House. It is as follows:—

By the Hon. Mr. McMullen:

Q. The condition of the account at the present moment is virtually this: in 1886 you commenced the Mutual Life Reserve system in Canada?—A. 1885.

Q. In nineteen years you have collected on assessments out of those people that took policies with you something over $5,000,000. During that time you have paid them back on matured policies under their covenants $3,000,000, or nearly $3,000,000?—A. $3,060,000.

Q. That leaves a balance of $2,100,000?—A. I make it $1,972,502.

Q. $2,100,000?—A. That is not correct, because that carries into the legal reserve business——

Q. Out of that you claim to have paid in Canada altogether for expenses, $1,067,000?—A. No, $999,000, confining it to assessment.

It is perfectly clear that the confusion in the mind of the hon. gentleman is, that he takes this $999,000, which is the total of the figures from year to year for the nineteen years, which I had obtained from the company, as covering 'the Moss defalcation,' as he calls it, instead of covering the regular expenses of the company in Canada.

Hon. Mr. McMULLEN—Did my hon. friend ever hear in the course of the investigation, of the name of a person called 'Moss'?

Hon. Mr. BEIQUE—Yes.

Hon. Mr. McMULLEN—It was in connection with the money that was lost through him——

Some hon. GENTLEMEN—Order, order.

Hon. Mr. BEIQUE—I shall come to that presently, but I should like to be permitted to make a connected argument, and deal with one point, before having to deal with another. I was calling attention to a very important fact, to the total amount which had been paid by Canadian policy-holders into that company, and the total amount which the company had paid back, to Canadian policy-holders, or their representatives. The difference, as hon. gentlemen will see, is $1,972,502. Of this, the company has expended in Canada $999,000, leaving, therefore, in regular expenses, an amount to be accounted for of $972,625. I have asked the vice-president of the company how they accounted for that amount, and his answer was, that $228,000 of it was deposited in the hands of the government. Besides, there was an amount of some fifty odd thousand dollars, in the agencies in Canada, and in banks, on the 31st December, 1903. That left an amount of $728,000 to be accounted for, and this he accounts for by saying they had to pay in most cases, five per cent on the collection of the assessment, and also that it is the proportion of the general expenses, for officers and employees at the head office, which has to be borne by the Canadian business, and possibly also an excess which they have had to pay, on death claims. I asked some further questions, as a member of the committee, and I hope to have a closer answer than the one I have received. The committee has been promised further information on the matter, but let us deal with those figures. Let us suppose that the greater part of this $700,000 would be unaccounted for, and let us ask ourselves if the Canadian policy-holders have not received a benefit equivalent to that amount. It is in evidence, and not contradicted, that the policy-holders, Canadian as well as Americans, in that company, have paid an average of only fifty to sixty-six per cent, of the rates which they would have paid in other companies. The source of their trouble, lies mainly in that they insured their policy-holders at too low a rate until 1895, and of course, the policy-holders have had the benefit of it. It represents about forty per cent of the amount they have saved on the rates; therefore it represents about forty per cent of the five millions paid in premiums. As far as I am concerned, I am forced to the conclusion therefore that the Canadian policy-holders cannot have been victims to the extent we are told they have been.

I am asked to deal with the Moss matter. It is true that at one stage of the inquiry, there was evidence adduced before the committee to the effect that in 1897, the company had entered into a contract with this man Moss, appointing him manager of the agencies throughout the United States, and that under that contract which had been signed by Mr. Wells, and of which contract Mr. Wells accepts the full responsibility, Moss was entitled to 85 per cent as commissions on the first year's premiums. Of this, sixty-five per cent was supposed to go to the agents appointed by Moss as manager, and the balance, called an overriding commission of twenty per cent, was to remain to Moss. This was not taken exception to. As I say, Wells accepted the full responsibility of the contract, and did not claim that it was a bad contract, or an unusual contract for a company of that kind. But Mr. Patterson specially charged the company with having paid not the $999,000, but an amount of $240,000 or $250,000 beyond the eighty-five per cent to Moss. That is, that the company had given Moss a bonus to the extent of $240,000 or $250,000. When that evidence was introduced, the hon. gentleman from Wellington, if he was at the time in the committee—and I am quite sure he was—will bear me out when I say that I told the manager of the company that for my part, as a member of the committee, I would expect that the company would be able to answer that charge, as well as a couple of other charges which I mentioned, but which were insignificant as compared with that one, and that if they failed to answer that charge to my satisfaction that I would, for one, very reluc-

tantly—because in my opinion it would be damaging to the Canadian policy-holders as well as to others—join in a report condemning the management of the company; but where I take issue with the hon. gentleman is, as to his statement of what passed to-day in the committee. What occurred to-day in the committee was, not that this charge was supported, but, as the hon. gentleman will remember if he gave any attention to the evidence produced, a statement by Mr. Eldridge which we were told under the responsibility of the legal adviser of the company would be verified by the accountant of the company, who is here waiting to be examined, a statement showing that instead of paying 85 per cent to Moss, and $250,000 beyond that, that the only amount that had been paid to Moss by the company was 82 per cent and a fraction, not even 85 per cent. Mr. Eldridge did not claim he had verified all the items of the statement, but he took upon himself to say that he was satisfied it was correct. If this statement is verified in the proper way by the employees of the company, I say that the charge is altogether disproved, and I contend that it is unbecoming on the part of any hon. member of that committee, at this stage, to throw aspersions on the management.

Hon. Mr. LANDRY—I would ask the hon. gentleman if that report to which he refers is now before the House?

Hon. Mr. BEIQUE—No.

Hon. Mr. LANDRY—Then the hon. gentleman has no right to refer to it.

Hon. Mr. BEIQUE—The hon. member from Stadacona should have objected to the statement of the hon. gentleman from Wellington. I am answering his charge. The hon. gentleman from Wellington has referred to the proceedings of the committee, and referred to that very item, and surely I am allowed to answer his charge and question.

Hon. Mr. LANDRY—Two blacks do not make a white.

Hon. Mr. BEIQUE—I hope I shall not be suspected of being interested in covering up any misdeeds on the part of the company. I am here to do my duty as a senator, my full duty, irrespective of what may be the consequence. I am not here to be carried away by all kinds of accusations against the company, especially before the company have had full opportunity to answer the charges.

Hon. Mr. WILSON—Who is doing that? I do not think that is a fair insinuation.

Hon. Mr. BEIQUE—The hon. gentleman was evidently not in the House when the address to which I am replying was made.

Hon. Mr. WILSON—I beg the hon. gentleman's pardon.

Hon. Mr. BEIQUE—Most forcible accusations and remarks were made by the hon. gentleman from Wellington.

Hon. Mr. McMULLEN—I deny that. I can prove everything I said when we go into committee.

Hon. Mr. BEIQUE—I appeal to the hon. gentleman for British fair-play, it is a big word, and I ask is it fair, when the company has not had an opportunity of producing all their evidence, when the evidence against them has taken three or four weeks, because it was only Monday that they commenced to answer it, to pass judgment upon them in advance of their defence? I say that he has not that right, and it is unfair on his part. Whatever may be the position, the committee will have to make a report on the investigation. The evidence is already very voluminous. It is before the Senate except the proceedings of to-day, I think, and every member of this House will be able to form his own judgment upon the evidence. I do not contend that nothing remains to be answered, as far as the company are concerned, but I am able to say that the main points which troubled my mind have been answered, especially if the accountant is examined and proves that the account of Mr. Moss occupies the position which Mr. Eldridge has stated. Whatever may be the issue, it is an issue which concerns the company, and in concerning the company, it concerns the policy-holders, who are the company. In the experience of every hon. member of this House, I would ask if there are any insurance company who have not enemies from the fact that they have had, in the regular course of their business, to compromise

death claims which have been made against them ? They have enemies more or less, and will it be pretended that if a loose investigation—when I say a loose investigation I mean investigation in which the rules of evidence are not followed, I do not say it by way of criticism, but where all kinds of evidence are produced, if an investigation lasting three or four weeks was made, concerning any company, especially if that company has any enemies, as this company has, will it be pretended that it would not be certain that a number of matters condemning the company, on the surface at least, would be produced ? Therefore, I say it is our bounden duty, when dealing with a matter of this kind, to be exceedingly discreet and careful before passing judgment upon it, and give the fullest opportunity to the accused to defend themselves.

Hon. Mr. CLORAN—Before taking part in this discussion. I should like to have a ruling in regard to the matter suggested by the hon. gentleman from Montarville. It is not clear in my mind yet whether this Bill is properly before the House for discussion. It is properly before the House, but whether for discussion or not I am not clear. I accept the statement that the Bill was introduced as a public Bill and it was then intituled 'An Act further to amend the Insurance Act.' The Bill has since changed its title, or rather, it has two titles. When it goes into the statutes I do not know by which name it will be known, whether it is an Act further to amend the Insurance Act or whether it shall be known as 'An Act respecting the Canadian policy-holders in the Mutual Reserve Fund Life Association,' and in regard to this I raise a point on which it is necessary to have a ruling. If this Bill is not a public Bill it is not properly before the House.

Hon. Mr. KERR (Toronto)—I raise a point of order that it is not open to the hon. gentleman to raise the point of order he suggests. We have a distinct ruling that the point of order which he has mentioned is not well taken.

Hon. Mr. SULLIVAN—Should not the Speaker decide this ?

Hon. Mr. CLORAN—The Speaker did not decide it. It was an hon. member on the other side who decided it was a public Bill. The ejaculation came from the other side of the House that it was a public Bill. I have been thinking over the matter, and I quite agree with the hon. gentleman from Montarville who has had parliamentary experience extending over a great many years, that this is not a public Bill, but a private Bill. I ask for a ruling on this point.

Hon. Mr. KERR (Toronto)—I ask whether this point is open to discussion or not ?

Hon. Mr. LOUGHEED (from the Speaker's Chair)—The Speaker this afternoon did hold it was a public Bill, and, there having been no appeal, the decision of the chair stands.

His Honour The SPEAKER resumed the chair.

Hon. Mr. CLORAN—The question is whether this is a public or private Bill. Has the Speaker ruled on that ? If he did, I did not hear it.

The SPEAKER—I ruled that the Bill before the House was a public Bill.

Hon. Mr. CLORAN—Speaking to the motion made by the hon. senator from Wellington, to have the consideration of this Bill postponed until the committee of investigation has closed its evidence and has made its report, I have no stronger proof of the validity of that contention than the last words of the hon. gentleman from de Salaberry. He charged that the hon. senator had made accusations against the company in the absence of the evidence. I think the hon. gentleman from Wellington has put the question very well. It seems strange that this honourable House should be asked to stultify itself before the country. It seems strange that this honourable House should be asked to take action to nullify what it agreed and consented to five or six weeks ago. This honourable House, if members will recollect, passed a resolution authorizing the formation of a committee to investigate into the position in Canada of the affairs of the Mutual Reserve Fund Life Association of New York. At the same time that motion was carried—another motion was made in regard to this Bill—this emasculated Bill. It is not even emasculated : The old Bill

has disappeared entirely and this is a fresh one. At that time a demand was made in this House that this Bill should not be proceeded with until the committee had investigated and reported on the affairs of the company. So much was that course deemed advisable that they wanted to refer this Bill to the investigating committee. That was the desire and demand of the hon. members of this House that the consideration of the two should go together.

Well, there was a compromise made. It was felt that the committee could not deal with the two questions at the one time, and a compromise was made on the floor of the Senate whereby this Bill was referred to the Banking and Commerce Committee, with the understanding that no definite action would be taken in regard to the affairs of this company until the committee reported. That has been the position of affairs for the past five or six weeks. I think we have been sitting over six weeks. To-night we are confronted with a demand that all the action by this honourable House for the past five weeks shall go for nothing, that the investigation is a sham, a disgrace, and a discredit. These are very hard words to be hurled at the committee, and on behalf of that committee, composed of hon. senators of this House, amongst them the hon. gentleman from de Salaberry (Hon. Mr. Béique), the hon. gentleman from Montarville (Hon. Mr. de Boucherville), the hon. senator from Killarney (Hon. Mr. Young), and others, as chairman of that committee, I decline to accept such a characterization of our work. I do not think it is proper or right that the committee, and its work should be denounced as a sham, disgrace and discredit. I am not going to discuss the merits of the question to-day, but I am satisfied that if this agitation had not been started, if this committee had not commenced its investigation, there would not have been a demand by the Mutual Reserve Life Association to bring in a Bill for the relief of the Canadian policy-holders. At least we have obtained that advantage. The company has come before parliament seeking for what? For a measure? I think it will have a double purpose, one, giving relief to the policy-holders in a sense, and the other result gaining a new name before the Canadian policy-holders, and before the Canadian insurance public of this country. If the first result can be attained I shall be most happy, but if this Bill is a public Bill it is going to interfere with the constitution and organization of all insurance companies. If this Bill is a public Bill and is going to be accounted as part of the Insurance Act you open the door for all kind of machinations amongst insurance men. I know lots of people who entered into insurance companies at the age of twenty paying premiums on policies varying from $10,000 to $20,000, who will be quite willing, under this new state of insurance, to allow their policies to lapse for ten or fifteen years and come in later and repay their premium. It is a false principle of insurance to put into any public Act. You open the door to all kinds of fraud in regard to these matters, but as far as Canadian policy-holders of the Mutual Reserve Life are concerned, if this Bill will have the effect pointed out by the hon. gentleman from de Salaberry, I say it will be a great relief. There is not a man in Canada who will not thank the Senate and particularly the hon. senator from Rothesay, for having agitated the question and brought the company to this honourable House asking to be allowed to reinstate this class of policy-holders who were obliged to allow their policies to lapse owing to increased premiums, or as they call it extortionate assessments. I say we have accomplished a great thing for this class, but that is not the point at this present moment. We have to deal with a motion made by the hon. senator from Toronto, the effect of which practically is asking us to stultify ourselves and annul all our action in the past. I do not think, when hon. members consider the motion carefully that they will endorse the action, or approve of the action of the hon. senator from Toronto.

The action taken by the hon. gentleman from Wellington is well taken. It is taken in the interest of justice, in the interest of the policy-holders of this country, and in the interest of honesty in the administration of public affairs. The accusations brought by the hon. senator from Wellington against the company may be well founded or may not be well founded. I shall not undertake to say whether they are or not, and that is one more reason why this House should not be asked to pass on a Bill to re-

habilitate this company until they know whether the accusations are true or not true. I do not think the hon. gentleman from de Salaberry is right in taking the position he did. On the other hand, the hon. gentleman from Wellington (Hon. Mr. McMullen) felt that this Bill should not receive consideration until all the facts were placed before the House, and all the facts that were at his command and were contained in the evidence adduced, and he was forced to level his accusations against the company on account of the hasty action of the hon. senator from Toronto. These accusations would never have been levelled at the company if the committee had been allowed to conclude its investigation and to make its report. Who can say what the report of that committee will be? It may be a report declaring that the company has been honest and faithful in the discharge of its duties towards the Canadian policy-holders, or the policy-holders of the company. To assume what that report will be and base an argument on that assumption is not in harmony with right and justice. If this motion is to be pressed, it will force the members of the committee who do not consider it a sham, or disgrace, or discredit, to stand up for the honour of the committee to say to this honourable House that before this motion passes all the evidence, so far as we have it in our possession, will have to come before the Senate. That will be a strange position to force us to place ourselves in. I for one do not want to do that; but it is not right to force members of the committee who think they are doing their duty conscientiously into that position. It is not right to assume that they are doing an unworthy work, and it is not right to characterize us before the country as a sham, a disgrace, and a discredit. It is not right that such language should be hurled across the floor of this House, and, as a member of the committee, I decline respectfully to accept these epithets. I wish to say before the country that this committee has done its duty honestly, fearlessly and conscientiously, and, under these circumstances, if forced to do so, I shall be obliged to put before the House to-night evidence of the most damning character. We are not attacking the company; we are not investigating the deeds of the policy-holders. We are told the company are the policy-holders. That is hair-splitting and quibbling with the question. We are not appointed to investigate the company's deeds, but we are appointed to investigate the deeds of the members of the company who are elected on the directorate every year. It is their administration we are investigating, and it does not cover much ground. It covers merely the personality of three or four officers of the company, and we want to ascertain and establish whether that administration is honest and in the interest of the policy-holders. If that administration is honest, and has been in the interest of the policy-holders, then let this honourable House give them every power that is possible to maintain the business of the company in this country; but if the committee find evidence to show that the administration of this company by its president, by its vice-president, by its officers, or by ex-officers, has been and is dishonest, then it is for the Senate to tell the public what the real condition of affairs is, and not to hide the truth, no matter what the consequence may be. Let the truth be known. Let this be a lesson to all companies of this kind who dare to trifle with the funds of widows and orphans.

If hon. gentlemen could see the letters that come to the members of this committee, from widows and orphans, and from policy-holders calling the company names that I would not dare repeat on the floor of this House. If you heard the expression of opinion against the company by members of this Senate who were policy-holders of that company, and who were obliged to allow their policies to lapse, owing to what they call the extortion by the company; if you heard the statement of members of parliament, responsible before the country, that the company was run on the line of rascality—the House would pause before rehabilitating this company until the evidence and report are before the Senate. These statements are very hard to prove before the committee on a legal technical basis, but there are the sobs of the widows and orphans dribbling into the Senate and into this committee from all parts of the Dominion telling how they had been driven to the poor-house owing to the extortion of this company. I have seen young ladies on

the floor of this House whose mother had been deprived of the face value of the policy of her husband, and it was scaled down from $10,000 to $2,500.

We cannot go into the particulars of these things, but we know that the members of that committee are doing here to-day a noble work on behalf of the policy-holders. We are not ashamed of the taunts that we have heard on the floor of this House, or in the corridors, from senators who ought to know better. I for one am not. I stand here to do my duty fearlessly, honestly and impartially. Some hon. senators may talk as they will about this committee—we are doing a work that will prove the usefulness of the Senate to the community at large, because the companies doing business on the same lines, as the Mutual Reserve, will not be tempted to be unjust or dishonest in transactions with policy-holders, when they know that their methods can be investigated ? I shall not, at present, go into the evidence that I hold, evidence of the most damaging character, evidence that the president of the company stated to his officers that he wanted $100,000 to buy out the insurance department of New York. I will not go into the evidence where he stated to his officers that he had compromised for $65,000 ; I will not go into the evidence where he at last said that all he had to pay was $40,000 to the insurance department for a favourable report, when Mr. Payne wanted to bring in a report that would damn the company for ever. I will not go into the evidence where each of the directors had to contribute his share to pay that amount of the insurance money to the department. I will not go into the charges which have been proved before this committee, that this company has paid money to officers of the company to have charges of bribery——

Hon. Mr. BEIQUE—Will the hon. gentleman not say that the very witness he said had heard a thing of that kind, admitted that he did not believe a single word of it ?

Hon. Mr. CLORAN—I have here in my possession the brief of Moss.

Hon. Mr. BEIQUE—Was not the witness asked whether he had anything to say against the report of the insurance department of New York, and he said No ? He was invited to criticise it and he said he had nothing to say against it.

Hon. Mr. CLORAN—I am not alluding to the evidence before the committee, so much as to what I have in my hand.

Hon. Mr. BEIQUE—The hon. gentleman has no right to discuss such evidence.

Hon. Mr. CLORAN—I am not discussing the evidence before the committee, but I hold in my hand documents which the company had to pay fifteen thousand dollars to have withdrawn—is not that evidence ? There is a most damaging document which the company paid to have withdrawn. There is another one on the table, which the hon. gentleman objected to admitting as evidence. I decided that it should be admitted. The hon. gentleman from de Salaberry has appealed from my decision, and wants to have it struck out of the record—a document charging the company with all kinds of maladministration, a record of the courts of New York, charging, not the company, because the policy-holders are a part of the company, but charging the administration of the company ; that the officers of the company paid a man five thousand dollars to allow a criminal libel suit to drop, and yet we are told that that record should not form part of the evidence. When a majority of the committee decided that it should be evidence, the hon. gentleman (Hon. Mr. Beique) comes to the House for a special order, to order me to produce the report, and appealing from my decision. He can appeal from my decision, but any fair minded man who will read that document, which the company paid $5,000 to have dropped will say that it is evidence which should be on the record. That is the position of affairs. I say it is not right or fair to the committee. It is not dealing honestly by the policy-holders of this country, not even fair to the company, to ask to have a Bill considered in their behalf, and in behalf of the policy-holders without having all the evidence taken during this investigation before the Senate. That is the position I take, and if things go any further, I shall have to produce evidence, without it being brought out before the committee.

Hon. Mr. McGREGOR—I have not been able to follow the discussion. This Bill was

before the Committee on Banking and Commerce, of which I have the honour to be a member, and I expect to support it when it goes to Committee of the Whole House. At the same time, I thought the amendment moved by the hon. senator from Wellington, ought to have been accepted. It was my intention in the first place, to have supported the amendment, and I suggested to the promoter of the Bill, that it would be better to wait. I cannot see, however, even when the report comes in, that anything is to be gained by it. Supposing this company, has been as bad as has been charged, I do not see what relief that will give to the policy-holders. At the same time I would have preferred, if possible, to have waited for the report of the committee; but we are all looking to an early adjournment, and this Bill has to go to the House of Commons if it is to pass this session. There is not time to lose; otherwise, I would gladly have supported the amendment. Not that it will change my opinion. However bad the company may be, I do not see how the exposing of their methods will give relief to the policy-holders.

Hon. Mr. DAVID—On this question I think it proper to say a few words, because I am myself interested. At the beginning of this discussion, I was disposed to be hostile to the company, having been one of their victims. I was rather inclined to think that everything proposed by them would be necessarily bad, but, on reflection, I thought that vengeance would in this case, be not only unchristian, but not practical, and it would be even perhaps a very dangerous feeling. Having thought over the matter, I came to the conclusion that the best we could do in the interests of the policy-holders was to take advantage of the company coming before parliament for legislation, to get from them as much as possible, in the interests of the policy-holders. I thought it was a most practical policy, and that it was better, before rejecting all their proposals, to wait for the Bill, and see what it would contain, and judge it on its merits. That Bill has been prepared by very competent men—Mr. Eldridge, Mr. Fitzgerald, the Inspector of the Insurance Department, and Mr. Bradshaw, representing the Canadian companies, and I was surprised to see such a good Bill presented. I did not expect that it could contain all the clauses which the policy-holders wanted. I was not satisfied with my own opinion merely, but obtained the opinion of policy-holders in Montreal who, I thought, were better informed than myself, and I came to the conclusion that it would be a mistake to reject such a Bill, that it would be against the interests of the policy-holders, and that those who were influenced by a feeling of revenge would do a great wrong, if not to themselves to the policy-holders. I consider the Bill is good for the following reasons, which I sum up in a few words: First, because it is the only remedy which can be provided for the policy-holders who have suffered and who are exposed to suffer in the future. It is their only chance to get something from the company. The more those who have spoken against the company have said against the company, the more have they convinced me that this Bill is in the interest of the policy-holders, and that if nothing is done the old as well as the new policy-holders will lose everything. Take my own case as an example, and when I speak I represent the feeling and opinions of the majority of the policy-holders: If no legislation is granted, the best I can do would be to drop the remaining $2,000 insurance I have in the company. I dropped $10,000 in 1898 and 1899, and I shall be forced to drop the other $2,000. The Bill is advantageous to those who have continued to pay their premiums, because they prefer the certain to the uncertain, the definite to the indefinite. They want to know in what position they are; they do not know what will occur if there is no Bill. The fact is, the premiums will be increased, and the time will come when policy-holders will be unable to meet their payments; that must necessarily happen. Secondly, the Bill is advantageous to the old policy-holders who have been obliged to drop their policies, because they could not pay the increased premiums. Their policies have been dead, and are now to be raised from the dead. I congratulate those who are raising us from the dead. After having made certain calculations, which have been revised and corrected by some competent persons, I come to the conclusion that the clause in the Bill about the revival of lapsed policies is in the interest of those people. But what will hap-

pen if the Bill does not pass ? Evidently it is the only chance which will be given to them. For a great number of us there will be no chance, because we have attained an age at which we cannot be insured in another company. This is the only company which will consent to insure such men on the conditions mentioned in the Bill. I call the attention of hon. members to this point.

Hon. Mr. POIRIER—Will they have to undergo a medical examination ?

Hon. Mr. DAVID—They only have to produce a medical certificate that they are in good health.

Hon. Mr. POIRIER—That is very broad.

Hon. Mr. DAVID—But we have not to complain of that.

Hon. Mr. POIRIER—I apprehend that more than 50 per cent will be excluded from the benefit of this clause—75 per cent. It seems to me a delusion and a fraud.

Hon. Mr. DAVID—That is a matter of opinion, and the policy-holders are not of the hon. gentleman's opinion, and their opinion is worth something. I am surprised to see that those who have displayed so much activity and energy in connection with this question are not more inclined to take into consideration the opinion of the policy-holders. I thought everything they were doing was being done in the interest of the policy-holders. I begin to have doubts. I commenced to suspect that our interests were not exactly what they intended to favour. To finish what I have to say, I should like every hon. member to consider what can be offered in lieu of this Bill if it should not pass. If you have something to give the policy-holders, the new as well as the old, please tell us what it is, and if it is better than this Bill we shall accept it willingly; but if you have nothing to offer to the new or to the old policy-holders, this is something which is worthy of consideration. We have an offer which we are disposed to accept. If the Bill is not perfect—and there is nothing perfect in this world, even investigations are not considered perfect——

Hon. Mr. CLORAN—The investigation gave you the Bill.

Hon. Mr. DAVID—The hon. member from Victoria said a moment ago he was proud to say they had contributed to have this Bill brought before the Senate Then the conclusion is that the hon. gentleman and his colleagues ought to support the Bill and give the policy-holders the advantage of what they have done apparently in their interest.

Hon. Mr. CLORAN—So we shall when it is ready.

Hon. Mr. DAVID—To be consistent, the hon. member ought to give us a chance and adopt this Bill unless they have another Bill. The object of the amendment is to postpone the consideration of this Bill until after the investigation is closed. Is that wise ? We are very near the end of the session, and we do not know what will happen in that committee. We do not know how long the investigation may be continued. Parliament will prorogue and will the committee continue sitting ? I thought perhaps a motion might be made to have the investigation continued during the recess, but that would be very dangerous. Those who are in favour of the Bill and have confidence that it is in the interest of the policy-holders, all who want to do justice to those who have suffered, ought to vote for the Bill.

Hon. Mr. DOMVILLE—I have listened with considerable attention to the elaborate address, I might say defence of the company by the hon. gentleman from de Salaberry. It certainly was not a defence of the committee, but an attack on the committee at every vulnerable point, if there was any, and at the same time saying all that could be said in defence of the company. Like all special pleaders he tried to influence somebody else to do something he was not going to do himself as is the custom in court. I am quite prepared to make some allowance for the hon. Secretary of State. People say things sometimes on the spur of the moment which they regret afterwards. If one statement he made is correct then the hon. member for de Salaberry, as well as every other member of the committee, stands charged with being a 'sham' a 'disgrace' and 'discreditable.' I took those words down. That language is applied to every one of the nineteen members of the committee. The hon. gentleman from de Salaberry says this Bill did not suit him :

I do not see how it could suit him. I turn to Webster's unabridged dictionary and I find the definition of the word discreditable. It is 'tending to injure credit, not creditable, injurious to reputation, disgraceful, disreputable.' Therefore there are nineteen members of the committee charged by the Secretary of State with being disreputable.

Hon. Mr. SCOTT—No.

Hon. Mr. DOMVILLE—I say yes. I took the hon. gentleman's words down. He also said that it was a 'sham.'

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. DOMVILLE—My hon. friend says hear, hear. The public will be pleased to hear that he has designated a committee appointed by a majority of this House to investigate charges made against the Mutual Reserve Company by the policy-holders, as a 'sham.' I am for the policy-holders; I am not for the management of the company. I am neither trying to uphold nor to discredit the management. I am only trying to show what has been done for and against the interest of the policy-holders, and it will be for the public to say whether the evidence sustains one side or the other. If this evidence which has been taken is permitted to be brought down and not stifled, shows that the policy-holders have not been properly treated, then what will be thought of parliament if a majority of its members should array themselves on the side of the managers of the company and against the policy-holders? My hon. friend says this committee is a sham. Webster defines 'sham' as:

> That which deceives expectation, any trick, fraud, or device that deludes and disappoints, delusion, mystery, fake, humbug. Believe who will solemn sham, not I—Addison.
> To deceive expectation, to trick, to cheat, delude with false pretenses.

Are those words to be used by an hon. gentleman, leading the government in this House, who should be here to give fatherly advice, to be applied to a committee appointed by this House? The hon. gentleman should express his approval of the course we are pursuing, and if those poor people have been wrongfully treated, should help us to see them righted. He should be the champion in this House, having a majority behind him, to help to right the policy-holders, not help to sustain those who have deliberately wrecked them. My hon. friend the Secretary of State takes the position that everybody is a sham, everybody is a fraud. 'Honi soit qui mal y pense' is a motto on the Royal Arms—evil be to him who evil thinks. I hold in my hands a letter sent to me from the Commons, by the Hon. Mr. Ross. Is he a fraud or a sham? He writes me on the 18th July, 1904, as follows:—

> I take the liberty of inclosing you a letter from J. B. Patton in connection with the Canadian Life Insurance Company. Mr. Patton being an agent for some Canadian office has had considerable experience in that business. So what he says may be considered reliable.
>
> Yours very truly,
> WM. ROSS.

If hon. gentlemen are going to take the view that the policy-holders are saying nothing, then we must read a mass of letters here that would load up the debates to a very great extent, but it is not necessary to do that. If you can show by one or two or three letters with a hundred or two behind them that is sufficient, and, added to that we have the report of the committee and the evidence taken. Every hon. gentleman can read it over and form his own conclusion. The letter which I am about to read to show that all the policy-holders do not take the same view as my hon. friend, is something I think will cause the hon. members of this House to consider for a moment. It reads as follows:

> Halifax, July 2, 1904.
>
> Hon. Wm. Ross, M.P.,
> Ottawa, Canada.
>
> Dear Sir,—I beg to draw your attention to the inclosed leaflet. I hope you will give the matter your best consideration in the interest of the public generally. Permit me to call your attention briefly to the fact that the Mutual Reserve Fund Life Association did an extensive business in Nova Scotia some years ago, and without exception every man and woman who joined the society, with whom I came in contact, and I met many in Halifax and throughout the province, were sadly misled and outrageously imposed upon. They were assured that its assessments were 'stipulated premiums,' fixed sums for fixed amounts of assurance, and not liable to be increased. Not only that, but that the reserve fund would in fifteen years from date of joining yield sufficient revenue to enable it to reduce the assessments materially. Indeed many were led to believe that at the end of fifteen years their policies would become 'paid-up life insurance,' and that they would receive dividends in addition thereto. You can imagine their astonishment and consternation when their assessments were increased, and steadily went up to double and treble the original amounts.

In the Halifax 'Chronicle' some years ago I gave facts, figures and cases in exposure of the fraud, and in connection therewith there cropped up a number of sad cases. Allow me to cite only one of them as an example: A Mr. McDonald had during a number of years paid into this so-called Mutual Reserve Fund Life Association of New York all his surplus earnings - then when unable himself to satisfy its rapacious maw—he called upon his daughter, then working near Boston, to come to his assistance, which she did, but unfortunately the assessments still kept rising higher and higher until poor McDonald and his daughter, slave as they would, could not meet them. The poor old man at last appealed to his nephew, a farm labourer, to come to his rescue which he generously did, but still the monster's jaws opened wider and wider, and all three—father, daughter and nephew—combined could not raise enough to satisfy its insatiable lust. At last accounts the old man's eyesight failed him. Unable to work, disappointed and broken hearted, he and his poor old wife were driven to the poor house. The hundreds of dollars taken from this old unsophisticated Nova Scotian through the misrepresentations and deliberate falsehoods of the Mutual Reserve would no doubt have saved him and his wife this humiliation and torment. Under these circumstances and for the reasons set forth in the leaflet, I trust and feel confident that you will not allow the General Insurance Act to become an instrument to enable the Mutual Reserve, or any society or company, to unload its liabilities so easily, and to further impose upon the people. Instead of amending the Act so that the public may be more easily deceived, something should be done to make it more difficult. The people look to the government to protect them in insurance matters against deception and fraud.

Apologizing for my extended remarks, I am,

Yours respectfully,

J. B. PATON.

P.S.—Hope you are well.

THE CANADIAN LIFE INSURANCE OFFICERS ASSOCIATION.

Re Bill introduced into the Senate by Hon. J. K. Kerr, Toronto, entitled 'An Act further to amend the Insurance Act.'

The Canadian Life Insurance Officers Association, comprising in its membership practically all the Canadian and British Life companies, has given this Bill careful consideration and unanimously concluded that the proposed legislation, in its present form, is extremely prejudicial to the interests of sound life assurance in the Dominion of Canada.

The following reasons are given—

1. The Bill is introduced on behalf of, and can apply to the business of only one institution, the Mutual Reserve Life Insurance Company of New York, formerly known as the Mutual Reserve Fund Life Association of New York; yet it has been framed in such a way as to give the impression that it is of general import. This association considers that the introduction into the General Insurance Act of provisions such as are contained in the Bill in question, giving power to change the amount of the policy, alter the premium, and entirely reform the contract, would convey an erroneous impression to the Canadian insuring public, and to the insuring public of other countries where our Canadian companies are seeking business, in regard to the stability and standing of our regular companies, and of life assurance in general in Canada.

2. The association is also of the opinion that the General Insurance Act should not be made the vehicle to give relief to any one institution in particular. If this be allowed to be done in the case under consideration, it would appear that it may form a dangerous precedent.

3. The members of the Canadian Life Insurance Officers Association would respectfully express their regret that there has been included in the General Insurance Act legislation dealing with assessment assurance, inasmuch as it has afforded an opportunity for those who advocate assessment assurance to urge that that class of assurance and regular life assurance, being legalized by the same Act, were in fact the same and, as a consequence, many people have been deceived thereby. Should further legislation on the subject of assessment assurance be introduced into the General Insurance Act as proposed, it appears to this association that it will have the effect of aggravating this impropriety.

4. The association ventures to suggest that whatever legislation parliament deems it advisable to grant in the premises, such legislation should be in the nature of a private Bill, so that it will be unmistakably known to apply only to the society seeking it—the Mutual Reserve, and thus, that sound life assurance shall not be injured or prejudiced thereby.

The Hon. Wm. Ross, late minister of the Crown, in the Liberal party, certifies to this gentleman. Is that not a hard case? Yet when we try to do something that would put these people on a proper basis we are accused of being 'shams' and 'a disgrace' and 'discreditable.' Our desks are loaded with such letters as these. I do not propose now to answer the argument on the other side at any great length unless this motion is going to be defeated. With reference to what has been stated by the hon. gentleman from de Salaberry, when we go into the matter of the evidence we shall brush aside all that he has said to-night as something wiped off the slate, because it is of very little consequence, and has little bearing on the subject-matter. The hon. gentleman from de Salaberry said 'Let in evidence not proved.' Evidence which my hon. friend seeks to cut out of the report because it is damaging the company is conclusive. Were it not damaging to the company what object can there be in cutting it out? I can easily see that this report going everywhere will have its moral effect. I got a letter from Holland only yesterday on the subject, and letters are coming in from everywhere. I might refer to pages of newspapers which have very little bearing on the

subject. If the reading of a newspaper is in any way going to improve the position what object in cutting it out, and. vice versa, if any evidence put in there and proved as damaging to them, why should it be cut out ? Of course it is in the judgment of the House.

Hon. Mr. MACDONALD (B.C.)—Why did the hon. gentleman not summon the King's Printer before the committee, and ask why it was cut out ?

Hon. Mr. DOMVILLE—Well, we might do that too. I suppose we can hardly discuss the Bill now, but it put me in mind of an advertisement read in the newspaper about a find of diamonds in Galway, but when I got to the bottom I found it was an ad. for St. Jacob's Oil. The first Bill comes in, and then a second Bill comes in with the names on the back reprinted as redrafted, June 30th, 1904, by Messrs. Fitzgerald, Superintendent of Insurance, Thomas Bradshaw, &c. The people in Holland, Denmark or France will not know what has been going on in its entirety, but they will have the fact before them, that the Senate of Canada had employed these gentlemen to draft a Bill, and on the back of that Bill which they have drafted is the name of the vice-president of the Mutual Reserve Fund Company—asked by parliament to draft a Bill, while a committee is sitting in another room of the same building investigating charges against the president and management of that company.

Hon. Sir MACKENZIE BOWELL—I should like to call the attention of the hon. gentleman to the fact that the Bill from which he is quoting is not the Bill before the House.

Hon. Mr. DOMVILLE—I am not going to dwell on it any more than to say that this draft Bill could be made a very valuable factor in the hands of an agent canvassing for insurance business, and as a substantiation of the sound position of the company, whether right or wrong. The next Bill brought in has not this endorsement on its back, but it has a great many clauses which I cannot approve of, and if we are to go into the matter to-night I shall have to deal with them very fully. As to whether this Bill should be treated as a private or a public Bill I shall say nothing this afternoon ; but if we had gone into committee on the Bill where was concurrence to come from for the report of the committee ? It was concurrence we had to deal with on their report, and then to go into committee afterwards, but not to put the cart before the horse. The present Bill is not robbed of its sting. It is along the lines of the first Bill introduced by the hon. gentleman from Toronto. The Bill now before us has been shuffled about a good deal. All that appears in the debates about it is not worth dealing with now, but there is really nothing in this measure which can be enticing to the public. The Bill is very misleading. An hon. senator said to me today : 'You are not by this Bill cutting away the right of action on the part of the policy-holders?' He had not fully grasped the fact that this seventh clause cuts away all chances of action, because it says :

> Nothing in this Act, shall affect any suit action or other proceeding now pending in respect of any assessment policy.

They still have the right to go on with any existing suit, and I can readily understand that without an explanation such as the committee would give, hardly any man would detect that the policy-holders are being legislated out of right of action. There is the sting. There is where the St. Jacob's oil comes in. Something to stop somebody from doing something. If this Bill became law and the House prorogued on the 1st of August, the public would only know that the Government had come down and given his assent to the Bill, and they would wake up to the fact that no one could bring an action against the company. Nine days from now they should learn for the first time the fact that they should enter suit at once. They must get a lawyer to ascertain the expense, get all the particulars. Failing that, they are driven to accept any terms laid down to them by the company, and they have no redress. My hon. friend from Mille Isles (Hon. Mr. David) said he was at first against the company. Now he is with the company the Bill is so good, and he is surprised at it being so good. I have not formed the same opinion as he has.

Hon. Mr. CLORAN—Is the hon. member a shareholder ?

Hon. Mr. DOMVILLE—Yes, I am a policy-holder.

Hon. Mr. CLORAN—For how much ?

Hon. Mr. DOMVILLE—I am a policy-holder and I am seeking just as my hon. friend from Mille Isles is to see where others and myself can be placed in the best position. I am not here to ruin the company.

Hon. Mr. CLORAN—Is the hon. gentleman paying his premium ?

Hon. Mr. DOMVILLE—Yes, under protest right along. I have some correspondence from the company which I shall read presently to the House to show what opinion I formed then. The policy-holders will wake up to the fact that the only people who can obtain any remedy against the company are those who have already commenced action. If we could send a warning note through the country in such a shape that people could understand it, then with this Bill before them they would enter suits at law, and what position would the company be in, and what position would the Senate be in, for allowing a Bill to go which in itself ruins the company ? It ruins the company through this very clause warning the policy-holders to bring action at once. Every policy-holder included in the $8,000,000 must bring suit at once in order to recover against the company. I may say that very clause is fatal and must damage the company, and if it had been introduced by myself or any member of that committee I would consider that I was open to the censure of every policy-holder in Canada because I was placing them in a position that company must be ruined. Per contra if they do not enter suit then they must fall back on the Bill and make the best terms they can. Let us take the Bill and consider the details. Look at clause 3 and we find, 'Amount of policy computed B. First option, then second option and then the third option, which is C.' The first and second options are virtually one and the same, because they have asserted in their evidence and we have the circulars issued by them to the policy-holders that they have to adopt drastic measures of this kind to meet their liabilities. I shall read presently of the calls made. Not being able to meet their liabilities they put extra calls on and they give the reason that they wanted to wipe off indebtedness. While this great expense was going on, the company was falling behind some $5,000 a year, and they say to the policy-holders—and that is what this Bill says—You have got to get out in some shape. Get out you must. If you propose to hold on to No. 1 you must pay according to the Hm. Mortuary table of the institute of actuaries of Great Britain a rate of interest of 3½ per cent per annum. The Hm. means healthy male. It says nothing about female, but I suppose it all comes under the same category. I am advised that this would reduce the policies down to one-half. A policy-holder having $10,000 insurance would have to consent to being reduced to five thousand. Therefore the five thousand that he paid for and that he believed when he went into the company was to protect him, right or wrong has disappeared, and he is compelled to accept their compromise. If you take option No. 2 it is the very same thing. They say you can remain in the company but your policy must be loaded up. No. 2 reads :

> Provided that the full reserve or reinsurance value for the amount of such policy at the date of the said license computed from the date of the issue of such policy on the basis aforesaid, shall be a lien or charge upon the said policy, bearing interest to be compounded annually at the rate of four and one-half per centum per annum until paid, or until the policy becomes a claim, and the amount of such lien or charge, unless sooner paid, shall be deducted from the amount of such policy when the policy becomes a claim.; and provided also that insured may at any time pay off the said lien or charge or any part thereof.

On the one hand they make a clean cut and divide the amount of the policy. On the other hand there is the sophistry of saying 'We load your policy down and if you can pay it off at 4½ per cent all right.' What possible difference can there be between the two, if you take less for your policy or if you hold the policy for the same amount loaded down with a lien it will balance exactly, there are five on each side. Then subsection (c) reads :

> (c.) The holder of any such assessment policy shall have the right to continue his said policy for the full amount thereof as a yearly renewable term policy upon which the premiums shall not exceed the net yearly natural premiums for the attained age of the insured calculated upon the basis of the mortality table and rate of in-

terest aforesaid with a loading of five per cent for expenses.

There are two classes of insurance in one the premium remains level through life, and in the other the rate increases each year according to the mortuary table. As the hour is late and I have a large number of notes to which I must refer, I move that the debate be adjourned.

Hon. Mr. SCOTT—I fancy there is nothing to be gained by discussion as every member of the House has probably made up his mind as to how he will vote on the motion.

The question being put :

The SPEAKER—I think the non-contents have it.

Some hon. MEMBERS—Yeas and nays.

The SPEAKER—Those hon. gentlemen who are now entering the chamber of course cannot vote.

Hon. Sir MACKENZIE BOWELL—When the yeas and nays were demanded, the hon. members should have been called in.

Hon. Mr. SCOTT—The shorter way is to call in the members.

The SPEAKER—No hon. member who is not present when the question is put is entitled to vote.

Hon. Mr. POIRIER—I believe the rule reads 'Inside the bar.' I was outside the bar and the question was sprung so quickly I had not time to pass the bar.

Hon. Mr. WILSON—Which bar ?

The SPEAKER—If there is no objection I shall call in the members.

Hon. Sir MACKENZIE BOWELL—The Speaker is quite right in saying, if a member is not in the House when the motion is read he cannot vote, but the motion is read after the members have been called in and after the Serjeant at Arms has appeared at the bar indicating that the members are in.

The House divided on the motion to adjourn the debate which was lost on the following division :—Yeas 18 ; Nays 21.

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Hon. Mr. POIRIER—Might I be allowed to ask a question ? This motion was by way of amendment. I never saw a motion for adjournment put as an amendment to a main motion. The whole matter appears very strange and it strikes me we are proceeding on an unusual line.

The SPEAKER—I stated the position of matters. I stated the motion before the House and put the question on the motion to adjourn. I am not proposing any other question now.

Hon. Mr. LANDRY—How will that be entered in the proceedings ?

The SPEAKER—The motion to adjourn will be entered as lost.

Hon. Mr. LANDRY—Will it be entered as an amendment ?

Hon. Mr. McGREGOR—I call attention to the fact that the hon. gentleman from Moncton (Hon. Mr. McSweeney) did not vote.

Hon. Mr. McSWEENEY—I paired with Mr. Edwards, the hon. gentleman from Ottawa.

Hon. Mr. DOMVILLE—I place before the House the fact that there were two classes of insurance, one to load up and the other to reduce, and that the rate increases each year according to the mortality table, and is called the natural premium plan because it is the natural course of insurance. Section 7 of the by-laws governs the charging of these premiums . Under the company's by-laws, article 7 section 2, any policy-

holder accepting either the first or second option has to pay what they in their discretion may wish to put on him by way of a premium rate. Their decision is law. Under their articles the policy-holder has to pay whatever they may choose to charge him with or he looses the value of his property. If he does not pay up, his policy goes. I shall be prepared presently to show that the first claim, according to the document I have here, against the moneys of the company is for expenses, whereas the first claim should have been for death losses, but the expenses go first and the death losses come afterwards and then there is nothing to pay the death losses. If our contention is right, and the evidence is correct, all mismanagement and all the money that is thrown away has to come out of the premium, and what is left goes to pay death losses and therefore the policyholders are forced into one of those two options, equivalent in a way, and they must pay the premiums as laid down by this company.

Hon. Mr. LANDRY—I rise to a point of order. When an hon. gentleman speaks every member of the Senate must be seated.

Hon. Mr. CASGRAIN (de Lanaudière)—Will the hon. gentleman point to the rule?

Hon. Mr. LANDRY—Yes, I shall. The rule is as follows:

Senators may not pass between the chair and the table. When entering or crossing the Senate chamber they bow to the chairman and if they have occasion, when the Sena[illegible]ng to speak together they go below the bar, otherwise the Speaker stops the business under discussion.

Hon. Mr. WATSON—The bar below?

The SPEAKER—The hon. gentleman from Stadacona has stated the rule correctly.

Hon. Mr. CLORAN—Is it endorsed by the Speaker?

The SPEAKER—The hon. gentleman read the rule and hon. gentlemen understand it.

Hon. Mr. DOMVILLE—Article 7 section 2 of the by-law which reads as follows:

Article 7, Section 2.—By-Laws.

If the net value of the funds which any class, existing at the date of reincorporation of this company under Sec. 52 of the Insurance Laws, shall be determined by the actuary of the company to be less in amount at any time than the reserve required by these by-laws and the policy contracts of said class, of which the same (by-laws) form a part, or by law, each certificate or policy of said class shall be chargeable with an amount limited to its equitable share of such deficiency, to be determined by the actuary of the company, which amount may stand as an interest-bearing loan upon the security of such reserve, as provided in section 5 of this article constituting a lien against the insurance under each such certificate or policy and any dividends or surplus accruing thereon, which lien may, however, at the election of the member or policy-holder, be paid in cash and cancelled.

That gives the company unlimited power to fix what rate the policy-holders shall pay. They have no redress. Their money paid in, as we find as far as we have gone, is largely fritted away for all sorts of expenses, to put it in a very mild way, without giving it a harsh term more than to state that the money has gone wrongly. They then come under that class, and the company keep chartering them all the time as much as they like, and they have no redress because the expenses come first and the mortality afterwards. That is the very condition of to-day and these two clauses allow them to melt down a risk into a lesser policy, or, on the other hand, load it up, with interest on the loading, and having compromised that for 50 cents on the dollar or thereabouts then they can go on with the very same arrangements they had before, and every time they find them not having money enough to meet the expenses, they assess the policy-holders until they drop out one by one, just like the case I have read to you about the poor old man MacDonald who had to go with his wife to the poor house in Halifax; yet my hon. friend says this is a just Bill and commends itself to him. What difference is there between this Bill and the first Bill? There is very little difference, except they have changed their name, a thing I have never before seen done with a Bill in my experience. They have a Bill with two names. If it had been a government Bill it should have gone in the first place to the committee. If it is a private Bill it should take its stages. It must be one or the other. In either case it is wrong, but that is not a very material point to the policy-holder. The policy-holder will want to know the effect of this Bill from first to last as it is presented to this honourable House, and I put it down here so as to be very careful that no slip

of mine shall create any false impression, and that it shall go on the records of the House for those interested to see word for word, as I am advised, the position that Bill places the policy-holder in. It is Bill (H) entitled 'An Act further to amend the Insurance Act.' The avowed purpose of the Bill is not to provide relief for policy holders, but to give the Mutual Reserve a new lease of life and a certificate of health and of good conduct from the Parliament of Canada.

That this is the real purpose of the Bill is evident, because any assessment policy-holder can, as the Insurance Act now stands, obtain an ordinary policy of life insurance. The Insurance Act, chapter 124, section 42a, bearing on this point reads as follows:

> If any company licensed or registered under this Act to carry on the business of life insurance on the assessment system, files in the office of the superintendent any notice of its intention after the date of the mailing of the said notice in detail in respect of all policies issued after the said date in the case of Canadian companies, or in respect of all policies issued in Canada after a said date, maintained for the security of the policy-holders of the said policies the said reserve and comply with all other provisions of this Act applicable thereto as if it were licensed under section 4 of this Act.

If this Bill did not go into operation to-day, let us look at the position of the policy-holder of the past year and up to the present day as if no Bill were passed. He has all these options that you put in this Bill. Why send out these circulars advising people to take a level premium. They get very few who desire to do it. Under this reincorporation as they called it in New York, they took the power to do this level premium business, but the policy-holders would not accept it and in this Bill, to-day it is worse for the policy-holder than before, because he could then take it or not. He could make up his mind to take one of two options or to remain as he is. What more is he getting now? Where is the sugar plum that the company are going to give them? I will show you in a moment how entirely wrong the impression is that they are going to get money. The Mutual Reserve filed a notice, August 11th, 1899, and on so doing obtained the right to write business on the legal reserve plan but was not stopped from writing new business or taking care of its old business on the assessment plan. That is just what I have stated here. The deposit must be made. The Insurance Act, section 42a, subsection 2 reads:

> The deposit of any such company in the hands of the minister at the date mentioned in the notice of the preceding subsection referred to shall be applicable to the policies issued prior to the said Act and shall be dealt with in regard to such policies as if the said notice had not been given, and that the provisions of this Act applicable to assessment insurance companies other than the provisions contained in this section shall be applicable to the policies of the company issued prior to the said date in the same manner and to the same extent as if this section had not been passed.

Therefore the right of the policy-holders under the assessment plan was preserved in so far as the $220,000 or $230,000 referred to here deposited in the hands of the department or the government, let them do what they might with the rest of the policy-holders, whether they took the level premium or whether they did not. This Bill will cut that right away. We are told that some $157,000 is to be divided among them. The hon. gentleman from de Salaberry said that this money was not going to be taken out of the hands of the government but is to remain at Ottawa. The Bill states that they should have a bonus addition of this amount, either applicable to the policy to increase so much insurance, or on the other hand to reduce their premiums by so much. Now they get no money out of that; they are still hived where they were before with a policy promised, and from the general appearance of [illegible] must be compromised again and continue to be compromised. My hon. friend said—and I am quite sure he said it in all sincerity—that this money was going to be divided among them. If you take $150,000 and divide it among $8,000,000 you know what that amount will do in the way of payment or reduction of the claims, just a reduction of $20 for every thousand dollars of insurance. So that any policy-holder having taken out a policy for $1,000, and having paid four or five or six hundred dollars premiums on it, under this lovely sugar plum, coated all over with gold he will get $20, either have the benefit of it or he will get $20 added to his policy by way of additional value or $20 allowed him to reduce the premium, one reduction of $20 on a premium, and while they are taking twenty off with one hand they are jumping

up a hundred on another, and the money disappears. My hon. friend said that three different classes of policy disappeared and that there was to be only one class of policy hereafter—that is the level premium. On that one policy, if the level premium policy-holders of to-day have to accept an arrangement by which these other people come in and pay a lower premium than they do, they are not going to submit to it. It is an injustice to the level premium man. If the assessment system policy-holders are allowed to come in at a low rate, it would be manifestly unfair to the straight life policy-holders. They would not accept it. Therefore to be equitable all policies must stand on the same basis.

Hon. Mr. KERR (Toronto)—I rise to a point of order. The hon. gentleman moved the adjournment of the debate and having moved the adjournment of the debate he cannot speak again on his own motion ?

Hon. Mr. DOMVILLE—I had not finished speaking.

Hon. Mr. KERR (Toronto)—Bourinot lays down the rule as follows :

A member who has already spoken to a question has no right to rise again and propose an amendment or the adjournment of the House or of the debate, though he may speak again to those new questions when they are moved by other members. For the same reason, a member who has moved the adjournment of a debate cannot speak to the original question.

Therefore I take it the hon. gentleman is entirely out of order.

Hon. Mr. MACDONALD (B.C.)—Will the hon. gentleman from Toronto agree to an adjournment of the debate.

Hon. Mr. KERR (Toronto)—I have nothing to say about it.

The SPEAKER—The point of order is well taken.

Hon. Mr. LANDRY—I cannot move the adjournment of the debate, but I may speak to the question.

Hon. Mr. YOUNG—The hon. gentleman seconded the motion to adjourn.

Hon. Mr. LANDRY. I did not speak.

Hon. Mr. KERR (Toronto)—Bourinot says :

A member who has moved or seconded the adjournment of the debate cannot afterwards rise to move the adjournment of the House.

Hon. Mr. LANDRY—I shall discuss that point. I claim that in the Senate there is no need of a seconder. A motion can be put by the member who proposes it and a seconder is not needed. Therefore the point cannot apply.

Hon. Mr. YOUNG—But the hon. gentleman, nevertheless, seconded the motion.

Hon. Mr. LANDRY—This rule only applies in debates where a seconder is required. It does not apply in the House of Lords or in the Senate. The authority says :

In the upper House any Lord may submit a motion for the decision of their Lordships without a seconder. The only motion requiring a seconder by usage being that of the address in answer to the Queen's speech, but in the Commons, after a motion has been made, it must be seconded by another member, otherwise it must be immediately dropped and further debate must be discontinued when no question is before the House.

The SPEAKER—I do not think there is anything in that point ? The hon. gentleman could have made his motion without a seconder, but as there is a seconder the effect follows. My impression is that the hon. gentleman from Stadacona did not rise to second the motion and the hon. gentleman from Rothesay simply said 'Seconded by the hon. gentleman from Stadacona, and I do not think the hon. gentleman can be considered as having spoken.

Hon. Sir MACKENZIE BOWELL—Bourinot says :

A member who has moved or seconded the adjournment of a debate cannot afterwards rise to move the adjournment of the House, and as a member who moved an amendment cannot speak again, so a member who speaks in seconding an amendment is equally unable to speak again upon the original question.

So the hon. gentleman is in order.

An hon. GENTLEMAN—Move an adjournment !

Hon. Mr. LANDRY—I have no right to move the adjournment of the debate, because an adjournment has already been moved, without a subsequent motion, and had I a right I would forfeit my opportunity to speak on the amendment, should my proposition be negatived.

Hon. Mr. WILSON—The hon. gentleman will have the right to the floor to-morrow if he desires to speak.

Hon. Mr. KERR (Toronto)—There might be an understanding that the third reading of this Bill shall take place to-morrow.

Hon. Mr. CLORAN—That would depend upon the absent members.

Hon. Mr. MACDONALD (P.E.I.)—I move the adjournment of the debate, and that it be the first order after third readings to-morrow.

Hon. Mr. MACDONALD (B.C.)—This is sanctioned by a majority who a short time ago declined a reasonable proposition to adjourn the debate. I do not think they should be allowed to do it. It will not hurt them to have to proceed a little further with this matter. I think it would refresh the minds of hon. gentlemen if they heard the Bill read from beginning to end and perhaps they would not be so cruel about it again.

The SPEAKER—There should not be a discussion on a motion to adjourn.

Hon. Mr. MACDONALD (B.C.)—It was not carried. If the House promised to be considerate I shall let them go home and sleep. I want to show the House what can be done, so that they will see that they must be more considerate than they have been.

The motion was agreed to.

The Senate adjourned.

THE SENATE.

Ottawa, Wednesday, July 20, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

GOLD MINING CONCESSIONS IN THE YUKON DISTRICT.

INQUIRY.

The Order of the Day being called,

By the Hon. Mr. MACDONALD (B.C.):

That he will call the attention of the government to some of the concessions made of gold-bearing ground in the Yukon district to different persons, such as—

The Boyle concession.—Commencing near the mouth of Bonanza creek and extending up the Klondike river a distance of six miles, and embracing, according to Treadgold's own sworn statement before the Royal Commission (Judge Britton's), 40·5 square miles, 25,600 acres.

Bronson & Ray concession (Ottawa men).—According to sworn evidence at the Royal Commission, eight to nine square miles, on both limits of Bonanza creek, 5,120 acres.

Matson & Doyle concession.—Contains over three square miles of proven hillside placer ground, 1,920 acres.

Quartz creek concession (Joe Boyle again).—Contains three square miles of the best part of Quartz creek, 1,920 acres.

Hermann concession.—Embraces six square miles of territory on Gold Bottom creek, 3,840 acres.

Anderson concession.—Containing four square miles on the best part of Hunker creek, 2,560 acres.

And will ask the government have the above-named concessions been made?

If so, on what conditions?

Have the concessionnaires carried out the terms on which the concessions were made?

If so, how much has been contributed to the revenue of the Dominion by them?

If the conditions have not been complied with, will the government in all cases of non-compliance declare these concessions forfeited to the Crown, and open to the free miner under the ordinary mining regulations?

Hon. Mr. MACDONALD—Is the hon. Secretary of State prepared to furnish this information?

Hon. Mr. SCOTT—I sent to the Department of the Interior for answers, and they tell me that all the papers were sent to the commissioner, Judge Britton, and have not been returned yet. They could not give me the information yet. They expect his report very shortly, and I shall be glad to have it brought down.

Hon. Mr. MACDONALD (B.C.)—They ought to have copies of the documents I moved for.

Hon. Mr. SCOTT—I thought so, but all the papers have been handed over. They were among the subjects that the commission was directed to inquire into, as to whether the concessions have been providently issued or not, or whether fraudulent representations had been made at the time of the issue.

The motion was allowed to stand until Wednesday next.

SALE OF LANDS IN THE NORTHWEST TERRITORIES.

INQUIRY.

Hon. Mr. PERLEY inquired:

For a statement showing the amount of money received by the Dominion government during the past fiscal year from the Northwest Territories:

1. For lands sold.

2. For homestead entries.
3. For hay permits and pasture lands.
4. For wood and lumber sold.
5. For registrar fees, and any other sources from which money has been received.

Hon. Mr. SCOTT—The following is the reply :

1. For lands sold..	$144,753 72
2. For homestead entries.. ..	199,610 00
3. For hay and grazing lands ..	17,339 20
4. For timber dues..	107,736 95
5. For registration fees..	95,335 13
5a. Miscellaneous..	17,998 00
	$582,773 00

As the revenue returns for June have not yet reached the department, it is impossible to give a statement showing the money received by the Dominion government during the past fiscal year from the Northwest Territories. The above figures represent the eleven months ended 31st May, 1904.

The answer to the question as to the amount that has been expended is, that the amount is very much larger than the total receipts, for bringing in people who made homestead entries and took up the land.

Hon. Mr. BERNIER—Expended for what?

Hon. Mr. SCOTT—Expended for immigration to the Northwest. That is in connection with the other expenditures in the Northwest.

AN INCOMPLETE RETURN.

Hon. Mr. SCOTT—Before the Orders of the Day are called, I desire to say, in reference to a return moved for by the hon. senator from Stadacona, that I laid the return on the table but he said there was a communication which was not included, that was a report by Dr. Potvin. I cannot find that any such report was sent in. I have inquired of the different departments and they have no record of it.

Hon. Mr. LANDRY—Before the Orders of the Day are called, I would direct the attention of the hon. Secretary of State to the return I asked for some time ago respecting the steamship *Neptune*, which was sent last year from Halifax to Hudson Bay. I asked for a return of the names of the crew and the officers of the ship, and I should like to have the information furnished.

Hon. Mr. SCOTT— I shall make the inquiry at once.

INSURANCE ACT AMENDMENT BILL.

DEBATE CONTINUED.

The Order of the Day being called :

Resuming the adjourned debate on the consideration of the amendments made by the Standing Committee on Banking and Commerce to (Bill H) An Act further to amend the Insurance Act and the motion of the Honourable Mr. McMullen in amendment thereto.

Hon. Mr. MACDONALD (P.E.I.)—I moved the adjournment of the debate with the object of facilitating the business of the House, if possible, for I believed the temperature last night was neither conducive to the health of the members nor was it of that serene nature so far as the addresses were concerned that would lead us to expect it would reach a very reasonable conclusion. This matter has now been before the Senate for quite a length of time. It was introduced by the hon. member from Rothesay, who called the attention of parliament to certain allegations made against the Mutual Reserve Fund Insurance Company of New York. It would appear from the charges which he made, and which he substantiated so far as he was concerned with letters which had been addressed to him, describing transactions the writers had had with the company, showing that they had not received that fair treatment which they had reason to expect would be accorded them by any company disposed to act fairly with its clients. Judging from the communications which he read to the House it appeared as if it were very necessary that the government of Canada should inquire into that subject. A committee was appointed at that time, and it has been in session nearly three months from time to time until now. The members of that committee have given earnest, close and serious attention to the matter before them, and though we may not see eye to eye with them in the views which they have taken of the subjects and the inquiries which they have made into the business of that company, still I believe that the motion of the hon. gentleman from Rothesay has had some good results. I am quite satisfied that it will in the end result advantageously to those people who have had reason to find fault with the management of their affairs by that company, but I do not agree at all with the Bill which was first submitted for our

consideration. I looked upon it as one entirely in favour of the company and of no benefit to those who have reason to complain of their treatment by the company. The charges brought to our attention by the hon. gentleman from Rothesay were of a very serious nature, and, when the investigation had proceeded a certain distance, it appeared to me as if he had hardly said all he would have been justified in saying if those charges were established as they appeared at the outset of this investigation to have been to some extent. But I must say my view of the business of that company has been somewhat modified by the more recent evidence given respecting its transactions with its constituents. If the affairs of any insurance company doing business in Canada were to be closely investigated by a committee of parliament we would find in many of them something which would not meet with our approval. We know that they are not guided in their transactions with the public by the precept which should guide one man in his intercourse with another, to do unto others as they would that others should do unto them. We know that companies one and all are apt to take advantage of any little slip there may be on the part of the policy-holders in regard to the terms on which they pay their premiums. In many instances these people are not a class who would be acquainted with the strictness with which these companies require their business to be transacted, and we know that if they make any slip the company is very apt to take advantage of it and cancel their policies if it can be done. I have known many instances of that kind, and as we have heard a good deal during this debate of the hardships which have been incurred by widows and orphans of those who held policies in this company, and I have no doubt they are many and numerous that have suffered that way, we must bear in mind it is not in that company alone but it is the case with almost every insurance company doing business that if the policy-holder allows his premiums to lapse he is very apt to lose the insurance which his family would be entitled to at his death. The charges made by the hon. member from Rothesay showed us that this company had carried on its business in a very expensive way, that it was not to be expected, therefore, that it could succeed under the assessment plan. I have looked into the expenses and commissions paid by various companies within the Dominion, and I must say that the comparison is not so very unfavourable to the Mutual Reserve Company as we were led to believe it would be. It would occupy too much time if I referred to a number of those companies, but I will take one company within the Dominion. Take the returns as set forth in the report of Superintendent of Insurance to parliament. Every company has to make a return of its business standing at the end of the year, and that return must be sworn to, and it is published in the blue-book. Take the Connecticut Mutual Life, which is doing business in Canada to a rather limited extent. They have in the hands of the Receiver General, $111,500 which is supposed to be a sufficient guarantee for the small business they are doing in Canada. The income derived in 1900 from their general business was $8,046,743. The disbursements of that company besides death losses, endowments and surrenders, which are of course matters that they have to pay under the terms of their policies, I find were as follows :

Bonuses and commissions to agents ..	$	390,479
Salary and allowances to agents		25,249
Salaries of officers and expenses.. ..		158,588
	$	574,316
Other payments and expenditures		404,170
Taxes and fees		400,795
[illegible]		1,[illegible],285

I took this hap-hazard, in the first report of the Insurance Department I found, and the first company that met my eye. These figures show that about 17 per cent of the total income of the company was paid for bonuses, commission to agents' allowances and other expenditures for that year. Now, looking at this by itself it seems an enormous amount for a company to pay out in that way, and it is referred to in the evidence before the committee, that the Mutual Reserve Life had paid 85 per cent commission on new business obtained by their agents. We could scarcely credit that if we did not know something about insurance business generally. When we make inquiries on the subject we find that it is not an extravagant amount compared with what is paid by other companies for obtaining busi-

ness throughout the Dominion. Seventy-five per cent of the first premium is a very common rate to pay for new insurance, and in some cases a good deal more is paid—I do not know but the whole of the first year's premium goes to the agent for obtaining the business. We know what those agents are doing in the different cities of the Dominion where they are seeking business. We find them located in the best and most sumptuous offices with numerous clerks. It is not to be wondered at that the insurance companies pay such very large amounts for current expenses. Looking at these facts it appears to me that some of the statements made by the hon. gentleman from Rothesay, when compared with similar charges made in other companies, are not so outrageous as they certainly seemed to be at first sight. When this Bill was first under consideration, I was not disposed to look favourably upon its provisions, but after it was referred to the Committee on Banking and Commerce, and discussed there at considerable length and amended, I regarded it more favourably. We appointed a sub-committee, who brought in the Bill which is now before us. That Bill is somewhat abstruse perhaps, and a little difficult for laymen to understand thoroughly, but I must say that the discussion which it has elicited has done much to inform us more thoroughly as to its provisions. The hon. member for Wellington (Hon. Mr. McMullen) in discussing this matter yesterday, was so very wide apart in his remarks from what the Bill really sets out for the policy-holders, that it would appear almost to us as if he had not studied the Bill in its entirety. He spoke of certain provisions being in the Bill which it does not contain at all. He must have taken his idea of it from some other authority than the Bill itself, and I was very glad to hear the criticism of the different clauses of the Bill by the hon. member from de Salaberry. I had myself taken precisely the same view of its provisions, but he gave his statement of it in such a clear way that it was impossible for any one to misunderstand the application of the Bill. When the Senate comes to a conclusion on this matter the probability is that the Bill will be accepted without a division. I must congratulate the chairman of the committee on one statement he made last night during the discussion. A good deal was said that was not becoming to the Senate, and was different in many respects from what we have been in the habit of hearing in this chamber. I refer to the sound and fury and the lurid language in which his address was given; but there was no conclusion that the hon. gentleman came to in which I cordially concur. That was that this Bill was probably the best that could be devised, had resulted from the appointment of this committee. Entertaining that opinion, how can the chairman of the committee do otherwise than support the Bill. There are certain other amendments which were referred to by the hon. member from de Salaberry, which I believe will, if brought forward in the way I expect will certainly further improve the Bill and be a benefit to the people who have held policies in the company. It was, in the first instance, a very difficult matter for the parliament of Canada to deal with a subject of this kind, where a company was chartered with certain rights and privileges, and where, within the limits of that charter, they had made contracts both under the assessment and under the fixed premium plan. Finding some years ago that the assessment plan would lead them into bankruptcy, they took the only course open to them at that time, and increased the premiums of the policy-holders who held their policies under the assessment plan. This Bill will now be a great advantage to those who, under the strain of increased assessments allowed their policies to lapse. It will enable them to come in, if they are still in ordinary good health, and receive the equivalent of the insurance beyond what they could receive by going into any other company. It will enable others to renew the policies which had lapsed and give them advantages which I thought at one time we would not be able to secure for them under any legislation that parliament could devise. I hope this Bill will pass and that it will have the effect which we anticipate, and give relief to those poor people who have been suffering, and whose case was so ably presented by the hon. member from Rothesay, and investigated by the committee to whom the matter was referred. They have certainly given time and attention to it, perhaps much more time than necessary, much more than I think it required. They might

have brought before us as witnesses a number of people who had complaints against this company, whose policies had elapsed, or who were forced out by having their premiums increased, as they supposed, unduly ; but they did not take that course.

Hon. Mr. CLORAN—It is not too late yet.

Hon. Mr. MACDONALD (P.E.I.)—This session is drawing to a close, and if we expect these people to receive any benefit from legislation this Bill must be sent to the other House without delay. If this report had come in at an earlier date of this session, say five or six weeks from the time the question was first brought up, I should have been disposed to let the matter stand until the investigation was finished and we had a report from the committee ; but we are near the end of the session, and it is very important that the Bill should pass, and be sent to the other House for its approval. The investigation took a turn which, perhaps, was intended, that is to show the extravagance of the Mutual Reserve Company. That may be all very true but no matter how clearly that may be proved, what is the object of going any further with the investigation for that purpose ? Is it going to benefit the policy-holders in any way ? It is not. I believe our best course is to pass the Bill at once and let it go to the House of Commons.

Hon. Mr. BOLDUC—It was admitted yesterday by Hon. Mr. David that the Bill was prepared by Mr. Eldridge. Was there any petition presented by the policy-holders asking for the passing of that Bill ?

Hon. Mr. CLORAN—Not one.

Hon. Mr. MACDONALD (P.E.I.)—I believe there was no petition presented asking for the Bill, but there are policy-holders of the company in this chamber, and they ought to be better able to judge than those who are not policy-holders what is in their own interest.

Hon. Mr. CLORAN—Just as the hon. member for Rothesay is a policy-holder.

Hon. Mr. MACDONALD (P.E.I.)—I am quite satisfied to take the statement of the hon. gentleman from Mille Isle (Hon. Mr. David). There are other gentlemen besides the hon. member for Rothesay who have policies in that company, and who have not said anything on the subject, one way or the other. They have left it to be dealt with by the committee and by the Senate. I may say, in reply to the hon. gentleman who asked the question, that the Bill which was presented to the House was framed by gentlemen who are supposed to be able to draft a Bill impartially, the Superintendent of Insurance and Mr. Bradshaw, a member of the Actuarial Association of Toronto. These two gentlemen, I presume, were quite able to draw up a Bill which would meet the case.

Hon. Mr. McSWEENEY—The hon. gentleman should not leave out Mr. Eldridge.

Hon. Mr. MACDONALD (P.E.I.)—I have not forgotten Mr. Eldridge. I was just about to allude to that gentleman, who has been before the committee of investigation for, I think, some weeks past, and who, so far as I could see, was ready to give them all the information within his power, everything they could expect to get from an officer of any company that is under investigation by a committee of the Senate. They not only had Mr. Eldridge before them, they had several gentlemen who had during the past years made serious charges against the Mutual Reserve Company of New York, and I do not know that it was very necessary that we should go away back five or ten years to hunt up charges which had been made against a company still in existence, and which, within a year or so, has had certificates from the Insurance Department of New York itself. I just happened to turn up one [illegible] dated the 15th February, 1902, and signed by Isaac Vanderpoel, chief examiner, and this same man has sworn to the statements with respect to the assets and liabilities of the company. That is just as I understand it, the assets and liabilities for that year under the assessment plan. The total assets, according to this statement, were $5,790,400, and the liabilities, that is the net present value at the time of all the policies which were running, was $5,323,515, the excess of assets, including policy liens over liabilities being $466,885.

Hon. Mr. SULLIVAN—That takes in unpaid claims.

Hon. Mr. MACDONALD (P.E.I.)—That is the net amount up to that time. A man might have a policy of $10,000, but at that time it would not be worth more than fifty

per cent perhaps of its face value. I know some hon. members feel that in asking these policy-holders to be reinstated by the company, the company will never pay them anything, that it is not worth anything. I have had some experience in business myself, and I know something about men who conduct business on a large scale, and I think the majority of people will agree with me, that when men have been in business for the length of time this company has been in existence, the probability is that they will continue to go on while they have such assets and have the number of policies running that has been stated and proved before the committee, to furnish them with funds for some time to come. I have no doubt at all but these policy-holders who are seeking for some relief will receive it under the Bill which is now before us. Having come to that conclusion, I shall have much pleasure in giving it my support.

Hon. Mr. McSWEENEY—I shall give a few reasons why I am opposed to this Bill. The hon. gentleman from Charlottetown gave us an instance of the cost of insurance, by stating the case of the Connecticut Mutual. That is one of the companies that is not doing business in Canada at the present time.

Hon. Mr. MACDONALD (P.E.I.)—It was in 1900, the year to which the report from which I quoted related.

Hon. Mr. McSWEENEY—They have gone out of business. I find in the report for last year, there were no new policies taken up, so they did no business here, last year. On the other hand, take the Mutual Reserve Life of New York: that company had $86,650 of unsettled claims, for the year 1903, four times as many claims as any other insurance company carrying three times the amount of insurance. I do not think that speaks very well for the Mutual Reserve. I will give some good solid facts why we should not pass this Bill (H) as it stands.

The avowed purpose of the Bill is to enable assessment policy-holders 'to obtain ordinary policies of life insurance with fixed and definite premiums and upon which the said company shall have no right to levy assessments but shall be bound to maintain the said reserve.'

That this is not the real purpose of the Bill is evident: Because any assessment policy-holder can, as the Insurance Act now stands, obtain an ordinary policy of life insurance in the Mutual Reserve Fund Life Insurance Company on which it would 'have no right to levy assessments' and 'be bound to maintain the said reserve.' The Insurance Act, chapter 124, section 42a, bearing on this point reads as follows:

> If any company licensed or registered under this Act to carry on the business of life insurance on the assessment system, files in the office of the superintendent notice of its intention after the date mentioned in the said notice to maintain, . . . the reserve required by sections 25 and 35 of this Act to be maintained by ordinary life insurance with fixed and definite premiums, such company shall with respect to all policies issued after the said date . . . . maintain for the security of the holders of the said policies the said reserve, and comply with all other provisions of this Act applicable thereto, as if it were licensed under section 4 of this Act.

The Mutual Reserve Fund Life Association filed the notice August 11, 1899, and in so doing obtained the right to write business on the legal reserve plan, but was not estopped from writing new business or taking care of its old business on the assessment plan.

The Insurance Act, section 42a, subsection 2, as it now stands provides that:

> The deposit of any such company in the hands of the minister, at the date mentioned in the notice in the preceding subsection referred to, shall be applicable to the policies issued prior to the said date and shall be dealt with in regard to such policies as if the said notice had not been given, and the provisions of this Act applicable to assessment life insurance companies (other than the provisions contained in this section) shall be applicable to the policies of the company issued prior to the said date in the same manner and to the same extent as if this section had not been passed.

Subsection 3 reads:

> Any such company shall at the time of the filing of such notice make with the minister such deposit, if any, in respect to the policies to be issued in pursuance of such notice as the Treasury Board may fix and determine.

Hon. Mr. BEIQUE—I think we are entitled to know what the hon. gentleman is reading from.

Hon. Mr. CLORAN—Common sense and truth.

Hon. Mr. BEIQUE—Is he reading from notes prepared by somebody else?

Hon. Mr. CLORAN—What difference does it make ?

Hon. Mr. BEIQUE—It is against the rules of the House.

Hon. Mr. CLORAN—If the hon. gentleman says they are his notes, what right have we to interfere ?

Hon. Mr. BEIQUE—If the hon. gentleman would read the rules of the Senate, he would not make an assertion such as he is making, and I am within my right in making the inquiry.

Hon. Mr. CLORAN—The hon. gentleman says they are his notes.

Hon. Mr. BEIQUE—I am not addressing the hon. gentleman from Victoria Division.

Hon. Mr. SULLIVAN—It is against the rules of the House to read a speech, but politeness between hon. members should prevail.

Hon. Mr. BEIQUE—I did not wish to raise any question about it, but simply asked for information.

Hon. Mr. KERR (Toronto)—I should like to ask the hon. gentleman are these his own deductions or are they from some other authority ?

Hon. Mr. MACDONALD (B.C.)—The hon. gentleman has no right to ask that.

Hon. Mr. LANDRY—Will the hon. gentleman from Toronto answer this question, is it he that prepared Bill H or Mr. Eldridge ?

Hon. Mr. KERR—I am quite prepared to answer that when the opportunity is given. I have a right to ask this question now. The hon. gentleman is reading from a statement of deductions. Are they his own deductions or somebody else's ?

Hon. Mr. DANDURAND—Some members are treated in a very privileged way, because I observe some of my hon. colleagues with copies following line for line the speech of the hon. gentleman. Why have we not also been furnished with copies ?

Hon. Mr. SULLIVAN—The hon. gentleman can read these opinions, whether they are his own thoughts or somebody else's. The hon. gentleman does not trouble the House often and he is not a trained speaker, therefore a little allowance should be made for him. I am sorry to see the most skilful debaters in the House endeavouring to stop the hon. gentleman who is speaking for the first time.

Hon. Mr. McSWEENEY—In answer to the hon. gentleman from Toronto, I assume the full responsibility for these notes.

Hon. Mr. KERR (Toronto)—That is not an answer. The question is, are these the hon. gentleman's own deductions ?

Hon. Mr. LANDRY—The hon. gentleman has no right to ask the question.

Hon. Mr. KERR (Toronto)—I am rising to a point of order which I think I have a perfect right to do. The hon. gentleman is reading from something prepared by somebody else, which he has no right to read here.

Hon. Mr. CLORAN—I would ask the ruling of the chair on the point of order raised by the hon. gentleman from Toronto.

Hon. Mr. KERR (Toronto)—In order that the hon. gentleman of whom I am speaking may understand what my point is, I wish to say that I do not want in any sense to be understood as objecting to the hon. gentleman in reading his own composition. The rule is quite plain and reads as follows :

> The reading of written speeches which has been allowed in other deliberative assemblies has never been recognized in either House of parliament.

That is not the branch I am objecting to. If the hon. gentleman says it is his own composition I have nothing more to say about it. The rule proceeds :

> A member may read extracts from documents, but his own language must be delivered bona fide in the form of his own composition.

Hon. Mr. LANDRY—The hon. gentleman did not follow the rule in replying to the speech from the Throne.

Hon. Mr. KERR (Toronto)—I object to the hon. gentleman reading a compilation of deductions which he has not made himself, unless he gives his own authority.

Hon. Mr. CLORAN—How can the hon. gentleman state that he did not make it himself ? I do not think any hon. gentleman has the right to say the hon. gentleman is not reading his own sentiments. It is nobody's business whether remarks I am mak-

ing are prepared by my historian, as long as I accept responsibility for them. and he has no right to challenge the sentiments of any hon. gentleman.

Hon. Mr. EDWARDS—Strictly, according to parliamentary decorum, it was perfectly right to refer to the matter of a gentleman reading his speech, but it is done sometimes under the name of having copious notes. It is a rule that is trespassed upon. If I am allowed to express my opinion on it, I think it is a little unfortunate to make any reference to it.

Hon. Mr. KERR—That is not the question I am talking about. He is entitled to read his own speech.

The SPEAKER—I think I understand the question of order raised. The authority cited is May, a recognized authority here, and I think that the point of order is well taken. It is not a question as to whether the hon. gentleman shall be allowed to read his speech but whether he shall be allowed to read something compiled by somebody else. There are cases cited here at page 295 of May, which are really stronger than the case now before us, and if the hon. gentleman from Moncton is reading something that has been prepared by somebody else he is violating the rules of the House.

Hon. Mr. McSWEENEY—I understand the Speaker has decided against me.

The SPEAKER—If the hon. gentleman from Moncton will state what he is reading, perhaps the hon. member from Toronto will withdraw his objection.

Hon. Mr. KERR—I have no objection to his reading, but we want the authority.

Hon. Mr. McSWEENEY—I have some more matter. I have a letter here dated Moncton, N.B., 1904, written by a man formerly an agent of the Mutual Reserve Life Association, which reads as follows :—

Moncton, April 6, 1904.

To Senator McSweeney.

Dear Sir,—Referring to a discussion that took place in the Senate in re Mutual Reserve Life Insurance Association of New York, I may say I was one of the agents for that association and was agent also for the following associations, viz., Dominion Safety Fund Life of St. John, Mutual Relief of Yarmouth, N.S., Massachusetts Benefit of Hartford, Conn., Covenant Mutual of Galesburg, Illinois. All the above associations had the necessary deposits with the Dominion government and were licensed to do business in Canada. In taking applications, all agents explained that policy-holders were fully protected by the deposit, and that the Insurance Department at Ottawa inspected the insurance business each year, consequently there was no chance for fraud, in fact that the Insurance Department was created expressly to protect policy-holders against being defrauded. Now the facts are that the Dominion Safety Fund Life of St. John went out of business by transferring a few policy-holders to the Great West at much higher rates—the rest all lost their insurance.

The Mutual Relief of Yarmouth, N.S., went out of business, transferring what they could to the Massachusetts Benefit of Hartford, Conn., U.S.A.—the rest, those that did not transfer, lost their insurance. The Massachusetts in turn soon became insolvent and all policy-holders lost insurance. The Covenant Mutual of Galesburg, Illinois, U.S.A., went into insolvency and transferred their policy-holders to another American association that had no deposit with the Dominion government or license to do business in Canada. Canadian policy-holders would not transfer to such an association. This association sent out notices to policy-holders asking remittances after they were aware they were insolvent. The remittances sent them they say they handed over to the association they transferred to (I forget the name). I called attention of Minister of Insurance to the matter and asked if Canadian policy-holders were protected by the government deposit. He sent me the Insurance Act, but I was not sufficiently posted in law to understand it. My daughter was carrying a policy and sent them a remittance after they knew they were insolvent. She got a notice of insolvency from them the next day after sending, and they wrote her, some time after, they had handed her remittance to the American association referred to above.

You know the history of the Mutual Reserve of New York.

I held a policy in the Dominion Safety Fund Life Association of St. John when it ceased doing business, and as I would not transfer to the Great West at greatly increased rates, consequently lost insurance. I was also a policy-holder in the Yarmouth Mutual when it transferred to the Massachusetts Benefit. I refused to be transferred as they charged double rates, consequently lost insurance.

Conductor Hughes of Moncton took insurance from me for $5,000 and paid premiums regularly for seven or eight years in the Mutual Reserve of New York, and lost all.

Mrs. Benjamin Tombs also took insurance in same association and both paid till association squeezed them out. There are many others I could mention. The names of all policy-holders in each of the associations I have named can be got, if wanted, from the Insurance Department at Ottawa.

I was very glad to see this matter brought up by the Senate and will be glad to see it pursued and the insuring public informed about what protection the deposit of $50,000 and license to do business in Canada is to policy-holders. In all the cases I have mentioned it has been a positive injury, the insurance companies all publish the fact that they have made the deposit and are licensed by the Dominion government to do business, that all insurance business

is audited and inspected once a year and it is impossible for insurance companies to do any loose or tricky business. Still we find they have all stopped doing business when they found it most convenient for themselves.

It is well understood that there is very little risk on lives who will pass a good medical examination for the first five years, consequently if associations can be formed and deposit made and license obtained, and run the five years until the membership is large and then stop and withdraw the government deposit, as appears to have been done in all these cases mentioned. It seems to open a door for rascality in the insurance business that should not exist.

All these associations collected about twice as much for insurance from their members as would have been necessary to carry the same amount of insurance in any of the mutual societies. These societies are not protected by the government in any way. Neither are they under the supervision of the Superintendent of Insurance. Still these societies all exist, pay claims promptly and do business honourably, and a vast amount of good. The knowledge I have about the insurance associations referred to and the way they went out of business, has caused me to think it doubtful if any policyholders of the old line companies are any better protected, or even those carrying fire insurance risks, are any better protected than were those in the associations that went out of business

I consider this an important matter and have written you very fully. (Perhaps you have noticed this.) However, there must have been millions of dollars taken out of the workingpeople of Canada by these associations, and a very large part of it went to the United States of America. Not only this, but the people of Canada have been taxed to pay salaries of a department of insurance for protection, and being confident they would be protected, took insurance and lost the amounts paid as well as insurance, and in many cases found on account of failing health they could not get insurance even if they were not too much disgusted to take chances of being pulled again.

Yours, &c.,

JOHN L. STEVENS.

As we were coming out of the committee room this morning I met Mr. Dalton, Clerk of Private Bills in the House of Commons He stated to me that he had paid $2,000 into the Mutual Reserve Fund Life in the last eight years. The assessments had increased so much that he was compelled to drop out. Since this investigation opened, I have met people who say they were squeezed out on one pretext and another, and I think it would be a great calamity for the policyholders insured now, as well as the people who might possibly take insurance, if this company were allowed to conduct the insurance business again under any license. We have enough evidence before the committee. We have been sitting for weeks past, and after what has transpired before the committee I do not think there is a province in Canada or a state in the United States that would allow that company to do business. Their record in Canada alone is that $44,000,000 of insurance has been dropped in four years. What worse record can you find than that? The Moss contract is a most outrageous contract. And Moss received $197,000 over and above what he paid out.

Subsection 4 reads:

For the purpose of carrying out the provisions of this section, separate and distinct registers and books of account shall be opened and kept, showing respectively all policies issued and business transacted by such company after the date mentioned in the said notice, and all policies issued and business transacted before said date; and such books and registers shall show all assets, liabilities, moneys and securities belonging or appertaining to the said respective portions of such company's business; and the assets and entire business of the said respective portions shall be kept absolutely separate and distinct; and the reserves or assets applicable to the policies issued by such company after the date mentioned in the said notice shall not be available in any way for any liability of such company arising out of any policy issued by it on the assessment plan.

Another reason why I think the Senate should not pass this Bill is because they should wait for the report of the committee appointed to investigate the affairs of the company in Canada. I think there must be something radically wrong when they want to push this Bill through. The least they could do would be to wait and let the committee report. We want to be treated fairly in that way. I am one of the committee, and at first I was not prejudiced against the company, but I am now. I have seen enough to convince me that they should not get a license in Canada. Their record is bad. I have received a letter from Andrew Snider, of Bradford, in which he says:

You may exchange your certificate, however, for a whole life non-participating policy, without medical examination, which rate will be in excess of the amount you are now being asked to pay, but it will give you a contract with an absolutely fixed rate under which the reserve will be deposited with the Dominion government, and your contract will contain cash surrender and paid-up insurance values, and you will then know definitely what amount you will be called upon to pay from year to year, instead of continuing along with the expectation of securing insurance at less than cost, with the prospect of certain increases, which might impair your future insurance, or perhaps forfeit it.

There can be no need for new legislation if this is the case. The insurance com-

panies are not in favour of this Bill; they consider this is a Bill framed expressly for the purpose of helping the Mutual Reserve, and not for the benefit of the old line companies; and even in its amended form, I am satisfied they do not require it, and I question very much whether it would be any benefit to the policy-holders of the Mutual Reserve if they renewed their insurance. Therefore, I certainly think it would be radically wrong to pass Bill H and grant them a license. The net value (reserve) of the regular life or old line business in Canada, December 31, 1903, was $124,765, of which $84,576.63 was made up of premium notes or liens, leaving only $40,188.37 of actual cash assets deposited in Canada for the protection of the regular life or old line business, and which would be about all that would be left secure if Bill H becomes law, it being a fact that the new contracts, option 1, would have no reserve at date of issue, and the new contracts, option 2, would have a reserve made up of liens on paper and of no value as an asset. If Bill H passes as it now stands it will deprive policy-holders of their right to begin suits against the company for the recovery of damages for any cause.

This section should be amended to read: 'Nothing in this Act shall affect any suit, action or other proceedings now pending,' or that may hereafter be brought 'in respect of any assessment policy' in force prior to to the passage of this amendment.

Canadian assessment business does not stand alone. More than two-thirds of the business of the Mutual Reserve Fund Association is in exactly the same position as is its assessment business in Canada, and is all treated and valued in the same way by the Insurance Department of the State of New York without regard to the country in which it exists.

Q. Hon. Mr. WOOD. "This makes no difference between the Assessment Insurance and Legal Reserve?"

'A. We do not keep accounts separately as with any State or with any Country, excepting as far as the expenditures in that country are concerned, and the balance of the contributions subject to the general funds of the Company towards the general expenses, and the meeting of the general expenses, and the meeting of the general expenditures, and towards the accumulation for the general protection of all the business of the Company." Geo. D. Eldridge, vice-president and actuary, No. 4, p. 22.

"The Canadian policy holders have the protection of every other dollar of the company's assets no matter where situated." Geo. D. Eldridge, vice-president and actuary, No. 3, p. 80.

The fact that the Mutual Reserve Fund Life Association reincorporated and is an 'old line' company did not alter the relationship of the assessment business in Canada any more than it did the assessment business in any other country. It has advantages now which it will not have if 'Bill H' becomes law. The company has made every effort within its power to induce assessment policy-holders to change their insurance to the regular life plan, and at the end of five years about 75 per cent of the total insurance in force is on the assessment plan still.

The annual mortuary premiums on this certificate, or policy of insurance, after the same has been in force for fifteen years from its date, shall not include any further contributions to the reserve or emergency fund, nor shall the net amount of such annual mortuary premiums thereafter exceed the pro rata annual mortuary premiums required by the actual mortuary experience of the association, or the amount called for by the Actuaries' Tables of Mortality. Provision 7, page 2, Mutual Reserve Policy, issued 1888.

'Death claims shall be a first charge on all moneys realized from assessments, and no deduction shall be made from any such death on any account whatsoever. Insurance Act, section 39, subsection 4.

The Mutual Reserve Fund Life Insurance Company now has the right to do business as an old line and as an assessment company in Canada. The members and the company are free to transfer from the one plan to the other.

The cost is limited by contract to an amount not to exceed the Actuaries' Table of Mortality or the actual mortality experience of the association as a whole.

All approved claims must be paid in full.

The deposits for the protection of Canadian policy-holders cannot be withdrawn.

The Canadian assessment policy-holders do not stand alone now any more than they ever did, and 'have the protection of every dollar of the company's assets no matter where situated.' The Canadian assessment policy-holders are in a much better position under the law as it now stands than they will be if the proposed amendment to the Insurance Act passes.

The real purpose of 'Bill H' is, not to provide 'relief' for policy-holders, but to give the Mutual Reserve a new lease of life and

a certificate of health and of good conduct from the parliament of Canada.

That it is the company and not the policy-holders that will be benefited by the proposed amendment to the Insurance Act appears :

(a.) It will authorize the company to put a lien on all assessment policies in Canada without the consent of the insured, the authority for doing so being 'Bill H' and article 7, sec. 2, of its by-laws.

This will reduce the amount actually insured by hundreds of thousands of dollars insurance without actually reducing the cost to the insured a single dollar.

(b.) If 'Bill H' becomes law, as it now stands it will release the whole of the deposit now held for the protection of Canadian assessment policy-holders and hand it over to the company. The policy-holders will get no part of it in cash under any of the options. The so-called 'dividend' is not to be paid to the insured in cash but in 'paid-up insurance' to 'be deducted from the amount of the lien,' or to be 'applied to reduce the yearly renewable term premiums.' See paragraph (d), page 3, 'Bill H.'

Having obtained the release of the deposit now held for the protection of assessment policy-holders in Canada the company, by continuing to write new business, however small, until the so-called 'dividend' was paid, as it can be, without the insured receiving a single dollar in cash, could cease doing new business in Canada and withdraw the whole deposit in Canada other than the amount held for the protection of its regular life or old line business. See section 5, page 4. 'So long as the company is undertaking in Canada new contracts of insurance,' &c.

If 'Bill H' becomes law it will at once transform the whole assessment policies in Canada into new contracts and reduce the amount insured by hundreds of thousands of dollars in 'liens' provided for under article 7, section 2, of the by-laws of the Mutual Reserve Fund Life Insurance Company. Under the contract, so changed, no policy-holder can ever be certain of the amount payable under his policy when it becomes a claim.

Article 7, section 2.—By-Laws.

'If the net value of the funds which any class existing at the date of reincorporation of this Company under Sec. 52 of the Insurance Laws * * * shall be determined by the actuary of the Company to be less in amount at any time than the reserve required by these By-Laws and the policy contracts of said class, of which the same (By-Laws) form a part, or by-law, each certificate or policy of said class shall be chargeable with an amount limited to its equitable share of such deficiency, to be determined by the actuary of the Company, which amount may stand as an interest-bearing loan upon the security of such reserve, as provided in section 5 of this article, constituting a lien against the insurance under each such certificate or policy, and any dividends or surplus accruing thereon, which lien may, however, at the election of the member of policy holder, be paid in cash and cancelled.'

Hon. Mr. LOUGHEED—If the hon. gentleman is reading from a document which is not his own, I shall rise to a point of order and I do it with considerable diffidence. I appreciate the right of free speech in the Senate as much as any hon. gentleman, but the reading of it will appeal to any hon. gentleman in this Senate, if it is permitted with reference to the proceedings before the House. If hon. gentlemen can rise in their places and read documents either in favour of or against legislation which we may be considering, it is the same as importing into this House any outsider and permitting him to address the House. The point of order is stated at page 460 of Bourinot as follows :—

Nor is it in order to read articles in newspapers, letters or other communications, whether printed or written, emanating from persons outside of the House and referring to or commenting on or denying anything said by a member, or expressing any opinion reflecting on proceedings within the House.

That is to say no document can be read from any person outside of the House referring to proceedings within the House and, on the ground which I have mentioned, the reason of the rule is quite logical. The reason I raise the point of order at this juncture is not so much to suppress what my hon. friend has said, as to suppress anonymous letters which have been read in very great numbers.

Hon. Mr. WILSON—Has the hon. gentleman a right to make a speech on the point of order ?

Hon Mr. LOUGHEED—I am speaking to it.

Hon. Mr. CLORAN—Will the hon. gentleman state the anonymous letters which have been read ?

Hon. Mr. LOUGHEED—I heard letters read without knowing from whom they came.

The SPEAKER—Let the hon. gentleman state his point of order. This is the House and not the special committee.

Hon. Mr LOUGHEED—This House is composed of some eighty odd members, and while eighty of them are willing to accord to an hon. gentleman a reasonable degree of time to address this House, yet they do humbly implore that a reasonable time should be given to them to express themselves on any questions which are properly before the House, and while I appreciate the wisdom that may fall from the hon. gentleman from Victoria division, yet I do claim to have the right to express my own opinions, notwithstanding the adverse opinions he may have upon the same subject. I do say that the dignity of this House should assert itself in suppressing the reading of numerous letters from all parts of this Dominion, dealing with the subject which we are investigating, and which is on inquiry before the House, and when we cannot possibly examine the persons who have written the letters. For instance no one in any deliberative body would dream of permitting anonymous letters to be read with impunity without having the opportunity of examining the parties who have written them.

Hon. Mr. McSWEENEY—I do not think I read any anonymous letters

Hon. Mr LOUGHEED—I acquit my hon. friend from Moncton of having read any anonymous letters. What I had reference to was a number of letters that in the earlier stages of this discussion were read before the House, and have appeared upon the debates. I do appeal to hon. gentlemen if it is not inconsistent with the dignity of this House that letters should be read which do not come from any responsible source, or sources of which we know nothing. I appeal to hon. gentlemen who are supporting the inquiry asked for by my hon. friend from Rothesay, if it is not in keeping with the dignity of this House that only documentary evidence should come before it as will permit the House to make a close examination into the source from which it has come and weighing its value either before the committee of investigation or otherwise; but I would point out again that the reading of such articles referring to proceedings before this House is entirely out of order.

Hon. Mr. MACDONALD (B.C.)—The hon. gentleman who has just spoken knows the custom in this House, and knows that hon. members continuously read extracts from papers and nobody ever believes them. It was only yesterday the leader of the opposition read a report of some speech made in England. It is continually done, and a great deal of allowance is made to the hon. gentlemen making their speeches. They quote from books and former speeches to make up their argument. and no one knows that better than my hon. friend. They never express their own opinion. They express the opinion of jurists of two or three hundred years ago; they form their diagnosis on the opinions given by other people, and it is not exactly the fair thing that young members of this House should be stopped by an objection of that kind, because this has been the practice for years and hon. members have been allowed the greatest liberty. The hon. Speaker knows that as well as I do.

Hon. Mr. LOUGHEED—The point the hon. gentleman has mentioned is well taken, but he did not appreciate the point which I raised. The point of order is that no document written by an outsider referring to a debate before the House can be read by a member in the House. An hon. member is at liberty to read a newspaper article and ask for an explanation.

Hon. Mr. MACDONALD (B.C.)—If my hon. friend saw an article in the newspaper with reference to himself he would read it.

Hon. Mr. LOUGHEED—I am referring to a debate before the House.

Hon. Mr. WILSON—The hon. Speaker has not given his decision on the point of order. I think that matter should be decided so that we may know what position we are in.

Hon. Mr. TESSIER—It strikes me that the first question to be decided would be whether the speech the hon. gentleman is making had been prepared by himself.

Hon. Mr. CLORAN—Or his secretary.

Hon. Mr. TESSIER—We have nothing to show that. There is nothing to show that it has not been prepared by the hon. gentleman himself. We take it that the speech has been prepared, and he ought to be allowed by the House to read a speech on such a difficult technical question as this. I do not see why the House would not allow him to do so. The rule is that a member cannot read his speech. We find the following in Bourinot:

> Members may, however, make use of notes in delivering speeches.

That is the rule, and it has always been done, and I do not know why we should be so strict to-day. Since I have been here I have seen it done many a time. At any rate the hon. gentleman said when interrupted that he was reading from copious notes. You have to take his word for it, and if he is reading copious notes he is following the true doctrine and should be allowed to do it.

Hon. Mr. KERR (Toronto)—When this question was first raised by the hon. member from de Salaberry, my question to the hon. gentleman from Moncton was as to whether these deductions had been compiled by himself or by some one else.

Hon. Mr. DOMVILLE—No, the hon. gentleman is entirely wrong.

Hon. Mr. KERR (Toronto)—I should like the statement of the hon. gentleman himself on that point. It was suggested to me, and I knew nothing about the matter before, and I only make the inquiry now because it will enable the hon. gentleman to put the matter right himself. It was suggested to me afterwards that this document was being read in violation of the rules, a prepared statement, made up partly of deductions and partly of statements of fact and partly supposed argument, prepared by a witness who has been examined before the committee——

Hon. Mr. DOMVILLE—Order, order.

Hon. Mr. KERR (Toronto)—And whose statement would not be received in this House at all, although it was received before the committee. I put the matter to the hon. gentleman, and I know whatever statement he makes about it the House will accept.

Hon. Mr. WILSON—Who is the hon. gentleman's informant?

Hon. Mr. McMULLEN—I quite admit that, as a general rule, it is not desirable that members should read their speeches closely from notes, though I have a distinct recollection of such noted men as the Hon. Edward Blake reading his entire speech in the House of Commons in the opening of parliament from beginning to end, never taking his eye off the manuscript. I have a distinct recollection of Mr. Chapleau reading his speech from beginning to end—a speech that lasted for four hours—in the House of Commons. It was a courtesy that was extended to him as a prominent member of the House. Nobody ever challenged him. As a rule, there is always a certain latitude allowed to new men in the House of Commons and the Senate, and it should be so. My hon. friend has not had a parliamentary experience, and I think this is his second or third speech. As a matter of courtesy to him we might have overlooked this question. We know the point raised by my hon. friend. He may be right or wrong. My hon. friend from Moncton stated that he assumed the responsibility for what he is reading, and even if it was prepared with his assistance and under his eye, and with his sanction, I should like to know what member of the House has not received assistance in preparing his speech. I should like to know who prepares all the speeches he makes himself? He quotes from speeches delivered before, and obtains extracts, puts them together, and makes speeches himself. Owing to the fact that my hon. friend from Moncton is not accustomed to addressing the House, he may be compelled to keep his eye more closely on the manuscript than he would if he had more extended experience, and I think that the latitude which is usually accorded to young members should be extended to him.

Hon. Sir MACKENZIE BOWELL—It is not a question of courtesy at the present moment. The question before the chair is simply whether the hon. gentleman from Moncton is in order or not, and the appeal on behalf of the hon. member from Wellington is not a question that the Speaker could consider for a moment. If the question be raised that a member of the Senate is not

in order, the Speaker has but one duty to perform, and that is to decide whether he is in order or not. The side issue raised, as to the experience or inexperience of members, has nothing whatever to do with it. What the hon. gentleman from Wellington says is quite true. I remember when I occupied a seat on that side of the House I introduced a Bill consolidating the whole of the bankruptcy law, and I read the whole of it, and I did it for this reason : When I rose I stated that the character of the Bill was such that I could not commit all the facts to memory, and I asked the indulgence of the House to do so, which was granted. The question of order was not raised. Had it been raised, all the Speaker could have said would be that the hon. gentleman must deliver his speech, and not read it. I need not say that the hon. gentleman—I heard him make the remark—took the responsibility for his speech himself. That is very fair, but had he rose and said he had a statement in his hand, of which a number of hon. gentlemen have copies, (I have it in my desk, and read it very carefully, a couple of days ago), it would have been different. We know very well by whom it was prepared. Had the hon. gentleman said that he was in a position to lay certain facts before the House, and asked the indulgence of the House, I do not suppose the question would have been raised ; but, under the circumstances, there is but one duty for the Speaker to perform, to decide the point of order and abide by it, and not waste the time of the House in continually pleading for concessions which have not been asked.

Hon. Mr. BEIQUE—I was the party who raised this discussion by asking the hon. member from Moncton from what source he was reading, and if the hon. gentleman had answered that he was reading from a speech prepared by himself, I am sure nobody would have dreamed of objecting, but there is an impression, which has been confirmed by the hon. leader of the opposition, that this document which the hon. gentleman has been reading, is a statement copies of which had been distributed, amongst a number of the members of this House, and is a statement prepared by one of the witnesses who has been in attendance before the committee, and who has had any amount of quarrel and litigation with the Mutual Reserve company. Surely we are entitled to know whether this is so or not? If it is so, surely nobody will pretend that it would be proper for us to listen to any document of the kind, or to import any such documents into the discussion. Are we to understand that I would be at liberty at the evening session, or to-morrow, to have an answer prepared by Mr. Eldridge, and read such a document to the House ?

Hon. Mr. DOMVILLE—The hon. gentleman has already had one prepared by him. He read one in the committee prepared for him.

Hon. Mr. BEIQUE—I beg the hon. gentleman's pardon——

Hon. Mr. DOMVILLE—The hon. gentleman said so.

Hon. Mr. BEIQUE—The hon. gentleman is not speaking in accordance with the fact. I affirm here, as a member of this House, that I had no communication whatever with Mr. Eldridge outside of the committee, and that I never asked Mr. Eldridge to prepare any document or statement of any kind, except what I asked him in the committee room, and I ask the hon. gentleman to take back his assertion, which is not according to the facts.

Hon. Mr. DOMVILLE—I state it fairly and distinctly, and my confreres in the committee I know will support me.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman must not refer to what has taken place in the committee.

Hon. Mr. DOMVILLE—I say the hon. member had a paper prepared for him by Mr. Eldridge which was read in committee to-day. His answer is, that there was nothing prepared for him by Mr. Eldridge, except what he asked before everybody else. That exception may cover it. I simply state what took place in the committee, and I will be borne out by the members of the committee who were present to-day.

Hon. Mr. BEIQUE—The hon. gentleman has said that there was a document prepared by Mr. Eldridge and read by me in the committee. I say it is not in accordance with the fact, and I repeat the statement that I have never had any communication with

Mr. Eldridge outside of the committee room, and that all documents which have been prepared, have been prepared when I asked him as a member of the committee to prepare such a document. It was in the committee and never outside of it, and I ask the hon. member to withdraw his assertion.

Hon. Mr. DOMVILLE—I will not withdraw one word of it, because I can prove it.

Hon. Mr. BEIQUE—I appeal to the Speaker of the House, and ask that the hon. member be ordered to take back the assertion which he has made. He is bound to accept my statement.

Hon. Mr. McMULLEN—I think there is a little misunderstanding——

Hon. Mr. BEIQUE—I have raised a question of order.

Hon. Mr. McMULLEN—The document to which the hon. member from Rothesay evidently refers, was a document that Mr. Eldridge swore that he had prepared at the suggestion of Senator Béique, and he handed the document over to him to look at. The senator took it and looked over the columns one after another, and handed the paper back to Mr. Eldridge. The committee understood it had been prepared under the direction, or at the request of Mr. Béique, and he read from it. Now, I suppose, that is the document my hon. friend has referred to, and when the hon. gentleman understands that is what was referred to, it modifies the position.

Hon. Mr. BEIQUE—I have made my statement to the Senate, and in the face of that statement the hon. member from Rothesay has risen in his seat and repeated the assertion, challenging the statement I made, and I say he is not in order in stating anything of the kind. He is bound to accept my statement and withdraw his.

Hon. Mr. DOMVILLE—I do not know what to make of my hon. friend. It seems to me, when you get in with so many lawyers there is so much hair-splitting you do not know where you are. The statement which I made, and which I stand by, is what the member from Wellington has just explained in his way, and which is my way also, and which I tell the House will be corroborated by the rest of the committee.

If there is anything to be taken back, I do not know what it is.

Hon. Mr. McSWEENEY—I am sorry I stirred up all this tempest.

The SPEAKER—Two questions of order have been raised. Due regard to the dignity of the House would require that these questions of order, which have been raised in a formal way, should not be allowed to slide out of sight. It is a matter for the House to say whether I should decide or not.

Some hon. GENTLEMEN—Chair ! Chair !

The SPEAKER—There was a question raised, I think, by the hon. member from Calgary. There is no doubt about the rule. The hon. gentleman from Toronto has read an authority on the same point from May. Bourinot lays down just the same doctrine at page 458, that there should be no written speeches, and for the reason, as stated by Fox, that if the practice of reading written speeches should prevail, members might read speeches which were written by other people, and the time of the House be taken up considering the arguments of persons who are not deserving of attention. The hon. gentleman cannot read a speech. In the present instance, it was stated expressly by the hon. gentleman who raised the question of order, that he would not object to the hon. gentleman from Moncton reading his own speech, but he did object to his reading a statement prepared by somebody else, and that it is clearly out of order. In May, the Speaker said if that were allowed, people outside would be able to make speeches by proxy, and it would lead to a great abuse. With respect to the other point raised just now by the hon. gentleman from de Salaberry, there was a difference between the statement made by the hon. gentleman from Rothesay, and the statement made by the hon. gentleman from de Salaberry. I understood the hon. gentleman from Rothesay to say that the hon. gentleman from de Salaberry had, in the committee, this morning read a statement prepared for him by one of the witnesses. The hon. gentleman from de Salaberry stated it was never prepared for him, and that what had been prepared was prepared at the instance of the committee.

Hon. Mr. DOMVILLE. No, not at the instance of the committee.

The SPEAKER—The hon. gentleman from de Salaberry said he had had no conversation or intercourse with the witness, except at the meeting of the committee, and whatever was asked for by the hon. gentleman from de Salaberry at the meeting of the committee was practically asked for by the committee.

Hon. Mr. DOMVILLE—No.

The SPEAKER—The statement of the hon. gentleman from de Salaberry, apart altogether from his personal character, must be received by the House, and of course by the hon. gentleman from Rothesay. It is for the House to deal with the refusal of the hon. gentleman to withdraw his assertion.

Hon. Mr. BEIQUE—I could show from the records—

Some hon. GENTLEMEN—Order.

Hon. Mr. CLORAN—The statement of facts, so far as the committee is concerned, is this—

Some hon. GENTLEMEN—Order.

Hon. Mr. CLORAN—State the point of order.

The SPEAKER—The incident as to the remarks in the committee is closed, unless the House wishes to reopen it.

Hon. Mr. YOUNG—The leader of the opposition raised a point of order which, I think, is of as much importance as any raised today, and that is making reference to proceedings in committee.

Hon. Sir MACKENZIE BOWELL—I should like to have that point of order settled. The violation of the rule that guides debating has led to all this difficulty, and if I might be allowed to refer to the debate of last night, the whole night was taken up in discussing something that we should not have discussed at all, that is, the proceedings in the committee. We had not the report here, and yet the speeches until 11 or 12 o'clock at night, were devoted almost exclusively to what took place in the committee. My point is, and I hope that members in future will take the responsibility of calling attention to the fact when the rule is broken, that a member has no right to refer to proceedings in committee, in debates in this House, until all the documents are before the House.

The SPEAKER—The hon. gentleman has stated the rule correctly.

Hon. Mr. WILSON—I regret exceedingly the hard sayings and disorder which have originated in the discussion of this important question. I feel that it is a question far-reaching in its effects. If we carry this Bill in its present form, we must more or less weaken the position in which many other of the important insurance companies occupy at the present time. Our desire should be at least to govern ourselves that no reflection may go forth to the country, in reference to our insurance institutions. Many people look upon life insurance as a very important part of the provisions made for themselves and for their families after them, and that being the case we should do nothing to reflect upon the insurance companies. One hon. gentleman this afternoon stated, that if the business of any insurance company had been investigated as closely as that of the Mutual Reserve it would be found to have been doing wrong. Is that a fair insinuation to spread broadcast through the country? Is the House in a position to say that such is the case? People ought to be careful as to the statements they make here. They go not only to the House but over the whole country, and produce effects injurious or beneficial, according to the character of the statements made. I feel, therefore, that if I attempt to make statements in this House they should be strictly in accordance with the evidence that has been produced. We have been told that we have no right to mention what has occurred in the committee, until the committee has reported. No doubt that is the proper course, but who is to blame for the violation of the rule? We are perfectly prepared to go on, and do our utmost to carry on the investigation, so that we might be in a position to act intelligently and prudently in the consideration of the Bill now before the House. Had we that opportunity? Did we have it when we desired to have this Bill delayed, so that we might have the report of the committee before us? What were we told? They said they were anxious to get the Bill before the Banking and Commerce Committee. Those who are

opposed to the Bill, for the sake of assisting them, withdrew their opposition and allowed it to go before the Banking and Commerce Committee. After it had been before them, and was reported back to this House, we supposed we would be permitted to discuss the Bill, in accordance with the usages which govern the second reading of any Bill. Were we permitted ? No. It was moved by the promoter of the Bill, with all haste, for the purpose of getting it before the committee of the whole House. Had it gone to committee, we would have been held down closely to the rules, that we had no right to discuss anything but the clauses under consideration. Was that fair to those who were opposed to the principle of the Bill ? Was it proper to try and put us in that position so that we would be compelled to discuss the Bill clause by clause, and after all the clauses were passed we might endorse the preamble ? I appeal to the House, that we have not been properly treated. Let us get the report of the Select Committee. I am prepared to do my utmost to make this Bill as efficient as possible, in the interest of the policy-holders. We know that many of the policy-holders have not been treated fairly by that company. We have a sworn statement to that effect before the committee, and that evidence has been reported. The reports that we have had also, show that if there has not been actual wrong-doing, there has been reckless extravagance, imprudence and waste of the money of the policy-holders on the part of the management. That being so, what is our duty ? To give the company a new lease of life ? To let them go before the public and say : We went to parliament, we had a searching investigation, all the evidence that could be brought against us was elicited, every act of ours since we became an insurance company was examined, and here we are with a clean character, and we ask you to do what the Senate of Canada has done for us, give us a clean Bill and let us go and see whether we will do any better in the future than we have in the past.' Is there a single member of the committee who can contend that extravagance has not been proved before the committee ? Every one must admit that the directors of the company have transacted their business in a way to reflect discredit upon them. Further than that they are holding forth the necessity of passing this Bill, for what ? Do they pretend to say that they could not, if they had so desired, after the Bill was passed in 1899, carry into effect the various policies they had issued before that ? They are perfectly well aware that all the advantages the Bill would give them could be carried into effect under the charter they received at that time. Why, then, should it be necessary that we should be fighting these battles when they have every opportunity to accomplish that which they are now, under this new Bill, asking us to endorse ? It would seem to me there must be something behind the scene ; that it is merely a desire to so frame the Bill that they could carry on the old line business, instead of the new line business. If it be true that they could have carried on the business under the charter which they received in 1899, why are they here ? I have heard some say, ' Oh, it was not their doing, the member for Rothesay raised a question in the House here and they had to defend themselves.' That may or may not be true. but if it was his doing, bringing the matter before the House, will any of you tell me that there was not ample justification for the course he has pursued ? Instead of being accused of doing this, that and the other, the country will say he did a noble, honourable and straightforward act. Can you pretend to say that the people that insured under this provision with the Mutual Reserve, have not just reason to feel that they have been badly treated, and therefore ought to have some redress ? The hon. gentleman, instead of being open to the charge of being meddlesome, will be congratulated by widows and orphans throughout Canada and even in the United States for having on the floor of this House striven to the best of his ability, to protect them. The question arises, if that be so, what ought we to do in the matter ? Under the assessment system, amended in 1899, this company could enter into the various lines of insurance . They went to the people and asked them to transfer from the old to the new system. They tell us that they succeeded in getting about twenty-five per cent of the total amount of their insurance to transfer. The remainder re-

fused. Can you blame them ? If you were placed in their position would you deserve blame for refusing to transfer ? Would you be able to say that you had confidence in them, after the experience of the past ? If twenty-five per cent, under various representations and inducements, and a great amount of sophistry, were induced to enter the fold with the wolves, what became of the seventy-five per cent ? Will any one say that seventy-five per cent of the policy-holders did not know their own business, and that they must, perforce, be compelled to enter into this insurance company, when by their own free-will, they refuse to do so? Are you prepared to vote away the rights and liberties of seventy-five per cent of the policy-holders? Are you prepared to say that they shall not continue the old assessment policy in the future as in the past ? Do you think it is a good thing that there should be retroactive legislation ? We know that ex post facto legislation is dangerous. We all know that to attempt to coerce people to enter into an obligation that they do not feel a desire to accept is not a principle of free British institutions.

Are we by our legislation to deprive those seventy-five per cent of the rights that they may have under their contract with this company ? I say that that is a wrong principle. I do not believe there is an hon. member in this House who will vote to deprive these people of the liberty of acting in this matter in the way they desire to act. Again, what right have we to legislate in the manner we are asked to do ? We have no right to do it. People's liberties are more important to us. Because somebody had insured in a company, and because somebody, forsooth, was not able to keep up his payments on his policy, and is therefore liable to lose a little money, should we turn round and injure seventy-five per cent for the benefit of the minority of those who have insured in the company ? I heard my hon. friend saying that unless we passed this Bill there would be nothing left for the policy-holders. He has no right to say to one out of seventy-five per cent that he should have legislation in his individual interest, while the others are deprived of the same privilege. Let us for the moment consider the Bill as it is presented to us. Wherein is the advantage of that Bill ? Why is that Bill forced upon this House in the manner in which it is being forced upon this House ? Why should it be considered so important that that Bill should be rushed through in the manner in which it is being rushed through ? Is there a reason for it ? Is there any justification on the part of the promoters of the Bill that such should be the case ? If the majority of those who were insured were petitioning parliament here, and asking for legislation whereby they could get some relief, then I could understand members introducing a Bill and trying to carry it into effect, but where is the appeal from the country ? Now and then, perhaps, we may have a member of parliament who is asking for some legislation, but where is the appeal from the great mass of the people and the policy-holders—those who are most interested, and perhaps many of them more interested than some of the members of this House—where is the appeal from them ? Where is the mandate from those who are affected by this legislation ? I cannot feel that there is any justification in an act of this kind. If there had been such a desire that they should be changed and become part and parcel of an insurance company such as the New York Mutual Reserve is trying to impose upon us now, the facts have gone forth to every portion of the Dominion of Canada that the company are asking for legislation of that nature, and where are the appeals from the people for it ? We are asked to interfere with private contracts and private rights that have been existing for ten or fifteen years. Have we a right to do it without the people asking for it ? Many of them say they want to continue their assessment policies in the future as they have in the past. Are we to turn around and say : 'No, you cannot do it. We are going to legislate you out of your rights, and deprive you of the liberties you had, when you entered into a contract with this company.' Is that the course that this Senate, in the 20th century, is going to adopt ? Is that the course they are going to establish as a precedent to govern them in the future ? Are we to have members from different parts of the country, introducing legislation here and forcing seventy-five per cent of the people to do something to which they object ? I do not

believe that that is the feeling of hon. members of this House. I do not believe that that is the feeling that we ought on this occasion to be governed by, and I must again ask, why this haste? My hon. friend last evening said that there was a statement made by my hon. friend from Wellington that was not borne out by facts, and he said he had no right to introduce it, unless the select committee had reported upon it. Who was to blame for it? Was it my hon. friend? Did he introduce this Bill? Did he try to hurry it through, and without discussion send it to the Committee on Banking and Commerce, so as to get ahead of the endorsation or disapproval of the select committee? No. It was not he. It was the promoter of this Bill, the one who was the father of Bill H, who comes here and tries to deprive the people of this country, or 75 per cent of them, from having this kind of policy that they so desire. I congratulate him, I congratulate this House, that they should feel that it was necessary that a thing of this kind should be done. Now, sir, let us consider for a moment what this Mutual Reserve Society is. You remember perhaps some years ago—and it is a matter of history—that they entered into negotiations with another society that was doing a similar business here in Canada, a society called the P. P. I. Insurance Company of St. Thomas. Some hon. senators will know full well what that society was. Ultimately the trustees of that society, through some means or other, entered into negotiations for the carrying of the business that they had been doing. In the committee, it was sworn to by the third vice-president of the Mutual Reserve that they had agreed, provided certain things were done by the P. P. I. Society, that they would give to the P. P. I. Society 10 per cent of the whole amount of insurance on their policies. The P. P. I. at that time had about twelve millions of life insurance. They were doing business upon the assessment principle, the same as the New York Mutual Reserve was. They had about twelve million dollars of business, which, if the New York Mutual Reserve had carried out their part of the contract, would have given to the trustees of the P.P.I. $120,000. In the committee, Mr. Eldridge stated that he had negotiated this agreement between the P. P. I., and the Mutual Reserve. He said that seven sharper men he had never met in his life, in his transaction of business, than the Canadians with whom he negotiated the deal. I, in my simplicity asked him what amount he had paid the P. P. I. for the transference of the business. He stated that if they had carried out what they agreed to carry out, they would have paid ten per cent on the amount of policies transferred to the New York Mutual Reserve. 'Well,' I said, 'That is hardly an answer. Did you or did you not pay them?' He refused to answer me. Now this is sworn testimony in the committee. I ask you in all fairness, was it not a proper question to ask him? Was it not a matter that the people in the locality where the P.P.I. were carrying on business should have known? I urged upon him the necessity of letting us know what they paid or whether they gave anything or not. I have the document here, and I can read the agreement whereby they entered into the contract with the people, but what did they get? They got twelve million of business. According to their own statement, they did not pay one single dollar for the business that they received, or the expenses of working up the twelve million of insurance. Although they accepted the insurance as right and proper insurance, they refused to pay a single dollar. While they were paying Mr. Moss $350 a week, they did not pay the people of St. Thomas or in that locality one single cent, because they did not carry out the terms of the agreement. What were the terms of the agreement? The terms were that they should pay the P.P.I. to transfer this amount of business, twelve million dollars, and that they were to give them as assessment eight dollars per thousand, and two dollars for expenses. You can easily understand that they made a pretty good bargain. If on the part of the P. P. I., and if on the part of the New York Mutual Reserve a villainous transaction suggested at that time, had been agreed upon and entered into, and ratified, and the money paid over, what would have been the result? The result would have been, as Mr. Eldridge admitted, and as his lawyer told him, that he would have been placed behind the bars. Well, the bars had holy terrors for

them, but their consciences did not prevent the transaction. They were more elastic, and more easily gotten over, than the fear of going behind the bars, and they said they did not carry out the agreement for fear they would be indicted according to the laws of New York. Now, this was a transaction with this insurance company that my hon. friends are desirous to give a new habiliment, a new make-up, so that they can go on and transact business in the future. I congratulate them highly indeed upon all advantages they may be able to draw out of that society, if their actions in the future should be anything like they have been in the past, and I can sympathize with them that their prospects will be very poor indeed, to carry out these agreements. If they failed to fulfil their agreements in the past, are you to expect them to do any better in the future? If we read the Bill carefully, and I suppose, hon. gentlemen, I shall be permitted to read some of the clauses of the Bill without a point of order being raised by any hon. gentleman, we shall find that it is a very different Bill from what it was when introduced by the hon. gentleman from Toronto, and if you look carefully at the various clauses of the Bill, you will conclude that the Bill is something very unusual. It says that the company may obtain a license under the Insurance Act. Have they not now a license under the Insurance Act? Were they not licensed before? Was it necessary that this Bill should be passed for the purpose of giving them a license under the Insurance Act? If you look at the Insurance Act, and at this Bill as amended, you will find that they had that right in 1899, and the Bill upon the face of it is a fraud.

Hon. Mr. DANDURAND—Hear, hear.

Hon. Mr. WILSON—My hon. friend says 'hear, hear.' They say it is a public Bill, and yet from first to last, every line, every clause, every arrangement, every principle, if it has any principle at all, is in the direction of the New York Mutual Reserve Fund Insurance Company. What other company is affected by it? What other insurance society is affected by it? Any of the fraternal societies? Any other society than the New York Mutual Reserve; and if it be the New York Mutual Reserve alone, then it should have been introduced as a private Bill, subject to the ordinary fees, and let it go through the House under the rules governing all private Bills. We know what this company have been in the past, and we have heard what they propose to be under this Bill. It refers to the rights of the existing assessment policy-holders. Now, what are you going to do with the rights of the existing policy-holders? You are asked to pass a Bill whereby they may be deprived of those important rights. Instead of giving them rights, you are seeking to take away the rights which they are entitled to, therefore I say that the Bill which my hon. friend has introduced is a fraud, as it does not carry out that which it is intended to carry out. A great deal of stress has been placed upon the fact that policies which have lapsed for ten years may possibly be revived. What is the meaning of that? How revived? Could they not take the same amount of money and go to any line insurance company and have a life policy issued with a less amount payable annually, than would be payable under this Bill? Then they say that policy-holders will not have any of the dividends. Where are the dividends to come from? They say they take $152,000 of the deposit. But how are they going to get it until they place the reinsured under the Act? They dare not touch a single dollar of it so long as the assessment policies remain in force, and is there not a reason why they are coming to this legislature? And what is the purpose? It is to get control of the $152,000 out of which they say they are going to pay dividends to the different plans of insurance as brought forward in this Bill. Then they say furthey: 'You do not need to have an examination by a medical man in the future. All you have to do is to certify yourself upon the form presented to you by the company.' What is that form to be? Do any of you know what that form will be? You will find that the form will be made so stringent and so severe that you might better go before the crankiest doctor in creation and be examined rather than submit to the plans they will propose to you, and further, if

you certify that you have been in good health, they will search from one end of the country to the other to find if you have not been sick with influenza or something, and they will thereby refuse to pay your insurance if you should happen to die.

My idea of this is that if you have to certify, that certificate has to be approved by the society before you could possibly be allowed to come back into the fold. Not only that, but you are to get no dividends, and, as the hon. gentleman from Wellington stated when making his remarks upon this Bill, it matters not if some of the policy-holders had been paying for ten years, and others not paying at all, all that the latter would be deficient in would be just the dividends? What is the dividend? Fifteen or twenty per cent upon the thousand dollars—the wonderful dividend—and I want to know further, and I should like the promoter of the Bill to show where the $152,000 is to come from? They say they will take it out of the $228,000 deposit now in the hands of the government, and the balance of the $228,000 is to remain on deposit. Who furnishes the $152,000, what is to become of it? They say it is to go in dividends. Will the society in New York furnish it, or must it be taken out of the Receiver General's hands and used? If it is taken out of the Receiver General's hands what will be the effect? There will be that much less security for the policy-holders than you have to-day. It will be much better to put the company in liquidation and let them pay up their claims, and satisfy as far as they can, those they have wronged, than to come to their rescue, and grant relief for the wrongs they have committed. It seems to me our duty is perfectly plain. We know full well that these policy-holders have been robbed. We know full well that they are not at the door of the Senate asking for this Bill. Many of the insurance companies and many of those who look upon life insurance as the only means of making provision for their old age, will be deterred from doing so, and you will be doing a lasting injury to those people. Therefore I have no hesitation in saying that the present Bill is not in the interest of the people, and ought not to be passed. How can we conscientiously enact a retroactive law, whereby you are depriving people of their rights and privileges. I say it is wrong. I say that no judge upon the bench will sanction such a course as hon. gentlemen are pursuing here, and if these people are not willing to come in to this new scheme of their own accord, I say you have no right to coerce them and bring them in against their will.

Hon. Mr. DOMVILLE—I should like to say to the hon. gentleman from de Salaberry that whatever I might have said in the heat of the moment I had no desire to say anything offensive.

The SPEAKER. It being six o'clock I leave the chair.

After Recess.

Hon. Mr. WILSON—When the House rose for recess, I was endeavouring to point out some reasons why I felt it was not in the best interests of the policy-holders of the New York Mutual Reserve to be reinstated under and through the management of that association. I was trying to show that their dealings in the past would not guarantee the confidence that was necessary to place in an insurance company in the future to transact business in Canada. I may have failed to make that very clear. Nevertheless I felt sincerely that the course I was taking was in the best interests and for the welfare of the people of the Dominion of Canada, and that their actions, adverse to what they had agreed upon in the past, were such that we, as citizens, could no longer have any confidence in them, and I hope I shall be able to show later on, that that confidence was misplaced and that the company were to blame for the manner in which the people were treated. I also tried to show that the Bill as now prepared, whether prepared by Mr. Eldridge or by somebody else, does not secure those who had been paying into the New York Mutual Reserve for a number of years, as they ought to be protected. It certainly was a very unseemly thing, that a member of the Senate, who introduced this Bill, should have recourse to the officers of the very company whose affairs are being investigated, to manipulate the various clauses of that Bill, perhaps more in the interest of the company than in the interest of the poor long-suffer-

ing and burdened policy-holders. If you analyse the Bill carefully, I think you will agree with me, that it is not such a measure as ought to receive the approval of the Senate. The facts in connection with the Bill, and the whole Bill itself, if you read it carefully, clause by clause, indicates that it is not likely to accomplish the object that they pretended they had in view, and it would almost seem to me that the object of Mr. Eldridge was realized in the Bill rather than the object of the hon. gentleman who is to father the Bill. Clause 3 reads as follows :—

3. From and after the date of the said license, the rights of the holders of the assessment policies of the company and the liability of the company thereunder shall be as follows :—

(*a*.) Every such assessment policy shall be deemed to be a non-participating policy of life insurance with fixed and definite premiums for the amount ascertained as provided in paragraph (*b*) of this section, payable only on the death of the insured and upon the performance of the policy conditions, except in so far as such conditions are modified by the provisions of this section, and subject to the provisions of paragraph (*c*) of this section, upon payment from time to time of the new premium from and after the date of the said license, at the time stipulated in the said policy, together with an amount equal to five per cent of such new premium as a loading for expenses.

Now, why if the company are insuring them, do they not insure for a definite and reasonable sum, whatever it may be, without loading these policies up in the manner provided for under this clause ? It says :—

(*b*.) The amount of such policy shall, at the option of the insured, be either,—

(i) The amount which the said new premium, taken as a net annual premium (without any allowance for expenses) for the age of the insured at his birthday nearest the date of the said license would purchase according to the Hm. mortality table of the Institute of Actuaries of Great Britain and a rate of interest of three and one-half per centum per annum ; or,—

What is the object of this ? Why is it necessary ? Are other insurance policies loaded up as this is ?

Hon. Mr. KERR (Toronto)—Does not the hon. gentleman know that that is the table adopted by the department, on which all insurance policies are charged ?

Hon. Mr. WILSON—I understand that part of it, but I understand this to be a very different thing.

Hon. Mr. KERR (Toronto)—No, there is not a particle of difference.

Hon. Mr. WILSON—My hon. friend will have an opportunity to state his views. I say it is not the manner of all insurance companies, and it is not the manner of loading those policies existing at the time the Mutual Reserve first became an insurance company. There was no such thing as loading up with three and a half or four or five per cent.

Hon. Mr. KERR (Toronto)—On the contrary, when this company was started the rate was four per cent.

Hon. Mr. WILSON—I know perfectly well that where the insurance was taken in St. Thomas on the Mutual Reserve principle no such rate was added at all. If he is positive in his opinion I am equally positive in mine. It is all very well to make me believe it for the sake of what ? Convincing this hon. body that this is the proper insurance to pursue ?

Hon. Mr. KERR (Toronto)—It is calculated at that rate.

Hon. Mr. DOMVILLE—There is too much calculating.

Hon. Mr. WILSON—It is a good thing my hon. friend is able to calculate at that rate. I wish he could calculate to make a reasonable Bill, a Bill that this hon. body will accept, and the policy-holders be benefited by.

Hon. Mr. KERR (Toronto)—If the hon. gentleman will refer to the Insurance Act, he will find the basis on which they are bound to put up their legal reserve, and he will find that in former years, it was four per cent, and that it has been reduced, and it is in the returns for every insurance company.

Hon. Mr. WILSON—I suppose my hon. friend obtained a good amount of information from the actuary who was engaged in the framing of this Bill.

Hon. Mr. KERR (Toronto)—I obtained no information from him at all on the subject,

and I shall not allow that kind of statement to be made here.

Hon. Mr. WILSON—Then I will say, that on account of not having that information from him, and having no information of his own, the Bill is defective, and as the hon. gentleman is the father of the Bill, he will often regret having taken it in charge. The clause continues :

The amount (subject to the amount of lien hereinafter provided) which the said new premium taken as a net premium (without any allowance for expenses) for the age of the insured at his birthday nearest the date of the issue of the policy, would purchase, according to the basis set forth in the first option aforesaid.

My hon. friend said last evening there would be only one option. Here we find there are three.

Hon. Mr. BEIQUE—I stated three.

Hon. Mr. WILSON—I accept the hon. gentleman's statement; I did not so understand it. Then it says :

Provided that the full reserve or reinsurance value for the amount of such policy at the date of the said license computed from the date of the issue of such policy on the basis aforesaid, shall be a lien or charge upon the said policy, bearing interest to be compounded annually at the rate of four and one-half per centum per annum until paid.

What is the object of this ? A person gets insured. He is to have a certain amount for which the insured will become responsible on account of the reinsurance, and that amount is to be charged up to him at 4½ per cent. Now, is that a reasonable proposition to make in the insurance ? I say it is not, and therefore when a family come to realize upon a policy, they find it is loaded up, and perhaps the 4½ per cent compounded from year to year will equal the amount of the insurance. Then it says:

(c.) The holder of any such assessment policy shall have the right to continue his said policy for the full amount thereof as a yearly renewable term policy upon which the premiums shall not exceed the net yearly natural premiums for the attained age of the insured calculated upon the basis of the mortality table and rate of interest aforesaid with a loading of five per cent for expenses.

That is the last option. They have two chances ; they can have the first chance, or they can have the second chance, loaded up with this heavy lien upon their policy, or they can pay a large amount annually. Why is it any better to load up a policy in this way than to have a policy on the assessment plan ? Later on I shall be able to show that this company declared that they were the strongest company in the country. That no other company was equal to them, not only in Canada and the United States, but in the whole world, and therefore when they entered into contracts they would be able to guarantee the full payment of all these policies. We have the statement of the father of this Bill, Mr. Eldridge, to that effect. Of course he knows how to frame a Bill, and as this has been framed in the interest of the Mutual Reserve, he certainly ought to get credit for it. I referred also to the statement about lapsed policies being renewable, and the manner in which they were renewable. Now you all know as well as I do that these renewal policies are very fictitious. It says if an individual makes the assertion that he has been so and so, that he has lived a straight life, has not exposed himself, has not been guilty of dissipation, drunkenness or anything of that kind—he makes his report, because the forms will demand it, to the insurance company——

Hon. Mr. CLORAN—That is a kind of confession, is it not ?

Hon. Mr. WILSON—It is accepted by the company for the time being ; but when the question of paying the claim comes, it is perfectly easy for the company to say the man misrepresented his condition, and if the case went to court they would appeal it from one court to another, and the chances are that the poor widow and orphans would not receive a cent. Then take another item; they are to have in the first place a certain dividend to be declared to those who take the first option. I asked before, I ask again where is that dividend coming from ? How is the company to pay the dividends unless it goes to the Receiver General and withdraws the money ? I understand, though I do not know whether it be true, that when this company changes their assessment policy and adopts a straight line policy they will contend that they have a right to withdraw

their deposit. Later on, as the hon. member from Wellington showed very plainly the other day, when they have gone on for a certain time, doing a certain amount of business they can go to the Receiver General and say 'We are through with the business here; we are getting no new business and we want to withdraw the deposit in the Receiver General's hands.' What protection will you have for the unfortunate policy-holders? That will be the upshot if this Bill is carried into effect as we find it here. They talk about revival of lapsed policies. It looks like an attempt to induce people to come into permanent insurance instead of remaining in the Mutual Reserve. Every line of the Bill goes to show that the desire is to induce the policy-holders to become insured on this straight line plan, and I could understand, if they could give such insurance at moderate rates that it would be desirable; but it is not fair now to try to coerce or influence or attack men who are already insured to come in and accept terms which they would not accept under ordinary conditions. Have we any right to pass this Bill and legislate against the rights of those who have been insured? Millions of dollars of insurance has been entered into by Canadian policy-holders, and we are now asked to adopt a Bill that will compel all those interested in that insurance to change the system under which they were insured and to take out another kind of policy. Is that just? Is it right? If it was right you would not find men from the various parts of Canada, and even from the United States, appealing to parliament not to pass this measure. Every letter we get from these unfortunate people is to the effect: 'Protect our interest and do not allow a Bill to pass whereby we shall be coerced into taking straight life insurance under the Mutual Reserve Company.' If they had a reputation that would secure the confidence of the people it would be a different thing, but they have not that reputation: therefore I say it is a gross injustice that they should be coerced into becoming part and parcel of such an institution under this Bill. Put yourself in their place: If you had insured your life to provide for your family, and the time came when the insurance company through reckless and improvident management had squandered their money, and they came and asked you to forgive them and let them have a new lease of power to go on and do as they had been doing before—what would you say? If the managers of this institution came here today, asking to be incorporated as an insurance company, would you feel justified in giving them incorporation, knowing that they had already violated the trust that they had received from parliament? I do not believe this House would feel they were doing their duty if they granted a charter under such circumstances. I am not going through this Bill any further. In my opinion it will not accomplish that which its promoters pretend to say it will. But what will it do? It will benefit the management of the New York Mutual Reserve and enable them to take the last drop of blood out of the unfortunate people insured in their association and give them an opportunity to prey upon the people of this country for another twelve or fifteen years. Some hon. gentlemen insinuated to me some time ago that I was perhaps interested against this insurance Bill, that I had a pique or a spite or ill-will towards the New York Mutual Reserve. They may call it pique or spite or what they will; I have no pique or spite against any men, or any set of men, who will not deal justly, honestly and fairly with the citizens of Canada. I hope I am honourable enough to do my utmost to protect the rights of our people, and I am at the same time cautious to do no harm to others, while trying to serve my country. The truly loyal man is the one who will guard and protect the rights of his fellow citizens; if he does not do that he is not a loyal or true citizen of Canada. I had no interest, directly or indirectly, in this insurance company or any other mutual insurance company in the Dominion, and while I have fought not only in this House but in the committee, for the rights of the people interested in the P.P.I., I never had sixpence interest in that society. If I could by any possibility enable every individual in that society to be placed in a fair and just position I would do my utmost to accomplish that end, but I believe this Bill will accomplish the very reverse.

Hon. Mr. DOMVILLE—As it stands.

Hon. Mr. CLORAN—We will change it a good deal before it passes.

Hon. Mr. WILSON—I referred a few moments ago to the P.P.I. It was started as an assessment company under the Ontario Act and was known as a provident and benevolent society.

Hon. Mr. COFFEY—A fraternal society.

Hon. Mr. WILSON—Yes. It was called a provident society under which all classes could insure. The business of the company was carried on in the city of St. Thomas, and was doing, as has been represented here, and as the Mutual Reserve was doing, a fair amount of business. Many people became insured under it. Many thought there had been a heaven-born system of insurance introduced whereby they could get their lives insured at a very low rate. We all know the tendency of people : if they think they can get things for less than their value they are disposed to invest. This was, I suppose, the case with the P.P.I. in St. Thomas. The society went on for a number of years, and issued assessment policies to the amount of somewhere about $13,000,000. They had paid all their claims, and had met every obligation. When a death claim was presented they paid it without haggling or going to the courts. They asked for nothing but the medical certificate showing that the applicant was entitled to the insurance. I suppose Mr. Eldridge, of the New York Mutual Reserve had discovered there was another mutual insurance company somewhere doing a considerable business, and as his own company were not perhaps as prosperous as they would like to be, he opened negotiations with the trustees of the county of Elgin P. P. I. Company. The P. P. I. trustees were invited to New York and taken around and had a jolly good time of it, no doubt at the expense of the policy-holders of the New York Mutual and of the P.P.I. It is very nice to have a good time at the expense of others. Later on, when they returned to St. Thomas, a rumour came out that the trustees of the P.P.I. had made a splendid bargain, and there was going to be an amalgamation of the $13,000,000 of the P.P.I. with the many, many other millions of the Mutual Reserve. We had it going from one end of the county to the other, and I have no doubt my hon. friend from London heard it, because the P.P. I. was transacting business there. This report went abroad, that they had received or were going to receive a very large amount of money. The companies amalgamated, and I have here the agreement that was entered into between the managers of the two institutions. By this document one was transferred to the other, just like so much stock, and the amount involved is represented to have been '$1.' There was a nigger in the fence, and a big nigger too, and they had to cover him up to keep him from the gaze of the policy-holders in the P.P.I. For the sake of placing it on record, I crave the indulgence of the House while I read the agreement :

This agreement, made this 27th day of June, in the year one thousand eight hundred and ninety-six, by and between the Provincial Provident Institution, a corporation duly organized and existing under and by virtue of the laws of the Province of Ontario, of the first part, and the Mutual Reserve Fund Life Association, a corporation duly organized and existing under and by virtue of the laws of the State of New York, of the second part, witnesseth,

Whereas, the parties hereto are engaged in business of life insurance on the assessment and co-operative plan, and

Whereas the party of the first part is desirous of amalgamating with the party of the second part and of transferring its members to the said party of the second part,

Now, therefore, for and in consideratior of the premises and of the covenants and stipulations hereinafter contained, and of the sum of one dollar, lawful money, in hand paid by the said party of the first part, the receipt of which, before the signing of these presents, is hereby acknowledged, by the said party of the second part, this agreement witnesseth as follows :—

First. That the said party of the first part shall on the 15th day of July, 1896, as the agent of the party of the second part, issue to its members a notice of an assessment in accordance with the terms of the certificate of membership held by each of the members of said party of the first part, which said assessment shall be known as the 'transferring assessment,' which said notice shall contain a statement embodying the substance of this agreement and shall be prepared by the party of the second part and be approved by a committee of trustees of the party of the first part.

Second. That the said party of the second part shall assume all the outstanding risks of the party of the first part and shall become responsible for all losses and claims accruing to members or policy-holders of the said party of the first part from and after the date of the notice of the transferring assessment, as provided in the first clause thereof, the amount of which assessment, together with eight dollars per one thousand of business actually paying said transferring assessment as a first payment or admission fee, and two dollars per

one thousand of business so paying said assessment on account of the general expense fund, shall be paid to the party of the second part.

Third. The payment of the transferring assessment by any member of the party of the first part, in accordance with said notice and the terms and condition thereof, shall constitute such member a member of the party of the second part, with all the rights and privileges of such, but subject to all the obligations of such membership in the party of the second part, including the provisions of the constitution or by-laws and the rules and the regulations of the said party of the second part as they now exist or as the same may be hereafter amended, The members of the party of the first part so becoming members of the parties of the second part shall not be called upon to pay assessments in excess of those charged members of the party of the second part entering said party of the second part at the same dates and ages as said members so transferred from the party of the first part entered said party of the first part respectively, except as by change of policies or certicates of membership this agreement may be modified.

Fourth. That members of the party of the first part so becoming members of the party of the second part shall not be required to exchange their policies or certificates of membership for those of said party of the second part unless they may elect to do so, their insurance will be continued under the policies or certificates issued by said party of the first part as hereinbefore provided, subject to the terms thereof as to forfeiture for non-payment of dues or assessments.

Fifth. The said party of the first part shall pay all claims to policy-holders or otherwise outstanding or incurred up to the date of said transferring assessment, and shall immediately on the issuing of the notice of said transferring assessment pay over to said party of the second part the fund known as the annuity fund of the said party of the first part, and upon the completion of said transferring assessment ten dollars per one thousand of all transferred business where the attained age of the member at the time of such transfer exceeds sixty years.

Sixth. All papers, notices, assessment circulars, and all other documents or papers whatever to be sent out to carry into effect the provisions of this agreement, shall be prepared by the party of the second part and approved by a committee of the trustees of the party of the first part.

Seventh. It is covenanted by the party of the first part that its officers and trustees shall and will give its and their utmost moral aid in aiding the transfer of its membership to said party of the second part, the exchange of policies or certificates of membership to those issued by the party of the second part and the complete performance of all the conditions and provisions of this agreement.

Hon. Mr. McMILLAN—Sell them over, body and bones.

Hon. Mr. WILSON—Yes, and all the money which they had, and I will be able to show they had some. Here we find there was an amendment. They had signed the amendment and struck out clause 2 of the agreement made 27th June, 1896, that bound the Mutual Reserve Fund Association to apply the several funds, reserve fund, emergency fund, annuity fund and mortuary fund received from P. P. I.,

In the manner and for the purposes prescribed by the by-laws now existing of the said Institution subject to the third provision of the agreement of June 27, 1896.

Eight dollars per thousand, plus two dollars more per thousand. This association later on repudiated the debt, and did not give them what they agreed to give, although they took over thirteen million of insurance, for which they stated that they did not pay a dollar. The P. P. I. had worked up an insurance of some thirteen million dollars; they transferred the whole of these policies over, and not one single dollar was paid to the trustees of the P. P. I. for the large business they had worked up. I appeal to hon. gentlemen, if the Mutual Reserve failed to carry out an agreement of that kind, can you rely upon them to act any more fairly with their policy-holders under this Bill, which certainly will not accomplish the object which they contend it will, but almost the very reverse.

There were a number of people insured in the P. P. I. who happened to be over 60 years, and the P. P. I. had to give this generous whole-souled Mutual Reserve Association $10 for taking over the policy of a man who happened to get to the age of 65 before this deal occurred. Generous they were, and good they were, but they looked out for themselves and they were protected. Two parties transacting the business in St. Thomas, the solicitor from St. Thomas and the solicitor from New York, stated that if they had completed the transaction as at first contemplated they would have been promptly put behind the bars. I told one of them it was the place he should be. Was or was not the agreement carried out? The Mutual Reserve treated the P. P. I. policy-holders in the same manner they used the assessment policy-holders in their own company, so that they forced the P. P. I. business from $13,000,000 down to $8,000,000.

Clauses 8, 9 and 10 of the agreement are as follows:

8. That all moneys received by the party of the second part on account of the business transferred or from members of the party of the first part shall be used and applied by the said party of the second part to the same uses and purposes as moneys received from new members of said party of the second part admitted at the date of such transfer.

9. That if any member or members of the party of the first part declare his or their unwillingness to assent to the transfer of membership herein provided and insist on remaining members of the party of the first part, said party of the second part hereby covenants and agrees that, in consideration of the payment to it of said member or members' dues and assessments by the said party of the first part, to reinsure the risk on such member or members until he or they can be seen and a personal adjustment made with such member or members, and the party of the second part agrees to protect said party of the first part against all expense involved in such adjustment.

10. That the said party of the first part shall immediately on the day of the date of the said transferring assessment turn over to said party of the second part all original applications for membership heretofore at any time received by it, and any and all books, records, accounts, documents and vouchers in any way relating to any policy or certificate of membership outstanding on the day of the date of the notice of said transferring assessment.

As I said before, they got thirteen millions in policies. They got all the books and certificates. They got everything, and I suppose all the furniture in possession of the P. P. I., and they agreed to give them ten per centum of the thirteen million, or somewhere about $130,000, and they confess now that they did not pay them one single cent, because Mr. Eldridge stated in committee that had their agreement been carried out, they would have been placed behind the bars. This is the company that my hon. friend from Toronto is so desirous to incorporate that they may go forth like wolves in sheep's clothing to seek whom they may devour, as they have done in the past.

Hon. Mr. MACDONALD (B. C.)—Why did the party of the first part go into the contract? What were they to gain by it? It looked like a foolish contract, handing over everything.

Hon. Mr. WILSON—The agreement was made with the trustees of the Provincial Provident Society in St. Thomas, that the Mutual Reserve should do what? After this transferring clause, and the premium of eight dollars, plus two dollars per $1,000 that they should pay to the trustees of the P. P. I., ten per centum or $130,000, to the trustees of the P. P. I. It was the $130,000 that looked so large in their eyes, and for which they were ready to transact the business; but the lawyer in St. Thomas, Colin McDougall, told them: 'If you carry into effect that contract, it will mean a criminal prosecution.' The lawyer in New York told that immaculate individual my friend Mr. Eldridge, that if he transferred this money, it would be the cause of his going behind the bars.

Hon. Mr. SULLIVAN—Was the $130,000 to be given to the trustees to divide among the members, or for themselves?

Hon. Mr. WILSON—For the trustees; I do not think the policy-holders would have seen a cent of it. The pockets of the trustees would have been large enough to hold the whole amount.

An hon. MEMBER—Did they get it?

Hon. Mr. WILSON—No, that is where the difficulty came in. Mr. Eldridge says that a sharper lot of men than the seven men from St. Thomas he never did business with in his life, and that if he could deceive, defraud, and cheat them, he was doing a great stroke of business.

An hon. MEMBER—Were you one of them?

Hon. Mr. WILSON—No, I was not. I had no interest, directly or indirectly, in this association. I was not a member or attorney or examining physician, or in any way interested in the affairs of the company. The agreement concludes:—

In witness whereof the parties hereto have caused their corporate seal to be hereunto affixed and these presents to be signed, on the part of the party of the first part of its President and Secretary and on the part of the party of the second part by its third Vice-President in duplicate, the day, month and year first above written.

GEO. K. MORTON.
President.
E. S. MILLER.
Secretary.

Mutual Reserve Fund Life Association,
GEO. ELDRIDGE, third Vice-President.

Now, look at the signatures? who are these men? The very men that my hon. friend from Toronto is desirous of handing over this Bill to, so that he can get some more members, I suppose, transacting business of this kind. George K. Morton was president, an individual in St. Thomas, E.

S. Miller, who then had the chief secretaryship of the P.P.I., and now in Montreal, and whom do you suppose signed it on the part of the Mutual Reserve, other than our dear friend George D. Eldridge, third vice-president of the New York Mutual Reserve.

Hon. Mr. COFFEY—I believe they had a very large amount of money as a reserve fund, in the Provincial Provident. Do you know what became of it ?

Hon. Mr. WILSON—I was going to read it. The P.P.I. acting economically, paying the president, vice-president, and other members of the organization, reasonable salaries, not such as the New York Mutual Reserve paid to their officials, salaries so large that they dare not state them in detail though willing to give us the lump sum, because they do not want it go abroad that while the policy-holders are paying extortionate assessments, the officials down at head-quarters are luxuriating upon twenty-five, thirty, fifty, and a hundred thousand dollars salaries. They do not want such information to go abroad. Our society was acting economically. They would have a meeting when necessary and the directors would charge up against the policy-holders twenty dollars for each and every meeting they held for each and every director. They had accumulated a large amount of money and had deposited that money in the bank. Not only was this but business to the amount of thirteen million dollars transferred to the hands of these men with large salaries down in New York, so that they could employ Mr. Moss at fifty or a hundred thousand dollars a year. (I would not say that they did give him that but they gave the money over to the New York Mutual, and it amounted, as I am credibly informed and verily believe, to a hundred thousand dollars. I appeal to hon. gentlemen here, and I appeal to parliament to pause before it places upon the statute-books an Act to rehabilitate men with such a record.—for they have a past record very unsavoury in the transaction of insurance business. You may ask me, why did the people of our town do as I say they did ? You can easily understand that if those trustees thought they were going to get $100,000, and that money to the extent of $100,000 was going to be refunded to the policy-holders in St. Thomas, they readily entered into this arrangement and the transfer was drawn. The Mutual Reserve continued to carry the policies issued by the P.P.I., and very shortly commenced to increase the calls from two dollars to five dollars and eight dollars, until they froze the poor Canadians out. The funds had to go down to New York to satisfy that greediness of the officials down there. They raised the fees and the assessments so high, that not only in St. Thomas but in other places those who were insured had to withdraw. Hon. gentlemen may ask me justly, how was it that the certificate holders, or policy-holders, how they were satisfied with being treated in the manner in which they were. I have a document here which will show to some extent the means that were adopted whereby the P.P.I. were induced to keep quiet. It is by E. S. Miller, the secretary of the Provincial Provident of St. Thomas. It reads :

> You will be informed by the inclosed circular to members of the Provincial Provident Institution of the terms of consolidation agreed by the management, on behalf of said institution, and the Mutual Reserve Fund Life Association.

'Consolidation' ? I could apply a word that would be more appropriate than consolidation. I could say the robbery of the P. P. I. by the action of the Mutual Reserve. The letter continues :

> After perusal, you will observe that the plan is an amalgamation of the business of this, the most prominent Canadian organization, with that institution, the most prominent, not only in America, but in the world. By this agreement, assessment insurance will become the foremost life insurance interest in the country, and the combined business in Canada of the two institutions will be exceeded by that of only one company of any kind. By such a combination of strength that has been divided, there will certainly result a yet more rapid growth in membership and sound financial condition, than would otherwise be possible.
>
> It is impossible to do justice in a communication of this character to the merits of the arrangements, either from the standpoint of the membership or of the agents, but we simply ask you to inform yourself on the subject and to refrain from committing yourself to any engagement, until you are in possession of all the facts, which will be communicated to you within a few days, together with proposals for continuing your allegiance under the new arrangement, upon terms that will be found both liberal and attractive.
>
> Thanking you for your loyalty in the past to this institution, and bespeaking from you the same quality of service to the Mutual Re-

serve Fund Life, where I hope still to be associated with you in the work of life insurance, I am,

Very truly yours,

E. S. MILLER,
Secretary.

That is not all. We have some more. Another circular reads :

The most prominent examples of the advantages derived by the people of Canada from the system of assessment life insurance are the Provincial Provident Institution, the largest home company, and the Mutual Reserve Fund Life Association, which not only has the largest business in force in the Dominion, but is also the largest institution of the kind in the world.

It has seemed to the managements of these two organizations that still greater possibilities for good would accrue, were the efforts now directed to the upbuilding of two competing offices united in a single purpose, especially in view of the marked tendency at the present time, seen both in the Dominion and in the United States, towards a reduction in the number of institutions in the various branches of industry, with a resultant increase in the bulk of transactions of each.

Did they realize it ? Has there been an increase in the transactions of the unfortunate P. P. I., or is it an increase of the transactions with the unfortunate policyholders who have been loaded up and loaded down, and liens placed upon their policies, so that the company can carry them with a diminished valuation ? The circular continues :

Recognizing, therefore, the advantages of a wider business, both because it gives increased security and greater economy, the management of the Provincial Provident Institution is glad to be able to lay before its members a matured plan for the consolidation of the two largest masses of assessment life insurance in Canada. By the amalgamation of the business of this institution (amounting to over $13,000,000) with that of the Mutual Reserve Fund Life Association (amounting to over $23,000,000 in Canada of its total of $310,000,000), an aggregate of over $36,000,000 of Canadian business will result. This exceeds in amount that carried by any life insurance company (with a single exception) doing business in the Dominion on any plan ; is more than one-tenth of all the life insurance business of all kinds reported in the blue-book, and exceeds by $1,500,000 that of all other assessment companies combined reporting to the Canadian Insurance Department.

The basis of the consolidation of the business is most fair and equitable to both parties, and it has been possible to bring it about because of the high quality of the business of the Provincial Provident Institution, which renders feasible an amalgamation presenting none of the objections which attach to a mere reinsurance of risks. That the plan is one of especial benefit to the members, and therefore one upon which the management can present to them its sincere congratulations, the following details show conclusively :—

1. The arrangement includes every member. No member's insurance is disturbed. Every risk is carried on without interruption. There is simply placed behind each, as further security, the broad resources and large membership of the Mutual Reserve Fund Life, giving to the insurance the protection of that association's strength and vast resources.

It says that no member's insurance is disturbed. I do not think they are disturbed now by getting any of the payments when life is extinct. They will carry the claim from one court to the other, and finally, if they cannot succeed here, they go to the law lords in England to plead their case, and send the ablest lawyer of Canada over there to argue their case. My hon. friend says they have one there now. I stated that the Mutual Reserve took over thirteen millions of business of the P. P. I. I forgot to say that they have by death and letting their policies lapse less than eight millions of that business now. The circular continues :

2. There need be no change of policies. The simple act of paying the regular assessment, to the same official, at the same address and in the same manner as former assessments of the Provincial Provident have been paid, is all that is required to constitute the present member of the Provincial Provident Institution a member of the Mutual Reserve Fund Life Association, with all the rights, privileges and obligations of such membership.

Of course, they discovered by this time, that they had not very many rights—only the right to pay double, treble the call, almost every month The circular continues :

The strength of the Mutual Reserve. Its annual income is nearly $6,000,000.

If they have $6,000,000 why do they not continue on the assessment plan and pay off the claims against them. Why should they ask for better terms from the Senate, when they might adopt some other course ? If they are getting six millions of an annual income, is that not a pretty good reserve ?

Hon. Mr. WATSON—What date is that ?

Hon. Mr. WILSON—1896. Will that suit the hon. gentleman ?

Hon. Mr. WATSON—It is a good while ago.

Hon. Mr. WILSON—Yes, they could not wrong so many of the P.P.I. people without having some time to do it. They would

require time to do it in a way that they would not lay themselves open to charges of fraud and corrupt acts. It is a good while ago. True, there are many of those poor unfortunate ones to-day who have not a dollar, and could not keep their policies paid. My hon. friend says it is a good while ago.

Hon. Mr. WATSON—The reason I asked was that the hon. gentleman stated it was a good while ago and asked why could they not go on now and pay up the claims. The hon. gentleman knows it.

Hon. Mr. WILSON—Is it on account of their having dealt fairly, justly and honestly with the policy-holders, or is it because they have robbed the people, that they ask for this change ? If the public had the same degree of confidence in this company as it had in 1896, there would be a different story to tell, and this Bill would not be required. The circular continues :

Its assets exceed $5,000,000. Its surplus funds amount to $3,672,526 or $12.52 per each one thousand dollars of insurance against $9.23 per each $1,000 in the Provincial Provident. Its membership is 110,000. Its outstanding insurance reaches $310,000,000. It has paid death claims over $26,500,000. The peculiar hold the association has in Canada ; it has on its staff a number of Canadians, including its 2nd Vice-President and Chairman of the Executive Committee. It has in force, the largest Canadian business of any assessment company. Its business to number of population is as large in Canada as in the United States. It wrote more new business in Canada in 1885 than any other assessment company, and with two exceptions than any other company of any kind. It gained in business in force in Canada in 1885 more than a million dollars. It has paid death claims in Canada more than $1,250,000. It has a deposit with the Canadian government in Canada, securities having a present value of over $108,-000. Its assets in Canada at the date of its last report, exceeded a quarter of a million dollars. After congratulating the members of the P.P.I., upon the many advantages afforded them by this amalgamation with the business of the largest and strongest assessment life insurance organization in the world, we remain,

Faithfully yours,
GEORGE K. MORTON, President.
JOHN BAIRD, Treasurer.
E. S. MILLER, Secretary.

Now, I have other papers here.

Hon. Mr. DOMVILLE—Read them.

Hon. Mr. WILSON—Perhaps some hon. gentlemen might feel desirous of having them read, but if the House will consider them as read. I shall hand them in to the reporters.

Hon. Mr. McMULLEN—That is United States style ; it is not allowed here.

Hon. Mr. WILSON—I would like to gratify hon. members, and I might just as well be reading these papers as sitting down. I shall read a letter dated July 15, 1896, from one of the members of the New York Mutual Reserve Association. At that time he was in good standing, but when a certain class of men disagree, then a certain other class will get justice. That is the mildest way I can put it. The letter is as follows :—

305, 307, 309 Broadway, New York,
July 15, 1896.

Confirming the statement made by the management of the Provincial Provident Institution of St. Thomas, Ont., of the arrangement for the consolidation of the business of that institution with the Mutual Reserve Fund Life Association, the management of the latter association extends its congratulations over the advantages resulting therefrom. The insurance of every policy-holder is protected and preserved ; the guaranties and security of the large membership and large accumulations of the Mutual Reserve Fund Life are given to the members of the Provincial Provident, who become members of the former company on equal terms of rights and duties with those members who entered that association at the same dates and ages, respectively, as the members of the Provincial Provident entered that institution. The arrangement will disturb in the least possible degree the relations of the members of the Provincial Provident, while it will strengthen their insurance and give them better guaranties and security.

The payment of the current assessment—which is to be paid to Mr. E. S. Miller at St. Thomas, as all preceding assessments have been paid—gives to your policy the guarantee of the Mutual Reserve Fund Life, with its millions of assets, its more than one hundred thousand members and its three hundred millions of insurance. It pledges to you the same fair dealing, prompt payment of claims and earnest regard for your every right and for the soundness of the insurance you are purchasing, which have characterized its dealings during the past fifteen years, in which it has paid over twenty-seven million dollars of death-claims. The association has been proud in the past of its Canadian business, and it welcomes with pride this addition, which gives to that business a magnitude second to that of only one of the many life insurance companies that are operating in the Dominion.

By order of the Executive Committee,
J. D. WELLS, Chairman.

By order of the Board of Directors,
C. W. CAMP, Secretary.

I suppose those officials of the New York Mutual will not deny that he had a right to make that proposition at that time. I might read another from a man called Frederick A. Burnham, of whom some of you may have heard. If not, possibly members of

the select committee will remember hearing his name mentioned in connection with the name of J. D. Wells. The letter is as follows :—

Mutual Reserve Fund Life Association.

New York, Sept. 15, 1896.

We are glad of this opportunity to congratulate you upon the complete success which has attended the consolidation of the Provincial Provident Institution with the Mutual Reserve Fund Life Association. That consolidation was undertaken on sound business lines, and in a way that could but appeal to sound business judgment. The membership of the Provincial Provident proved its ability to deal intelligently with a matter of this character by the practical unanimity of its assent. No transaction of a similar nature has ever been carried through with the smoothness and the success that has attended this.

Why should it not be smooth, if they were going to take advantage of the insured in New York and the unfortunates in St. Thomas. It should be transacted with smoothness; otherwise the people would have resented it, and would not have become a party to it. The letter continues :

There has been no interruption of any man's insurance, but, on the contrary, every man had at once placed behind him the protection and guarantee of our millions of business and assets. That this was appreciated, the event has proved. The number who failed to make payment was no greater than the average under calls levied in the past by the Provincial Provident, and even these are paying up and reinstating their membership. The losses that occurred are being met by the Mutual Reserve Fund Life and in all senses the former membership of the Provincial Provident, who have accepted the terms of consolidation, hold the same relation to our association as members originally admitted.

In congratulating you upon the success of this transaction, we want to bespeak from you loyalty to, and trust in, the Mutual Reserve Fund Life. It is strong ; it is honest ; it is able to carry out its every contract ; its plans and methods are right. Twenty-seven and a-half million of death-claims promptly and honestly paid prove this, if there were no other proof. Remember, you are a part of this great company. Its offices exist for you ; its affairs are conducted that your dependents may have protection. If you want to know anything of its affairs, write and ask. Its officers are ready to give you information that is exact and trustworthy. With the means of obtaining information at first hand, do not place reliance in the rumours or tales that come to you from other sources. Your insurance is a part of your estate. It is worth protecting ; it is worth the trouble of securing trustworthy information. You have joined with us ; give us your loyalty and support, and this association, which is yours, will never disappoint you.

FREDERICK A. BURNHAM,
President.

J. D. WELLS,
Chairman Executive Committee.

Hon. Mr. WILSON.

Have they ever disappointed any of the policy-holders ? Are there not to-day hundreds of them crying out against the treatment they have received ? A worse record, a more deceptive transaction, than that which took place between the P. P. I. and the Mutual Reserve, never took place anywhere. We have to-day in that section of Canada widows and orphans crying for bread, who depended for support in their declining years on insurance in the P. P. I.—people who had no other means, and who stinted and pinched themselves day in and day out, in order that they might be able to meet the calls upon them. Many with two thousand dollars or five thousand dollars insurance are having their insurance assessments almost doubled. Many of them are to-day without a single dollar of insurance, because they could not earn sufficient in a place like St. Thomas, where there is a large number of labour employees, to keep up their assessments, and had to let their policies lapse. They have been sadly disappointed by the glowing tongues and false statements of the management of those insurance companies. What parliament ought to do is to protect those who have been deceived by this company, and I believe that the Bill brought in by my hon. friend from Toronto will not accomplish that object, for it is going to clothe these wolves in sheep's clothing, and send them forth again. The result will be the same. Are we prepared to enact retroactive legislation for the sake of licensing this class of men to do business in Canada ? Those who have been guilty of such transactions in the past should not have the confidence of parliament, and I hope this House will, in the future, raise its hands and say, 'We will have no more of you ; we will not grant the privilege you are asking.' I have tried to place before this House and country the absolute necessity of acting cautiously, prudently and wisely before granting legislation of this kind.

Hon. Mr. McHUGH—I do not desire to prolong this debate, but I want to explain my position. When the hon. member from Rothesay made his charges against the Mutual Reserve Company in this honourable House, I took the stand then, that a committee should be appointed to investigate their

affairs. At the time I felt that the company might have an answer to rebut those charges. I had an open mind, and was ready to hear both sides of the question. That the appointment of the committee has been productive of good is clear from the remarks of hon. gentlemen, who have stated that the Bill is the outcome of its work. I believe that that Bill is an advantage to the policy-holders of the Mutual Reserve Association. It is a very important Bill. It has been very severely criticised by some hon. members. I do not think the Bill is perfect, but an opportunity was given yesterday, when the motion was made to go into committee, to amend the Bill, and make it satisfactory, if any one desired to do so. That course would have been a better one than taking up the time of the House for two days, finding fault with the Bill as it stands.

The hon. member from Wellington asked yesterday, what are the advantages to be gained by this Bill? You are taking in those who have allowed their policies to lapse, on the same terms as those who have kept their policies alive, he said; but the hon. member from de Salaberry showed that they were doing nothing of the kind. The hon. member from Wellington is a good business man. He knows that if two men living near each other had properties of equal value, which they wanted to insure in the London Mutual, and one after the first year, discontinued his insurance, while the other continued his insurance, the rate being twenty dollars a year ; if at the end of ten years, the one who had discontinued his insurance, wanted to renew, what right would the other have to say to the company: 'I have paid you during these ten years, $180 more than my neighbour, and I should get better terms than you are giving him. He has only paid you twenty dollars while I have paid you two hundred dollars ? The company would be justified in saying you had a good business transaction. If your property had been destroyed by fire, you would have had the benefit of the insurance ; your neighbour's property was not insured; he was carrying the risk himself. The man who has kept his policy alive in the Mutual Reserve Company has had the advantage of knowing that he has had provision made for his family, in the event of his death; those who allowed their policies to lapse, had no such protection. I have heard the statement made in this debate, that no good could be found in this Bill simply because a gentleman named Eldridge had something to do with the preparation of it. When the House deals with the Bill, it is not going to be the Bill of Mr. Eldridge or of Mr. Fitzgerald, or of the expert from Toronto. It is going to be the Bill of this House, and for the benefit of the policy-holders of the company in Canada. The hon. member from St. Thomas found great fault with the Bill, and said 75 per cent of the policy-holders were going to be coerced into adopting the straight life plan. Before the Bill leaves this House, I want to see them protected against coercion; I want to see that they are left under the assessment plan, if they want it. The Bill can be so framed as to give the policy-holders the option to continue the assessment plan or change to the straight life plan. I think it would be to their advantage to exercise the option given in this Bill ; but if they think otherwise, this honourable House is not going to legislate to allow the company break their contracts with the policy-holders. The hon. gentleman asks what form of certificate would be required to enable a member to get reinstated, after his policy had lapsed. It is an easy matter to put that in the hands of the Superintendent of Insurance, and to see that he is the man to frame the certificate under which these lapsed policy-holders are to be reinstated. Just a word as to that committee : I voted for the appointment of it, feeling that they would enter upon the investigation with an open mind. They stated to this House that they were going to act in a semi-judicial capacity. I, in my simplicity, believed that statement to be true. If a judge of this country was to act in the manner that hon. members of that committee have acted——

Hon. Mr. LANDRY—I rise to a point of order. The hon. gentleman has no right to use the language he is using now. He is referring to a committee of this House.

The SPEAKER—The hon. gentleman has not referred to the committee. He has not referred to the proceedings of the committee at all yet.

Hon. Mr. LANDRY—I beg the Speaker's pardon, he is referring to the committee.

Hon. Mr. DANDURAND—I rise to a point of order; the hon. gentleman has had the ruling of the Chair, and has no right to comment upon it.

Hon. Mr. McHUGH—I do not often speak in this House, and I do not want to violate the rules when I do speak, but it is time for this House, and I can say that without reflection on the committee, to say that they know what the report of that committee is going to be.

Hon. Mr. CLORAN—No.

Hon. Mr. McHUGH—We know pretty well. I say no person would want to be before a committee or any judicial body, that before having heard the evidence would pronounce the company to be corrupt and dishonest. One hon. member of the committee who did so, was honest enough to make the statement here to-day that he had his mind made up in that respect. If they have their minds made up and know the report they are to bring in, it is a waste of money to continue the investigation any longer.

Hon. Mr .CLORAN—As chairman of that committee, I would call the hon. gentleman's attention to the fact that he is stating what is absolutely not correct with regard to the committee.

Hon. Mr. DANDURAND—We heard the chairman of the committee yesterday expressing his opinion.

Hon. Mr. McHUGH—The hon. gentleman told us that the position he was going to occupy was of a semi-judicial character, and when he came as chairman of the committee, before this honourable body, and asked for counsel, he made the statement that the inquiry was to be a semi-judicial one. I ask the judgment of the House if they have shown that it was a semi-judicial one? They have expressed a great deal of sympathy for the widows and orphans of policyholders. If they wanted to do anything for the widows and orphans they would endeavour to give their best judgment to framing a Bill that would be of some service to them. The widows and orphans they are lamenting so much over, if this opposition is continued much longer, will have cause to say 'Save us from our friends'. I do not wish to prolong the debate, but I did want to point out how I felt on the subject. I supported the appointment of that committee, and if no other good has come from it but this Bill, I am satisfied with my action. I should like to see the committee conduct the investigation in the semi-judicial manner they promised. When all the evidence is in, let them come before the House with a report, giving their conclusions, but they should not give out to the country that they have found the verdict before the evidence is in.

Hon. Mr. LANDRY—Where is that verdict?

Hon. Mr. McHUGH—It is in the expressions of members of the committee.

Hon. Mr. LANDRY—I deny that.

Hon. Mr. MACDONALD (B.C.)—Some hon. gentlemen have spoken of amendments that they propose to offer to this Bill. If they would disclose the amendments now, it might save a great deal of time and discussion. It might be better to postpone the further consideration of the Bill to-night, and let the amendments be put on the minutes for to-morrow. I want to ask the hon. gentleman from Toronto (Hon. Mr. Kerr) why it is necessary that a gentleman who has been under examination here by this committee, and a stranger in the country, should have anything to do with the framing of this Bill? Is there not enough talent in Canada, without calling in a stranger to do the work? He has not been charged with crime, but he has been charged with gross extravagance, and I would prefer to have had a Bill drafted by somebody else.

Hon. Mr. KERR (Toronto)—I shall explain. Hon. gentlemen will remember that when I introduced this Bill, I explained the circumstances under which the Bill was framed. I stated in a general way, which was afterwards confirmed by the hon. Secretary of State, that the Bill had been drawn at his instance and request by Mr. McMurchy; that it had been brought to me with the intimation that the Superintendent of Insurance had approved of it; that I said I would see the Superintendent of Insurance before I would undertake to say whether I would introduce the Bill or not; that I

saw him and had a conference with him in the presence of other gentlemen, and was informed that it had his approval; that I then made some suggestions to him as to further advantages which I thought the policy-holders should get; that having made that statement to him, he further amended the Bill; that that Bill was presented to me, and I was asked to introduce it; that I, further, saw Mr. Fitzgerald before I did so, and learned of him personally that he approved of the Bill, that he thought now it was in the best shape it could be put, and that there was no reason why it should not be introduced, in fact that the department wished it to be introduced. I thereupon introduced the Bill, and gave that explanation at one of the subsequent stages. All of that has been confirmed. I stated definitely then, that I was not introducing it as a Bill on behalf of the company, but as a public Bill, and in my capacity as a senator, that I had no connection of any kind with the company, and was doing it solely with a view to protect the interests of the policy-holders, so far as, in my limited judgment and with my limited ability—which does not seem to equal that of other members of the Senate who have been speaking on the subject—I could devise. There were imperfections in it, no doubt. Others could see them. I invited discussion, and with a view of getting the best discussion we could have, I was going to ask, if the Bill was accepted by the House, that it should be referred to the Banking and Commerce Committee. Accordingly, when the time came, I was fortunate enough to secure from this House, the vote which sent it to the Banking and Commerce Committee. When the committee met, notice was given, so that all parties interested might be heard, and there was a large representation before that committee. Life companies, policy-holders of St. Thomas (represented not by an hon. member, but by others representing them there), and policy-holders from other parts, were heard before that committee. The unanimous verdict of all the companies and all the representatives before that committee, in general terms was that they were in favour of the proposals of the Bill.

Hon. Mr. DOMVILLE—What committee?

Hon. Mr KERR (Toronto)—The Banking and Commerce Committee. I am explaining how the proposition is, and I am coming to the answer. They were all in favour of the provisions of the Bill. They, no more than I, felt bound by the limitations of each particular clause or phrase. They, as well as I, desired if possible to make it better, and the only objection ever urged was on the part of life insurance companies, who wanted it put in the form of a private Bill instead of a Bill to amend the Insurance Act.

Hon. Mr. CLORAN—Yes, a private Bill.

Hon. Mr. KERR (Toronto)—Upon that, a sub-committee was appointed by the Banking and Commerce Committee. I was not a member of that committee, and I was not a member of the Banking and Commerce Committee. I was entitled to appear before the Banking and Commerce Committee, although not entitled to vote. I did speak on behalf of the Bill, and was rather sharply taken to task. That is all at an end now. But after that, when I attended the sub-committee, I had no part in its deliberations, I was not consulted about it. I took the liberty of making one or two suggestions. I had no opportunity of suggesting in any way any amendment with any feeling that I could present it there. That sub-committee, and not I—and I was no party to it—referred that Bill to the Superintendent of Insurance, with instructions to associate with him one gentleman who had been named on behalf of the life insurance underwriters, and the other gentleman who was supposed to represent those who would be interested on behalf of the company. It was the sub-committee who named them—not from any suggestions from me in any way whatever—and those three, and the whole of the sub-committee agreed to it. The chairman of that committee supported it. No one has any higher opinion as to the judgment, fair-mindedness, honesty, integrity, high spirit, and public interest and desire to protect the rights of the people, than the hon. chairman of the committee, and the hon. chairman of the sub-committee. The hon. chairman of the committee, I may mention, was the hon. gentleman from Montreal (Hon.

Mr. Drummond), who has received such distinction lately, of which we are all glad to hear, and the chairman of the sub-committee was the hon. gentleman who leads the opposition (Hon. Sir Mackenzie Bowell). The part I was permitted to take in the committee was a humble one, but I was not on the committee, nor consulted. Neither the Superintendent of Insurance nor Mr. Bradshaw, whose name has been mentioned, nor Mr. Eldridge, ever consulted me or spoke to me, with reference to what was done with that Bill, from the time it was handed over to them until afterwards, when I heard their report adopted in the committee. They passed it to the Banking and Commerce Committee, and the Banking and Commerce Committee passed it on here, unanimously, after a good deal of consideration and scrutinizing, line by line, and I should like to know from the hon. gentleman where my opportunity for amendments came, until the Bill was presented to this House? It had passed to a committee of which I was not a member, and it passed to the sub-committee who did not associate with me, and it was not till it got on the floor of the House that I had a right to say anything as to its provisions. I had the sense to know that, and I held my tongue until I had a right to speak. The moment the opportunity occurred, in order that the amendments might be made, and in order that other hon. gentlemen might have an equal chance, I asked that instead of the report being adopted it should be referred to a Committee of the Whole House, where I could have an opportunity of suggesting my amendments. I propose, when the opportunity occurs, to say what those amendments are, but I do not propose to do it until the proper time. I do not propose to be told that I have no right to suggest it, and have it criticised before we are in committee.

Hon. Mr. MACDONALD (B.C.)—I made no charge against the hon. gentleman. I freely acknowledge he has nothing to do with the Bill any more than I have. The Secretary of State is the father of the Bill, and my hon. friend is the godfather, and between them they have the responsibility. I did not charge them in that case, but I wanted to know how Mr. Eldridge came to be associated with this Bill. My hon. friend knew how he was associated with it, but I did not, and whether anybody is guilty of having asked that gentleman (Mr. Eldridge) to participate I do not know, but it should not have been done, and I condemn in the strongest language the fact that a man who has been under examination for extravagance with other people's money should have anything at all to do with that Bill. These are my opinions. I want to ask the hon. gentleman who has charge of the Bill if he will let the Bill stand until the report of the committee is brought in? That is a reasonable request. The committee have a great deal to consider in this matter, though possibly their report will not influence one way or another the present Bill, but it would be a common-sense transaction to postpone consideration of the Bill until the report comes in.

Hon. Mr. KERR (Toronto)—Permit me to answer the question the hon. gentleman has asked. I would very gladly do it. If will be borne in mind that this Bill came back from the sub-committee more than a week ago. It will be borne in mind that I moved for the immediate consideration of these clauses. It was suggested to let it stand over. I suggested on Friday last the consideration of this matter. It was then stated that the committee would be able to make its report by the beginning of the week. Upon that I suggested either Monday or Tuesday, and accordingly Monday was named by other members of the House, not by myself, and so the Bill stood for consideration on Monday. No report was brought in on Monday, and we were no further advanced than we were the previous week; but we were very much further advanced in another way. We are now one week nearer prorogation. We are now on the border of possibilities, and while I would most gladly wait for any length of time that would suit the convenience, or that would possibly serve to help any kind of suggestion to improve this Bill; while I would most gladly accede to anything of the kind, I felt that any further postponement of the stage we are now at would imperil the Bill being passed into law this session. Let

me suggest the adoption of my motion, which is the adoption of the report, coupled as it is with the fact that this Bill has not received its third reading, coupled with the fact I have announced already, that amendments are to be proposed, some of which will meet the very points that have been considered, though they are not of consequence in this debate at all, but were drawn up before the debate began, and would meet most of the points raised here. It is proposed to put them in writing, so that hon. members can consider them at the third reading. If I gave it now, I would be out of order, until the motion has been made for the third reading. I would be at liberty on the motion for third reading to move my amendments, and, therefore, last night, when this debate was proceeding, I asked whether we could not arrive at a conclusion to take this stage now, in order that the motion might be made for third reading to-day, and in that event notice could be given to-day; but hon. gentlemen would not accept it; nothing could be done, but they should take their own course, and therefore hon. gentlemen will see, as far as I am concerned, I am desirous of seeing the Bill pass, as I think it is now a good Bill. It has been pronounced by the Superintendent of Insurance, as the chairman of the Committee on Banking and Commerce announced here, to be as good a Bill as it is possible to make, and largely and entirely in the interests of the policy-holders.

Hon. Mr. LANDRY—Is that the opinion of Mr. Eldridge?

Hon. Mr. KERR (Toronto)—I have not consulted him on that point, and have not been asked to do so, but that is what Sir George Drummond stated here, an opinion in which he said he concurred.

Hon. Mr. CLORAN—So far as he knew.

Hon. Mr. KERR (Toronto)—Very well. I have no doubt whatever that with the enlightenment of members of this House, the concurrence of the hon. gentleman himself may be invoked.

Hon. Mr. CLORAN—Yes. Number 7 will have to go out.

Hon. Mr. KERR (Toronto)—And I would suggest that if there is a sincere desire on the part of those who have been protesting in the name of the widows and orphans, to do something, and that can only be done by the Bill, if we should now adopt this motion as the course, towards the third reading, and it will be then in order to give notice of amendments.

Hon. Mr. VIDAL—I think the hon. gentleman is labouring under a serious mistake as to the question which is really before the House.

Hon. Mr. MACDONALD (B.C.)—Although my hon. friend declines to postpone this measure, I want to rejoice his heart, by telling him that I am not going to make a long speech. I am too old for that, and there are two hon. gentlemen who have taken the wind out of my sails, the hon. gentleman from Wellington, and the hon. gentleman from Elgin. I fully endorse what they have said. If I had to make a speech I should prepare a similar speech, as I endorse every word they have said. I do not like the Bill. I do not like the loading of the premiums—the five per cent. I do not like taking the securities out of the hands of the government, to do anything; I should leave it there. I do not like the last clause, which bars any action against the company hereafter. On account of these features which I do not like, I shall adopt the opinions expressed by the hon. members from Wellington and Elgin.

Hon. Mr. SULLIVAN—I had no idea of saying anything at this stage of the sitting of the House, but I thought before the discussion was closed I might say a few words. I am stimulated to do so by the remarks of the hon. gentleman from Victoria. I thought he was rather severe on the committee—that semi-judicial body which he thinks ought to have acted in a semi-judicial manner. I think they acted very well, considering the material under consideration, and the way the members themselves acted. In fact they were all sinning, and if you want to know who are the chief sinners, I will tell you that they were the lawyers, the men who ought to keep order.

Hon. Mr. KERR (Toronto)—What about the doctors?

Hon. Mr. SULLIVAN—I sinned a little, but nothing at all equal to the other gentlemen. The trouble was there were a great many abstract questions of insurance taken up, which did not come within the scope of the investigation. I thought there would be simple frauds brought forward, and that this investigation would be confined to that. However, this discussion will do a great deal of good. There is no more important matter, after the food we eat, the water we drink, and the clothes we wear, than insurance; none which affects the people so generally, and none the discussion of which will be listened to or considered with more attention and care. I am sure every hon. gentleman who has spoken here, has spoken from his heart. He has spoken not under the influence of any company or from any motive whatever beyond the desire which every one ought to have, namely, to benefit himself and the public, because whatever benefits the public necessarily benefits himself. I am happy to think that is the case, although a singular feature in connection with this matter, which I may mention to the House is that the whole of the legal fraternity are on one side in this discussion, beginning with the great experienced, learned, astute, and eminent counsel from Calgary and coming down to the fullest limit of the maritime provinces, and they are among the ablest men of the Dominion. That is a singular fact, and another curious fact, so far as I can make out, is that the doctors are all on the other side. This is merely a matter of curiosity. The reason why I think that this Bill should not go through is not so much on account of the provisions of it, though it has great defects, and I shall vote against it, but because by adopting it now you supplant a committee appointed by this House and stamped with the order of this House to conduct a certain investigation. It may be very well for the hon. gentleman from Lindsay (Hon. Mr. McHugh) to show his feelings against the Bill now. He should have objected when he was in the committee room, and he should have taken the precaution to check all the errors he saw, as I did. Whatever may have been the result I think the investigation was conducted honestly.

Hon. Mr. McHUGH—I was not in the committee room. I did not happen to be a member of the committee.

Hon. Mr. KERR (Toronto).

Hon. Mr. SULLIVAN—The moment this Bill is passed by this House the committee drops to pieces. Whether it resigns or not it is of no further use, and the effect of its investigation is counteracted. There is a good deal of principle at stake. If you do this now it may be done again, and even if you have a majority, it is not right to wipe out a committee just because you have the greater number. They have a mandate from the Senate, and so long as they have it they ought to be respected. You are not insulting them, but you are insulting the honour and dignity of the Senate by putting the committee out of business, and causing them to resign. They must resign. How can they go on investigating a matter which is already settled by the Senate? If the House wants them to resign, why not send a polite note by some influential member of the Senate to the chairman, saying, 'We will not wait any longer for the report of the investigation. If it is not concluded by to-morrow we shall take it up and discuss it in the House.' So far as I am concerned, it has been delayed too long. I have always urged that there should be all possible despatch, and I was bad enough to think that some members of that committee, by their actions, wished the whole thing would end in smoke and confusion, and they would be then able to say that the committee was no use. We have one gentleman making one assertion before the committee, and we have another contradicting it. If any hon. gentleman reads that report in 1899 of the Inspector of Insurance for the state of New York, which is in evidence, and can support this company afterwards, I am satisfied. I could not do so. Coming to the subject of debate, I contend that the Mutual Reserve is not qualified for, and should not be intrusted with the duty of taking care of these policy-holders. It has been weighed in the balance and found wanting. It has nothing to show to its credit in the whole of its career. It was founded in deceit and fraud, and its career has been characterized by fraud. There is no bright spot in its history, and if that is the case why do you throw these people back into their hands again? Hon. gentlemen speak of getting something out of the company. It would

take me a week to understand the Bill thoroughly, and if I were to hand it to a policy-holder he would say that I might as well hand him a stone when he asked for bread. Why are they putting in all those conditions ? An hon. gentleman says, and that is his great argument, that is the best they can do. It occurs to me, if that is the best they can do, permit the company to go on and do in the future as they have done in the past, it is a very poor way of assisting those people who have been plundered. I know that simultaneously with the charges made by the hon. gentleman from Rothesay, there suddenly appeared in this city the chief officer of that company, with a cohort of people behind him, who immediately set to work to supplant and destroy the work of the committee. I hope his machinations have not been successful. I hope the poison he has put into the ears of hon. members has not taken effect. My duty and your duty is as it would be for our own families. Consider yourself as one of the policy-holders, and just simply do as you would do for yourself. That is the way I intend to act. I confess I should like more light. I confess it would be much better if the hon. gentleman had waited a little while. There is no use sitting up late at night endangering the health of hon. gentlemen advanced in years who may catch cold. There is no necessity for rushing this Bill to-night. There is plenty of time to discuss it, and plenty of time for every hon. gentleman to inform himself on the subject. I listened with satisfaction to the speeches made during this debate, and was much pleased with them. I never saw such an exhibition of the eloquence, skill and energy of the Senate in debate during the time I have been here. It is not necessary for me to go into the clauses of the Bill at all. On principle, it is bad, and in it there is no relief offered. It is worse than none. It only upsets men's minds, and makes them confused. Who is going to support the company in their lavish and extravagant dealings ? It is all very well to write certain instructions. There is a clause there to which the hon. gentleman referred, by which the holder of a lapsed policy applying for reinstatement can make a statement of his own case. I know what that amounts to. Some of you, in the innocence of your heart, may think an insurance company has a soul ; that a feeling of humanity runs through it ; that there is a fibre of anything but selfishness in the woof of its structure ; but any one who thinks so is mistaken.

I know something of insurance companies. I have examined for this company, and I think all the parties I examined are living yet. I tried to do them justice, but the history of this company is that they have worked on the principle of robbing Peter to pay Paul. Their business principles is collect in all you can, and as long as you keep that up you can show a successful table every year and you get on swimmingly ; but the moment the stream of new clients is stopped we see the result. We see it here. Do hon. members think this company will secure any business in this country after this investigation ? Do you think their agent could successfully canvass, even if he received the whole premium of the commission ? I know in the part of Ontario where I live—which of course is more intelligent than the rest of the country—he could not get any business. I do not say this to slander the company. I think it is wrong to slander any company. If they were disposed to be honest and lived up to their promises and pledges and to the conditions of the charter by which they were first called into existence, they would act differently. Do hon. gentlemen think any respectable company represented in the person of its chief officer would appear before parliament and go on in the miserable way in which they have done in this investigation ? A man who was conscious of his own innocence and conscious that the company had done its duty would say 'I defy you in the Senate. Here are my books. Examine them. I challenge investigation.' But this has not been the case. To get safe, reliable information of the condition of this company could not be done if the committee sat for a year. It could only be done by the investigation being caried on diligently from day to day at the headquarters of this company. I could allude to a great many wrongs perpetrated by the company, but I cannot see a bright spot in their existence. I think it is monstrous to lay down the doctrine that you cannot get anything better than this

Bill. I am only a homœpathic part of this Senate, but I have a plan which I think will be better than this Bill, and I hope all the policy-holders will accept it. In the excitement of this discussion I certainly tried to avoid hurting the feelings of any one and I regret that I am in opposition to the wisdom—and I say it in all sincerity and because I believe it—to the wisdom of so many hon. gentlemen. It makes me think my position is not right, but I have examined the Bill again and again and I feel that I have no other course than to oppose with all my might and main the passage of this Bill, and on my honour I shall do it.

Hon. Sir MACKENZIE BOWELL—It seems to me we have wandered altogether from the subject before the House, and we have been discussing the merits and demerits of the New York Mutual Reserve Company instead of drawing the attention of the House to the merits of the Bill before the House. We have had general denunciation of the Bill, and every kind of charge brought against the company itself. I desire to say that the explanation given by the hon. gentleman from Toronto in reference to the introduction of the Bill, and the actions of the committee upon the Bill, are correct. He omitted one point, however, and that was, when the Committee on Banking and Commerce selected a sub-committee to consider the merits of the Bill, that the Banking Committee instructed the sub-committee to call to their aid the Superintendent of Insurance, Mr. Fitzgerald, some gentleman connected with the actuarial association of Toronto, and some gentleman who was interested in the Bill itself or connected with the Bill. It was but justice that Mr. Fitzgerald, Superintendent of Insurance, and Mr. Bradshaw, who was the secretary of the Actuarial Association, and Mr. Eldridge, if he would consent to act, who had large experience and was interested in the Bill itself, should be asked to consider the Bill, and the sub-committee should call them to their aid. The sub-committee acted strictly in accordance with their instruction, and invited Mr. Eldridge, if he would consent, to meet these other gentlemen, and frame such a Bill as the Senate thought should be enacted in the interests of the policy-

holders. That was the action of the committee itself. That committee, after a consultation with these gentlemen, drafted a Bill, which was presented to the Committee on Banking and Commerce, and was accepted by them. Now, if my hon. friend from Kingston has a scheme which would meet all the requirements of the policy-holders, I ask him why he, as a member of the Banking and Commerce Committee, did not make those suggestions to the committee, in order that, if they were at all practicable, they could be utilized and placed in this Bill?

Hon. Mr. SULLIVAN—The reason is that I was not asked. It would have been impertinent.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman was a member of that committee for a special purpose, and that was to deal with every question which came before it, and if he has any proposition or any suggestion to make by which this Bill could be perfected, he neglected his duty in not informing the committee of it. I am not speaking of the special committee. I admit he was not on the special committee, but if he had any suggestions to make, they would have been received courteously as all suggestions would coming from a gentleman of his ability and knowledge of insurance; but having failed to do that, he owes it to this House now to admit that he neglected his duty as a member of the Banking and Commerce Committee in not making the suggestion, which he says he could have made, and has in his own mind, by which the policy-holders can be protected. I have very great respect for the hon. gentleman. He knows that. My long acquaintance with him is of the most amiable and confidential character, but I could not help pointing out to him this dereliction of duty on his part. As to the merits of that company or its conduct in the past, all I have to say is that if the company is as bad as it is represented to be, there is greater necessity for this House to adopt such measures as will protect the policy-holders against mismanagement in the future.

Hon. Mr. CLORAN—Hear, hear. That is the point.

Hon. Sir MACKENZIE BOWELL—What is our position at the present moment ? Here was a company carrying on a system of insurance, based upon the assessment principle. Experience has taught all those who have had anything to do with insurance, that for a time that system can be successful, but after some years, there are circumstances which I am not going to discuss now, that render it impracticable to carry it on successfully. This company has been carrying on business in Canada, and has had a large amount of insurance. In a certain year, the Insurance Act was amended, and this company withdrew from the assessment class of business, and having withdrawn from that branch of the business, there was no longer new blood introduced, and they did not receive enough in the way of assessments to continue the business successfully. As the members dropped off, the company were obliged to levy higher assessments each year, with the result that many of the policy-holders ceased to pay their assessment, and from a business of over thirty millions, it has dropped down to eight or ten millions. The assessments on the remaining policy-holders had to be raised at every death, and the assessments became so large that people could no longer afford to pay them, and they dropped out. Now, what has this House to do? Has any suggestion been made by those who have condemned the actions of the company in the past by which the policy-holders can be placed in a better position than they are at the present moment, if this Bill should be rejected ? If this Bill should be rejected, how are you going to benefit those policy-holders who have continued to pay their assessments up to the present time ? If the Bill is not passed, certainly you give no relief whatever to the policy-holders who have ceased to pay their premiums, and are no longer entitled to any benefit from the association. This Bill provides first, to allow those who have continued the payment of their assessments to change to another system, by which they would be relieved by paying a certain amount annually, of any further assessments. Whether the provisions and the details of the Bill, are of such a character as to accomplish that, will be for the House to decide.

Then another misapprehension has arisen. A question put by the hon. senator from Acadie (Hon. Mr. Poirier), while the hon. gentleman from Mille Iles, (Hon. Mr. David) was speaking, was misunderstood. He asked whether the person who had been paying his assessment continuously, would have to get a doctor's certificate, in order to be transferred from one branch to another. The hon. gentleman from Mille Iles, I am quite satisfied, did not catch the question, and he answered 'yes,' because he appeared to be under the impression that the question referred to those whose policies had lapsed. Now, those who have continued their assessments have not to provide any certificate, but have the advantage of being transferred to the old line system, and the amount upon which they are to pay in the future, is to be in accordance with the value of their policy upon a basis fixed by the Superintendent of Insurance, who will base his decision on the actuarial principles that decide all these questions. The applicant would require no medical certificate, because his heirs would be in a position at this moment, in case he should die, to claim the full amount of his policy ; but the man who has ceased to pay his assessments has no rights in the company at all. When I spoke on this question before, I thought that it was impracticable to carry out the suggestion, then made, but the company itself has consented, and the actuaries who have assisted in framing the clause have made provision that a person who has ceased to pay his assessments for ten years can, by producing a certificate of health, be reinstated, and reinstated upon the basis of the age at the time he first insured. Now it is said that that certificate may be of such a character that nobody can sign it.

Hon. Mr. McMILLAN—The certificate is to be signed by the applicant himself.

Hon. Sir MACKENZIE BOWELL—I understand, I think, what I am talking about. I was going to point out that the objection taken to that class is of the character to which my hon. friend has called my attention. I was going to say further, that I thought the objection had a great deal of force in it, and one amendment which I know is to be proposed, is that that certificate is to be framed by, or at least accepted by the Superintendent of Insurance.

Hon. Mr. McMILLAN—That is new information to us.

Hon. Sir MACKENZIE BOWELL — I know it is, and if my hon. friend had not interrupted I would have told him.

Hon. Mr. McMILLAN—But it is not in the Bill.

Hon. Sir MACKENZIE BOWELL — I know it is not in the Bill. I was calling attention to the objection taken, and in doing so, I intended to say precisely what I have said, that one of the amendments was to meet that objection. But there are many objections that one does not think of in framing a measure of this very great importance. I may mention as a case in point, that the hon. member from St. Thomas, while he criticised the Bill—I thought he was making a good argument—took objection to a clause to which the hon. gentleman from Toronto intends to propose amendments. That objection, which my hon. friend dwelt upon at some length, is to the legislating away the rights of seventy-five per cent of the policy-holders from whom they have not heard. I think it will strike any one as being ex post facto legislation, as he has said. One of the amendments I know will be proposed at the third reading——

Hon. Mr. WILSON—In criticising that, I had no knowledge of these amendments.

Hon. Sir MACKENZIE BOWELL — I know that, and that is why I am referring to it.

Hon. Mr. DOMVILLE—We should have had a knowledge of them.

Hon. Sir MACKENZIE BOWELL—Hon. gentlemen could not have a knowledge of them until an opportunity presented itself to submit them to the House. When we came to consider the question again, and the defects in the Bill were pointed out, we said these defects ought to be amended. The intention is to propose at the third reading a provision by which the seventy-five per cent can remain in the assessment plan, as they are to-day, and further an amendment will be proposed by which any arrangement with the company upon the basis of commutation or otherwise, shall be carried out. I know also that the suggestion by my hon. friend from Wellington, that the latter clause of the Act should leave it optional with those who think they have right of action against the company hereafter, arising out of what they have done during the time they held the policy, should be protected, or in other words, that the cases which are now before the courts shall not be interfered with by this Bill, nor shall the right of any one who would have cause of action against the company for the reasons which have induced two of the policy-holders to enter the courts and test the question to-day, be interfered with.

Hon. Mr. WILSON—Then the hon. gentleman is opposed to all clauses of the Bill, where there is any retroactive legislation?

Hon. Sir MACKENZIE BOWELL—I am opposed to retroactive legislation of any kind, and, consequently, when that amendment of the Bill is proposed, it will have my support and my vote. I quite agree with my hon. friend in that respect, because it is a delicate question to interfere with what we call vested rights, and these people have vested rights, to a certain extent. If people remain in the company, as they are under the present plan, they take the responsibility. We do not desire to remove them from that class, if they wish to remain there. There were one or two other suggestions made that I know.

Hon. Mr. CLORAN—That changes the Bill altogether.

Hon. Sir MACKENZIE BOWELL—No, it does not change it altogether. It is changed now from the character that it had when it was first introduced. My hon. friend from Toronto said to-night, that when he introduced the Bill, and after considering it, there were certain clauses in it which he did not approve of, and he intended to suggest changes. The sub-committee, with the aid of the Superintendent of Insurance and the secretary of the Actuarial Association of Canada, and of those who are interested in the Bill, made certain suggestions which they thought covered it, and which the

Superintendent of Insurance stated before the Banking and Commerce Committee, he considered in the interests of the Canadian policy-holders, and the best that could be done under the circumstances, and he added 'I commend it to the hon. gentlemen of the committee.' In considering this question, we ought to try and divest ourselves of prejudice, if such we have, against the company itself. I have no confidence in that system of insurance. Years ago when a company was organized in connection with a society in which I held a very prominent position on this principle, I opposed it from the beginning, and never would have anything to do with it from that day to this. The results of the policy in other companies have proved the wisdom of the course I took on that occasion. I am under the impression that it would be much better to allow these amendments to be adopted, and then, if the amendments which it is proposed to make to the Bill do not meet the approval of the Senate, reject it at its third reading. I frankly confess that if a motion had been made for the six months' hoist, when the Bill was introduced, it would have met my hearty support; but when I consider the pains, the trouble, and the thought given to this question by gentlemen who have some knowledge of insurance, and that it is likely to be a benefit not only to the present policy-holders, but also to those whose policies have lapsed, I think it is the duty of the Senate to try and make some provision for the protection of those who are in this company, bad though it may be, and bad as it has been represented to be. I am rather inclined to think, that the statements of my hon. friend from St. Thomas, reflect more upon his own townsmen, than on the Mutual Reserve. The latter made the best bargain they could. If my hon. friend from St. Thomas was making a bargain with a friend, some other physician—to hand him over his business I do not think he would do it, because he has sufficient confidence in himself to believe he can do all the doctoring necessary—but even supposing he did, I do not think it would be any great reflection upon his honesty, his ability, or his business habits, if he made the best bargain he could.

Hon. Mr. WILSON—And not carry out my promises?

Hon. Sir MACKENZIE BOWELL—I think my hon. friend would carry out his promise.

Hon. Mr. WILSON—But they did not.

Hon. Sir MACKENZIE BOWELL—Then the people of St. Thomas were the bigger fools for having anything to do with them.

Hon. Mr. McSWEENEY—They think so now, probably.

Hon. Sir MACKENZIE BOWELL—There are many other points I should like to touch upon, but I shall confine myself to the Bill before us without referring to the character of the company at all. I want to impress this upon the members who are about to vote: what is to be gained by the rejection of this Bill? Has any other suggestion been made by which the policy-holders can be better secured than by the provisions of this Bill, and the suggestions which have been thrown out for its amendment? Reject the Bill, and you leave the company precisely where it is now, and as the deaths take place, so in proportion must the rates be increased to meet the assessment. It is true, there is a sum deposited with the government to assist in meeting these claims, which can be drawn upon to that extent, but beyond that I see no object in rejecting the Bill. I was very much impressed with the remarks made by the hon. gentleman from New Glasgow. He held the same views that I hold myself upon this question; that is, he had no confidence in it in the first place; but finding that no better proposition could be made, he thought it better to vote for the Bill, than to throw it out and leave the policy-holders in the uncertain position that they hold to-day. I am firmly of the opinion, and I think those who have given the question the slightest thought will come to the same conclusion, if this Bill is not passed after what has taken place, that eight million dollars of insurance that they now have, will soon drop to a very small amount, because the policy-holders will say to themselves what my hon. friend from Mille Isles has said over and over again—I cannot afford to meet these large assessments, and consequently I shall drop out. Who will benefit by that? The company, for the greater the number of this class of policy-holders who drop out, the more the com-

pany will gain. Pass this Bill, and the company will be obliged, as long as they have any existence, and any assets. to meet the demands which will be made upon them, under the provisions of this Bill. It has been said it is loaded. That is a word that I confess, I had to make inquiry about, to know what it meant, but the loading of a policy of five per cent is to cover the expenses of carrying it on. We know in all insurance companies there is a large expense for management, and while they do not refer to it in their charter, they can load to any extent to cover the expense.

Hon. Mr. DANDURAND—The loading is in the premium in the level plan.

Hon. Sir MACKENZIE BOWELL—You restrict the amount that this company can charge to the carrying on of this branch of the business to 5 per cent and if it costs them 10 per cent, they have to take it out of other funds, and not out of those of the policy-holders. The other companies do not do that; their reserve, as pointed out by the hon. member from Toronto, is based on the Insurance Act. It used to be 4 to 5 per cent, but as the interest upon money fell continually in the market, the government, in its wisdom, passed an Act to compel the insurance companies—those that begin business now—to base their reserve upon 3½ per cent instead of 4 or 5 per cent, and those of the old companies who have transacted their business upon 4 or 5 per cent in the past, have gradually to come down to the 3½ per cent. Some companies were given a certain number of years to accomplish that end. I am not going to pursue this subject any further. My only object, and the profession of every member of the Senate, who has spoken against the company and the provisions of the Bill, is that something should be done to benefit the policy-holders of this company in Canada. Will this Bill accomplish that object? As it stands, some say it will not. An hon. gentleman who spoke strongly against the company said it will. If there is any amendment which will accomplish what the committee had in view, let the suggestion be made at the third reading and my impression is that the feeling of the House is such that any reasonable proposition will be accepted to protect the policy-holders. When the Bill was introduced, those who listened to me knew that I made very serious objections to it on the general principle, but I have come to the same conclusion that the hon. member from New Glasgow (Hon. Mr. McGregor) came to after what has taken place, that we had better try at as early a period as possible to do something which will aid the present policy-holders who have put their money into this company, and who, if something be not done, will be wiped out of existence, and lose all that they have paid, and have no guarantee for the future. Admitting as true all that has been said against the company, for argument's sake, it strikes me there is a greater necessity under the circumstances for this House to adopt some means by which to remedy an evil that everybody admits to exist. I have no personal interest in it. I never would take a policy in any company conducted on the assessment principle, because I came to the conclusion long ago, that if you take such a policy unless you die very soon afterwards, your family will get no benefit from it. Let us consider the Bill on its merits, apart altogether from the company. I have one other suggestion to make. If you pass this Bill, it has been said by the hon. member from St. Thomas, you are giving this company a lease to do business in Canada for ten or fifteen years to come. That implies they are going to live that length of time. If so, it will be so much the better for the policy-holders, but if you reject the Bill, you leave them where they are to-day, to carry on the business on the old line system, and you place the present policy-holders who have continued to pay their assessments, in a position to have demands made upon them for increased assessments, upon every death that occurs. If you think that is good policy, then reject the Bill, and leave the policy-holders, and the unfortunate widows and orphans, of whom we have heard so much in this debate, in the same position they are in now.

Hon. Mr. EDWARDS—The hon. gentleman has intimated that certain amendments will be moved. If so, it would seem highly desirable that some one who is in possession of the amendments should place them before the House; it might assist us in disposing of this matter.

Hon. Mr. McMILLAN—I am very glad that the message of peace was entrusted to the hon. member from Belleville. Like many members of the Senate, I felt disposed from the start to support any measure that had for its object the relief of the policy-holders of this unfortunate company. The charter that they got in 1899 gave them power to do business on the straight line principle, as well as upon the assessment principle. But only twenty-five per cent of those holders of policies in force at that time, have availed themselves of the opportunity of transferring to the straight line principle.

The other 75 per cent are out, and as my hon. friend from Elgin has forcibly stated this evening the other 75 per cent have not availed themselves of the opportunity presented to them. By this Bill as it is presented to the House you are obliging them to take either one of the two options, and if they will not accept either one of those two options they will have to take the third, which is in clause (g). I consider that that is a very unjust power, because they have some liberty under the Act of 1899, but there you deprive them of the only privilege that existed—that is of remaining as they are. My hon. friend from Belleville tells us now that that objection is going to be removed. There are hon. gentlemen in this House who are always anxious to put notices on the paper. Why did they not during the last two or three days inform the House that they were willing to make some amendments that would meet the objection that hon. gentlemen of this House have to this Bill. Why did they not give notice of these amendments? Why did they try to force this Bill through the House without amendment? If they had given us that notice; if they had intimated that they intended to improve the Bill so that it could be acceptable to hon. gentlemen of this House there is not an hon. member within my hearing who would not be willing to support the Bill or any Bill that would put the policy-holders upon a proper footing.

Hon. Mr. BEIQUE—When I had the honour to speak yesterday I announced that I intended to move other amendments, and that I would put them on the order paper. I had at the time prepared a certain amendment and made up my mind as to the others but I have finished them only this morning. I have them completed and I intend to put them on the notice paper to-day.

Hon. Mr. LANDRY—Why were not those amendments mentioned when the notices of motion were asked for?

Hon. Mr. BEIQUE—Because I have been completing them during the session of the House.

Hon. Mr. McMILLAN—That makes my hon. friend all the more guilty, because he should have stated his amendments on the order paper and saved us a lot of debate.

Hon. Mr. KERR (Toronto)—A notice of motion would have been absolutely out of order.

Hon. Mr. LANDRY—No.

Hon. Mr. KERR (Toronto)—I beg pardon, and the distinct statement was made that the opportunity would be availed of when the House went into Committee of the Whole.

Hon. Mr. McMILLAN—Are we discussing here the principle of the Bill or are we discussing the principle of those amendments? What are we discussing? The acceptance of those amendments. Could we accept them and then turn around and say 'We want these amendments amended in that direction?' I have two policies in my pocket this very minute, issued by that insurance company, that were obtained by fraud, I am not going into that. Those parties are not willing to accept any amendments made by this Bill; they would rather remain as they are. Who is in possession of the facts? The hon. gentleman from Belleville alone is in possession of these facts. I am going to refer to two very objectionable clauses of the Bill, I refer to sub-clause 8.

Hon. Mr. BEIQUE—I have no objection to communicate to the House the amendment I propose to move.

Hon. Mr. McMILLAN—I am glad we have brought these hon. gentlemen to time.

Some hon. MEMBERS—Order, order.

Hon. Mr. McMILLAN—I say we have been debating this Bill for the last two days, and hon. gentlemen stood on their high horse, and would not communicate to us the

amendments which would have ended this discussion. Speaking for myself as one, I would be willing to accept the amendments.

Hon. Mr. KERR (Toronto)—Surely the hon. gentleman——

Hon. Mr. LANDRY—I rise to a point of order. The hon. gentleman has no right to speak.

The SPEAKER—The hon. gentleman who has the floor has given way.

Hon. Mr. KERR (Toronto)—I was going to ask the question, was it not the very proposal to go into a Committee of the Whole for the purpose of making the amendments? Was that not voted down as the only means by which——

Some hon. MEMBERS—Order, order.

Hon. Mr. McMILLAN—I understand that, but the only thing I am sorry for is that those amendments were not given to us. There is another clause and that is clause 8. That pretends to let in those who have allowed their policies to lapse. It is a clause that would extract money from these policy-holders as long as they live, and when death came their heirs would have to meet the company in court and fight the claim. The whole thing was left in this way, that they were to sign a certificate stating the condition of their health at that time. The easiest thing in the world for the company would be to procure evidence from a dozen people in the neighbourhood, stating the contrary to the facts recited in the certificate and when a death claim came to the office they would say we are in possession of such and such a fact; this man did not tell us the truth, and the consequence would be that the heirs would not get a single dollar. If there is anything at all to act as a safeguard for those who are to come in at present, it is to produce a certificate from another quarter, as my hon. friend from Belleville suggested. Let them produce the certificate of a medical man, and the certificate of half a dozen neighbours, but do not leave it entirely to themselves, because just as sure as you do that the claim will be disputed when the time comes. Now, the last clause is the most objectionable. We are told that that clause is to be amended so as to meet the wishes of hon. gentlemen. These are the only clauses in the Bill that are really worth anything. The whole thing is in these clauses. That is, to give those who hold policies at present the privilege of entering into a straight life policy, or to remain as they are and preserve right of action against the company for issuing policies on false representations and by false means. With these objections in the Bill I for one feel that until it is amended to that extent, I shall vote against it and will remain until the dog-days are over to oppose the Bill, because if there is any chance at all for the policy-holders, it is under the old Act and you are depriving them of that safeguard here.

Hon. Mr. ROBERTSON—Right along this line I should like a little information. My opinion in reference to this matter was that this Bill should not be rushed through the House until we had a report from the committee. Now it seems the Bill is here, and we are likely to have to vote on it to-night. It has been announced both by the hon. gentleman from De Salaberry and the hon. gentleman from Toronto, that they have amendments prepared which they propose to add to the Bill. The hon. leader of the opposition has announced one or two more. But there are one or two matters I should like to have information on, and this is the time to get it. Under a clause of this Bill, page 3, I would gather that this company is to be permitted to withdraw the deposit that they have in the Dominion treasury.

Hon. Mr. CLORAN—Hear, hear.

Hon. Mr. DOMVILLE—On this class of insurance.

Hon. Mr. ROBERTSON—I want to know from the hon. gentleman from De Salaberry if one of his amendments is in the line of protecting this money and keeping it in the treasury for the protection of the policy-holders? If that is so, it will change my mind largely in reference to the Bill. Then, the last clause of this Bill if it goes through in its present shape will prevent policy-holders from entering any action against the company similar to the action that is proceeding in England now, and if that is so I want to know from the hon. gentleman from Toronto, and from the hon. gentleman from

De Salaberry, if they have an amendment to protect the policy-holders in that regard ?

Hon. Mr. KERR (Toronto)—With reference to the question asked by the hon. gentleman I would simply say that the provision which is made in clause 5, with reference to the funds in the hands of the government, was understood by the expert and by the sub-committtee of the Banking and Commerce Committee, and, I suppose, by that committtee also to mean that the money should remain ; but my hon. friend from De Salaberry has been discussing this matter a good deal, and we have both come to the conclusion that that can be made more certain than it is, to provide that that money shall remain in the hands of the government and that shall be subject to the provisions of the thirty-third and thirty-fourth sections of the Insurance Act, so that so long as there are obligations of the company in existence the government can retain that money. Any one will see that the provision is there, not that the money shall remain on deposit for ever, because the company might provide for these obligations and withdraw from business ; but so long as there are obligations here, the government, under those sections, are entitled to protect all policy-holders, and it is intended to make that clear. With reference to the last clause of the Bill there is nothing there to bar an action.

Hon. Mr. CLORAN—It bears all actions.

Hon. Mr. KERR (Toronto)—The hon. gentleman is talking about a serious proposition, and I mean to say this—and I think the hon. gentleman will agree with me, there is nothing in that clause barring an action; on the contrary it provides that an action is not barred. I am talking of actions that have been brought.

Hon. Mr. CLORAN—Now pending ?

Hon. Mr. KERR (Toronto)—It is our view that any action brought, based upon fraud, like the action in England, would not be barred at all. There is nothing barring any action at all, nor is there anything changing any person's right to bring an action, and if a policy-holder holding an old policy and determining to remain on the assessment plan, and not to change it, desires to litigate against any attempt to change his policy, his action will still be maintained. But if there is any doubt about it, there is no trouble about obtaining a legal opinion from the law officers of the Crown upon that point. The Minister of Justice can be consulted about it, if there is any question, and it can be made perfectly plain that where frauds are established the action cannot be barred. The idea is not to introduce into this Bill something which is not needed—something which is affirmative of the existing law. We are only putting in provisions which will prevent rights being taken away. There is no right taken away by the Bill as I understand it.

Hon. Mr. CLORAN—Before passing from that point and giving a legal interpretation of that clause, allow me to put a question : Would it not be safer for the policy-holders to make the clause read in this way :

Nothing in this section shall affect any suit, action or other proceeding which has been taken or may be taken.

That would put it in black and white and would not leave the interpretation of the law in the hands of some officer.

Hon. Mr. KERR (Toronto)—The hon. gentleman will bear in mind that there is provision being made here for the policy-holder to change his position if he elects to do so. It is proposed, if he does not want to change his position, that that condition will be continued, so that against a man's will there will be no change made. He shall have the option to change or remain as he is. If he determines to remain as he is, then all his rights remain, and there is nothing in this Bill to change or affect it. If he does change his position ; if he does elect to change and take a policy of the other kind, he ought not also to have with it some right of action in respect of the policy he is giving up, and, therefore, such phraseology as the hon. gentleman suggests would be opening the door to first giving a changed and improved policy, and leaving a cause of action behind it ; but I think there is no trouble about either doing one or two things—either framing this Bill so as to accomplish the object, or obtaining the opinion of the law officers.

Hon. Mr. CLORAN—The best opinion is the opinion of the Senate, and the Senate

has a right to make the law. The duty of a legislative body is to put as little power in the hands of the judges as regards the interpretation of the law as possible. We should make the law as clear as possible.

Hon. Mr. KERR (Toronto)—I would like to implement the answer to that question in this way: that it is proposed practically to say that, without the consent of the person, unless the person shall be offered the option and unless he consents to a change and desires a change in the contract, his contract shall continue. That is the first point. So that his rights are not going to be cut out in the ruthless manner we have heard talked about; consequently the option is to be even more extended by this proposal so as to cover the cases that may occur between the time of the passing of this Act, and the issuing of the license, because the clause that is here does not cover the gap there is there. Third, it is proposed to provide that all the assets shall remain subject to the provisions of the Insurance Act, which I have pointed out before, and in other respects it is intended to safeguard the rights of the policy-holders in various ways. I just want to say this for myself: I do not think that any self-respecting member of the Senate would, in view of the way in which this Bill has been dealt with since I have introduced it here, have thought of putting a notice on the order paper, until he was in a position to do it without a point of order being raised. We have had several points of order raised. It is not because I take any umbrage or stand on my diginity at all about it, but because I felt that in doing this I should have to stand on my right. When explanations were asked, I gave them.

Hon. Mr. ROBERTSON—I understand now, from the opinion the hon. gentleman from Toronto has given, that the Bill, by the amendments to be introduced, will be safeguarded on those two points. I should like to hear the opinion of the hon. member from De Salaberry in addition to that of the hon. gentleman from Toronto.

Hon. Mr. BEIQUE—I have been pressing on members, to the knowledge of the leader of the opposition, that I would not vote in favour of the Bill unless these amendments were brought in. I have prepared the amendments accordingly, because I took the position that the rights of the policy-holders should not be interfered with, that if they choose to remain under the assessment plan it will be their own funeral, but they had that right, and I answer affirmatively the question that has been asked. It is but fair to myself to say that as regards the last clauses in the Bill, I am entirely in accord with the opinion that has been expressed by the hon. gentleman from Toronto. I am entirely of the opinion that suits for fraud, such as have been taken in England, are in no way debarred by this Bill. I propose to limit the notice of amendment virtually to this. I have been written to by the Hon. John S. Hall, lately of Montreal but now of Calgary, calling my attention to a class of policy-holders who had entered into agreements with the company, and whose agreements would be interfered with by the Bill, and I have drafted my amendments for the purpose of covering and making it clear that the Bill will not interfere at all with any such agreements, and that the company will be obliged to respect those agreements. But I declare that, as far as I am concerned if members of the Senate entertain any doubt on that point, I am willing to redraft it to make the point clear.

Hon. Mr. ROBERTSON—Since we are satisfied on these two points, I should like to draw the attention of hon. gentlemen to a paragraph on page 4, in order to secure the policy-holders as much as possible. The object I have is to make the Bill as perfect as possible, on behalf of the policy-holders. In the latter part of that paragraph you will notice it says that the company shall revive policies that have lapsed for non-payment of premiums, but they are going to do this on a certificate of the policy-holder himself, as to the state of his health.

The point I want to make is this: we have had a committee sitting for a great length of time, investigating this company and we learn that the managers of this company are very astute gentlemen and take advantage of every circumstance to take money out of the pockets of the policy-holders and put it into their own.

If the company are allowed to take a man's own certificate as to the state of his health, after a little time they will begin

to shout 'You gave us a false certificate' and on the strength of that objection they will refuse to pay his family when a death claim is presented. I should like to know from the hon. gentleman from De Salaberry and the hon. gentleman from Toronto, if they have an amendment prepared to meet this ? The only thing I can see to meet it—and I am not speaking for the doctors now—is that there should be a doctor's certificate as to the health of the man, and the company should be held bound by that.

Hon. Mr. BEIQUE—I have no more mission to prepare amendments than any other member of the Senate. I took the ground that the form required by the company would be liable to leave that class of policy-holders at the mercy of the company, and I propose to move that the following words be added 'And approved by the Superintendent of Insurance.' The certificate, such as it will be, will have to receive the approval of the Superientendent of Insurance. I can find no better authority than that.

Hon. Mr. CLORAN—May I ask the hon. senator who has been a party to the drafting of this Bill, if the form of certificate required by the company, signed by the holder, is not the form required by the company ? Could we not have that form before us, when considering the amendment ? We do not know what the form may be ; it may be very strict. There is another point. There may be policy-holders away from this country, in Europe, or in South Africa among the Canadian soldiers, or in the Yukon. They cannot know that after ninety days, they will be debarred. That is another point to be taken into consideration.

Hon. Mr. BEIQUE—As far as the first question is concerned, I am agreed that a certificate as required by the company, would not answer the purpose ; but the company must be bound by the decision of the Superintendent of Insurance. He is the proper officer, the natural guardian of the interests of the policy-holders, and he must be taken as being a fair man, and the certificate must be approved by him and no other certificate. Now, I propose to suggest an amendment to that effect. As far as the second point is concerned, the hon. member will notice that under clause (e) it is provided :

(e.) The company shall, within thirty days from the date of the said license, send to each of the holders of its assessment policies, by registered letter postage prepaid to the last known address of such policy-holder, a statement showing in detail the amount of the policy and dividend under each of the foregoing options and the lien, if any, and of the premiums to be thereafter payable in respect of such policy and of the times when such premiums are payable ;

Therefore it will be within thirty days of obtaining the license, and I propose to suggest an amendment limiting it to two months for a company to apply for the license. Within thirty days, they shall be obliged to make it known to all policy-holders how they will stand, with the several options which shall be open to them under this Bill. Then every policy-holder will have ninety days to decide as to to his option.

Hon. Mr. CLORAN—That is the very point I am making in favour of the policy-holders. For instance, men who are away in the Yukon or in South Africa.

Hon. Mr. BEIQUE—Will the hon. gentleman suggest some amendment ? I think it is satisfactory as it is, but if hon. members prefer an amendment or suggest it, I am quite sure for my part I should be disposed to favour it.

Hon. Mr. McMULLEN—This will come up properly when the Bill is in committee.

Hon. Mr. LANDRY—Are we to understand that in accepting concurrence in the amendments, proposed by the main motion. that we may amend those amendments afterwards ?

Hon. Mr. BEIQUE—Of course.

Hon. Mr. LANDRY—No, not of course. We cannot decide a matter to-day in a way different from the way it has already been decided. So those accepting the amendments to-day must bear in mind that they cannot change the amendments, except by adding to them.

Hon. Sir MACKENZIE BOWELL—There are certain amendments made to the Bill, and there are portions of the Bill which are the same as when it was introduced. The hon. gentleman can give notice that at the third reading he will move to refer the Bill back to Committee of the Whole,

or that the House adopt such amendments or additions to it, as may be deemed proper.

Hon. Mr. YOUNG—The only question that might arise, would be in the case of some amendment that has already been rejected by the House, but hon. gentlemen will bear in mind that the amendments suggested have not been rejected by the House, and therefore the position of the leader of the opposition is perfectly correct.

Hon. Mr. LANDRY—If they are accepted, they cannot afterwards be rejected ?

The Senate divided on the amendment :

Contents :

The Honourable Messieurs

Baird,	McLaren,
Bernier,	McMillan,
Bolduc,	McMullen,
Boucherville, de	McSweeney,
Carling (Sir John),	Merner,
Church,	Owens,
Cloran,	Perley,
Dobson,	Robertson,
Domville,	Sullivan,
Landry,	Wilson.—21.
Macdonald (Victoria),	

Non-Contents :

The Honourable Messieurs

Béique,	McGregor,
Black,	McHugh,
Bowell	Mitchell,
(Sir Mackenzie),	Pelletier
Coffey,	(Sir Alphonse),
Dandurand,	Power (Speaker),
David,	Scott,
Edwards,	Templeman,
Kerr (Toronto),	Watson,
Lougheed,	Yeo,
Lovitt,	Young.—21.
Macdonald (P.E.I.),	

The amendment was declared lost.

The Senate divided on the motion to adopt the report of the committee, which was agreed to by the following vote:—

Contents :

The Honourable Messieurs

Béique,	McGregor,
Black,	McHugh,
Bowell	McMillan,
(Sir Mackenzie),	McSweeney,
Carling (Sir John),	Mitchell,
Church,	Pelletier
Coffey,	(Sir Alphonse),
Dandurand,	Power (Speaker),
David,	Robertson,
Edwards,	Scott,
Kerr (Toronto),	Templeman,
Lougheed,	Watson,
Lovitt,	Yeo,
Macdonald (P.E.I.),	Young.—26.

Non-Contents :

The Honourable Messieurs

Baird,	Macdonald (Victoria),
Bernier,	McLaren,
Bolduc,	McMullen,
Boucherville, de,	Merner,
Cloran,	Owens,
Dobson,	Perley,
Domville,	Sullivan,
Landry,	Wilson.—16.

Hon. Mr. KERR (Toronto) moved that the Bill be read the third time to-morrow.

Hon. Mr. LANDRY—I rise to a point of order.

An hon. GENTLEMAN—Order, order.

Hon. Mr. LANDRY—The hon. Speaker decided last year that we should raise a point of order before the question was put.

The SPEAKER—I do not see how a question can be raised until the motion has been put by the chair.

Hon. Mr. LANDRY—I did not see it last year myself.

The question being put by His Honour the Speaker.

Hon Mr. LANDRY—I rise to a point of order. I refer to clause 124 of our rules, which reads as follows :

In all unprovided cases the rules, usages, forms and proceedings of the House of Lords are to be followed.

I refer to page 444, of the 10th addition of May, second paragraph. which is headed 'Public Bills,' and this is declared to be a public Bill. That paragraph reads as follows :

Public Bills which affect private rights thus combining the characteristics of a public and a private Bill are termed and practiced hybrid Bills, and are subject as also are petitioners against the Bill to the payment of fees in respect of a private Bill.

This House has just adopted the amendments proposed by the Standing Committee on Banking and Commerce. This Bill is no more a public Bill. It is a private Bill. It has become a private Bill by the decisions just given by this House. The Bill is no more an Act to amend the Insurance Act. It is a Bill as it reads now, as reported by the committee, a Bill which comes into this House with a preamble quite different from the first preamble, with provisions quite different from the provisions in the first Bill.

It is no more the same Bill. It is a private Bill, but if the hon. Speaker chooses to declare it a public Bill I shall accept his declaration for the moment and refer him to page 444 of May, where it is said :

> Public Bills which affect private rights thus combining the characteristics of a public and private Bill are termed in practice hybrid Bills and are subject to the regulations which are imposed upon private Bills.

There must be a petition, there must be a payment of fees. All those things must accompany the public Bills, which affect private rights. The other quotation to which I refer is from Bourinot, last edition, page 684. The point is that alterations have been made in this Bill so that it cannot be accepted. Bourinot says :

> While a Bill is in progress in the Commons no alteration whatever can be made in its provision except by the authority of the House. If it should be found a Bill has been materially altered since its introduction it would have to be withdrawn. A clerical alteration however is admissible. If it be necessary to make any changes in the Bill before the second reading the member in charge of it will ask leave to withdraw the Bill and present another instead thereof. In the Canadian House, 1864, an order for the second reading of the Bill relative to usury was discharged and the Bill withdrawn. On the following day the member interested in the Bill was given leave to bring in another, on the same subject but with amended title. In the session of 1862, the attention of the Speaker was directed to the fact that the representation Bill had been materially altered since its introduction, and that it was not, in consequence of such alteration, the same Bill that was presented a few days before to the House. Mr. Speaker Blanchet at once decided that the Bill could not be allowed to proceed, and that it was necessary to follow strictly thereafter the practice of the English parliament, and not permit any changes except mere clerical alterations in a Bill once before this House. The Bill was accordingly withdrawn and another immediately presented.

Hon. Mr. YOUNG—What is the point with reference to this Bill ? That it has been materially altered.

Hon. Mr. LOUGHEED—Might I say a word with reference to this point of order. It was held yesterday that this was a public Bill. There having been no appeal from the ruling of the chair, my hon. friend cannot from his place say that it is a hybrid Bill or a private Bill.

Hon. Mr. LANDRY—When the Speaker gave his decision yesterday it was on a Bill that was not yet amended. It was on a Bill as presented in this House. It was on Bill (H), 'An Act to amend the Insurance Act'. That was a Bill to amend a public Act. The amendments brought before this House have been accepted. That Bill has been entirely wiped out now, and we have a private Bill in place of the public Bill which was before the House yesterday. I claim that this private Bill has been substituted for the public Bill and that the exigencies of the regulations must be complied with. If we say that it is a public Bill I have this other argument. If it is a public Bill it affects private interest and that is the scope of the Bill itself. If it affects private interests it is a hybrid Bill and it must follow the regulations laid down by the authorities, and in that case a fee must be exacted and the different rules of a private Bill must be complied with. A petition must be presented to this House also, and I say that none of those rules have been complied with and the Bill is not in order.

Hon. Mr. LOUGHEED—All I can say in answer to the hon. gentleman is that it has been held that this is a public Bill.

Hon. Mr. LANDRY—Not this one.

Hon. Mr. LOUGHEED—It was held by the chair that it was a public Bill. No action of the committee could have changed it. So far as Bill H is concerned it is a public Bill. My hon. friend from Stadacona has no right to assume that it has assumed any other phase than that of a public Bill. And it has to be assumed that it is a public Bill. I am not dealing with the question as to hybrid Bills. If the hon. gentleman will look into the authorities he will see that is a rule common only to the House of Commons in England and is not at all applicable here.

Hon. Mr. SULLIVAN—The question should be decided without any discussion.

Hon. Mr. LANDRY—If the House will permit me, we might decide the first point and then consider the second point.

Hon. Mr. DeBOUCHERVILLE—As it is an important matter, I assume the Speaker will not render a decision to-night. I shall call the attention of the hon. members to this fact; although the hon. gentleman who has spoken before me says this is still a public Bill and the hon. gentleman from Stadacona said it was a public Bill yester-

day but not a public Bill to-day. When the Speaker gave his decision we had a Bill before us to amend the insurance Act. That has been struck out by the committee, and no title has been put on it, and the whole of the clause in the Bill as brought up by the report pertaining entirely to a private Bill. I do not propose to discuss the Bill, I have not the right to do so, but I think every one of us, whether Liberal or Conservative, must attach the greatest importance to the good name of the Senate. Supposing this Bill is passed and sent to the House of Commons, and a member of the Commons should say 'Here is a private Bill, where is the petition for it? There is none. Where is the money to pay for the printing? None.' Then where would we be? We would be in a perfectly ridiculous position. I hope hon. members will consider this matter. The good name of the Senate must be conserved with the greatest caution, and we should not vote on the spur of the moment. I think the matter should not be decided to-night.

Hon. Mr. YOUNG—With reference to the first point of order—as to the alteration of the Bill—the hon. gentleman from Stadacona answered his own question when he read the statement that while a Bill is in progress in the Commons, no alteration whatever can be made in its provisions except by the authority of the House. We have been doing that by the authority of the House.

Hon. Mr. LANDRY—How does the hon. member reconcile his position with the position taken by Speaker Blanchet?

Hon. Mr. YOUNG—I was referring to the hon. gentleman's first question.

Hon. Mr. LANDRY—Read the extract, and see how Speaker Blanchet decided in reference to the question of the Franchise Bill.

Hon. Mr. YOUNG—I have no objection to read it, because it bears out still more clearly the point I am making, which is that when an hon. gentleman introduces a Bill in the House and it is no longer in his private possession, but in the possession of the House, he has no right to make any changes in that Bill whatever. The House then takes that responsibility, and it rests upon the House to deal with it, and the Speaker, on the occasion to which the hon. gentleman refers, having discovered that a Bill had been altered without the authority of the House immediately ordered that it be withdrawn, which was certainly a proper course to follow, maintaining the procedure which I had suggested the House had authority to follow.

Hon. Sir MACKENZIE BOWELL—There is another point. If the original Bill was introduced as a public Bill and declared to be a public Bill, though as many of us contended it dealt with private matters, would the amending of that Bill change its character and make it a private Bill? It having been decided that is was a public Bill it was sent to committee for what purpose? To consider its provisions. While it is amended, the character of the Bill has not been interfered with. The principle involved in the Bill has not been interfered with, and if it were a public Bill then, it must be a public Bill now, although these changes have been made. If the doctrine laid down by the hon. gentleman from Stadacona be correct, then you could not change any Bill and you could not amend any Bill. But when the Bill is amended it passes from the hands of the introducer and becomes the property of the House as indicated by the hon. gentleman from Killarney, and the Bill now is precisely the same in principle as the Bill which was introduced by the hon. gentleman from Toronto. The only difference being that the title is changed.

Hon. Mr. LANDRY—I beg the hon. gentleman's pardon. The Bill introduced by the hon. gentleman from Toronto was a Bill affecting all the insurance companies of the country—amending the Insurance Act. That was the scope of the Bill, and the principle of the Bill. This Bill applies only to one company.

Hon. Sir MACKENZIE BOWELL—The same principle.

Hon. Mr. LANDRY—It is not the same principle. It is a difference between a public Bill and a private Bill. There is nothing like a definition. When we want to discuss questions, I think the best thing is to define them first. What is a private Bill? I suppose the authority of May

might be accepted on that question, page 226——

Hon. Mr. SCOTT—A private Bill must necessarily be supported by the parties interested. This is not a Bill advocating or supported by the insurance companies. It is a Bill forced on them.

Hon. Mr. LANDRY—That is not the definition given by the authorities. It might be the definition of the hon. Secretary of State.

Hon. Mr. SCOTT—I think I am right.

Hon. Mr. LANDRY—I think the hon. gentleman is wrong.

Hon. Mr. SCOTT—No change could be made in the law if the hon. gentleman's view is carried out. The Mutual Reserve Company comes under a certain Bill. It is found there are provisions in it affecting individuals outside of the company and those individuals have certain rights which parliament is bound to respect, whether the company accepts it or not, and it is in that respect I say it is not a private Bill.

Hon. Mr. LANDRY—Page 706 of Bourinot—and in all humility I confess the definition given by Bourinot is different from the one given by the hon. minister and May—reads as follows :

Private Bills are distinguished from public Bills in that they directly relate to the affairs of private individuals or to corporate bodies, or to the community in general. They must pass through the same stages as public Bills.

Hon. Mr. SCOTT—That does not accord with the definition here because this Bill is advocated by many thousand persons against the will of the company.

Hon. Mr. LANDRY—I should like to see the petitions presented by those people advocating a private Bill against the company. It is a private Bill.

Hon. Mr. DANDURAND—I wonder if the committee which has just been appointed to investigate but not to frame a Bill had been granted power to frame a relief Bill, and if that committee had reported proposing a relief for the large class of policy-holders in one special company and had brought it to the House. I wonder if it would not be a public Bill as completely as if it related to all the insurance companies ? It could not be a private Bill in the ordinary sense of the word, promoted by certain corporations for the advantage of a corporation. It may be an invasion of the right of that corporation, and this Bill is an invasion of the right of a corporation.

I doubt whether we have within our past experience met with a similar Bill. We are imposing special legislation, special laws, special enactments with reference to a company that is not incorporated in Canada which holds no charter from the Dominion of Canada, a charter which could not be amended or could not be modified. We are dealing with a foreign company that has simply obtained a license from the government of Canada to do business in Canada, and we are now enacting legislation which will fit the special class of business done by that company under which we may bring other companies if it pleases us at the following session ; but I contend this is the act not of a private corporation but of the parliament of Canada. It is not a private Bill, I contend it is the nature of a public Bill. The government would itself bring such a measure for the relief of the citizens of Canada who would be suffering from certain hardships. Instead of the government of Canada proposing and promoting the Bill, it is practically the work of the Senate of Canada which has the stamp of this chamber. I do not see that this Bill can, under the present circumstances, be classified as a hybrid or private Bill.

Hon. Mr. SULLIVAN—Is it not done at the request of the Speaker ?

Hon. Mr. DANDURAND—No.

Hon. Mr. LANDRY—When the Bill——

Hon. Mr. LOUGHEED—Is the hon. gentleman going to speak two or three times ?

Hon. Mr. LANDRY—Yes. When the Bill came before committee it was changed, and it was made a private Bill.

The SPEAKER—I do not think the two points of order are well taken. In the first place, as the hon. gentleman from Calgary says, a hybrid Bill is not known to our parliamentary system ; and, further, supposing that this Bill were by the adoption of the report transformed from a public Bill into a private Bill, if it should be held that that had happened and that

this Bill being a private Bill was subject to the rules which govern private Bills, it is not too late to pay the fees on it, and, as I understand, the fees are only paid after the second reading. I think the hon. gentleman from Killarney, and the hon. leader of the opposition place the matter in the proper light. The reference in Bourinot is to a case where the Bill is altered, not by the House itself as is the case of this Bill, but by the promoter or some other person. Bourinot says :

> While the Bill is in progress in the Commons no alteration whatever can be made in its provisions except by the authority of the House.

We all know that. Bourinot proceeds :

> If it be necessary to make any changes in the Bill before the second reading the member in charge will ask leave to withdraw the Bill and present another instead thereof. In the Canadian House, 1864, an order for the second reading of the Bill relative to usury was authorized and the Bill withdrawn.

But if that rule were to be enforced literally as has been stated by one hon. gentleman, we could not amend a Bill at all. Our work is largely altering Bills. Then these rules with respect to private Bills are intended for the protection of parliament. They are intended to provide that the persons who wish to get Bills through for their own interest, shall go through certain forms and shall give notice to the parties interested. This Bill came as a public Bill. This House became seised of the Bill. It became the property of the House, and the House has the utmost freedom of action in dealing with the Bill. The committee, while they did not in so many words say we recommend that this Bill shall be transformed from a public Bill into a private Bill, substantially recommended that the operation of this Bill should be limited to the parties who are interested either as policy-holders or as a company in the business of the Mutual Reserve Assurance Company. That was the recommendation of the committee. The House has acted on that recommendation, and I do not think any case has ever occurred which would say that this House has not the power to limit the operation of a Bill in any way which it thinks proper. I rule that these points of order are not well taken.

Hon. Mr. WILSON—If I remember correctly, and I think I do, it was specially provided that the Bill might go to the Standing Committee on Banking and Commerce on account of the discussion that was necessary, and that when it came back to the House, the fullest latitude should be granted to discuss every clause of the Bill, and if it be a private Bill, as is contended, that it should go to the Committee of the Whole.

The SPEAKER—The House decided the other way yesterday.

Hon. Mr. LANDRY—No, the Speaker decided on a question of order.

The SPEAKER—The question is on the motion for third reading of the Bill at the next sitting of the House.

Hon. Mr. LANDRY—I want to speak on that motion. Yesterday, the hon. member from Toronto (Hon. Mr. Kerr) moved, seconded by the Hon. Mr. Young, that the Order of the Day be discharged, and that the House immediately resolve itself into Committee of the Whole for the consideration of Bill (H) intituled 'An Act to amend the Insurance Act.' That was the public Bill.

Hon. Mr. YOUNG—The hon. gentleman is out of order; he is referring to a past debate.

Hon. Mr. LANDRY—I am not referring to a past debate. I am referring to the Minutes of Proceedings, where I find the following entry :—

> That the Order of the Day be discharged, and that the House immediately resolve itself into a Committee of the Whole House for the consideration of the Bill (H) intituled : 'An Act further to amend the Insurance Act,' and the amendments reported by the Standing Committee on Banking and Commerce, as set forth in the said Bill as reported by the said standing committee.
>
> After Debate.
>
> With leave of the Senate, the said motion was withdrawn.
>
> Then the Honourable Mr. Kerr (Toronto) moved, seconded by the Honourable Mr. Young,
>
> That the said amendments be now agreed to.

Then the Hon. Mr. McMullen came with an amendment. What I contend is, the first motion of the hon. gentleman from Toronto was not withdrawn by leave of the Senate, but was ruled out of order. It was ruled out on demand of Hon. Mr. Bolduc. Further, we see that Hon. Mr. Domville moved, seconded by the Hon. Mr. Landry, that further debate on the said motion be adjourned, and the question of concurrence being put on the amendment—where is the amendment ? The

only amendment spoken of there, is the amendment brought in by Mr. McMullen. The Senate divided, and the names were taken down. It was the motion to adjourn the debate, on which the House divided. I call attention to these irregularities.

Hon. Mr. McMULLEN—I beg to give notice of two amendments that I purpose making to the Bill—

The SPEAKER—The hon. gentleman from de Salaberry has the floor.

Hon. Mr. LANDRY—I do not think the Speaker has a right to say the hon. member from de Salaberry has the floor.

Hon. Mr. SCOTT—As a matter of fact he had, because he was on the floor first.

Hon. Mr. LANDRY—But it is not for the Speaker to decide that.

The SPEAKER—The hon. gentleman is quite right; I made a mistake.

Hon. Mr. BEIQUE—I give notice of amendment which I shall move at the third reading of the Bill. I have already called attention to the nature of these amendments, except one, which is, this: with the Bill as it is printed on default of parties electing, they are to be deemed to have chosen the third option. As I am at present informed, the best of the three options is the first one, and I give notice of that change, but I invite hon. gentlemen to ascertain for themselves whether I am correctly informed or not.

Hon. Mr. LANDRY—Is that in the notice of motion.

Hon. Mr. BEIQUE—Yes.

Hon. Mr. LANDRY—Will the hon. gentleman amend his motion, so that these may be discussed in Committee of the Whole.

Hon. Mr. BEIQUE—I will move them separately.

Hon. Mr. LANDRY—If it is a public Bill it must go to Committee of the Whole.

Hon. Mr. BEIQUE—The amendments can be discussed fully in the House.

Hon. Mr. LANDRY—I will press my objection.

The Senate ajourned until three o'clock this afternoon.

THE SENATE.

Ottawa, Thursday, July 21, 1904.

The SPEAKER took the Chair at Three o'clock

Prayers and routine proceedings.

THIRD READINGS.

Bill (144) An Act to amend the Act of the present session respecting the Temiscouata Railway Company.—(Hon. Sir Alphonse Pelletier.)

Bill (150) An Act to amend the Act of the present session intituled an Act to incorporate the Thorold and Lake Erie Railway Company.—(Hon. Mr. Domville.)

Bill (58) An Act respecting the Imperial Loan and Investment Company of Canada.—(Hon. Mr. Domville.)

Bill (140) An Act respecting the Alliance Bank of Canada.—(Hon. Mr. Beique.)

THE SUPPLY OF RIFLES.

NOTICE OF INQUIRY.

Hon. Mr. PERLEY gave notice :

That he will ask the government for a statement showing the military strength of the government of Canada in so far as it relates to ammunition, rifles and other weapons of warfare, where and in what proportions are such stored ?

He said : I am induced to make this inquiry, because when I was first elected to the House of Commons a large number of people made application to me to get rifles to form rifle clubs. It took me two years to find out that I could not get them. Every year since then, I have been requested to get rifles for rifle clubs, and I have not been able to get any. That is why I propose to inquire if there are any rifles in the country, so as to get them for the boys of the Northwest who want to form clubs to become expert in rifle shooting.

Hon. Mr. SCOTT—The hon. gentleman is already aware that a contract has been made with Sir Charles Ross for the delivery of, I think, one thousand rifles a month. In this age of peace, there is an extraordinary demand for rifles, and it appears that the demand cannot be met in any country. The rage is for militarism rather than for ploughshares.

THE TREADGOLD COMMISSION.

INQUIRY.

Hon. Sir MACKENZIE BOWELL inquired :

What has been the cost of the Treadgold Commission to the country up to the present date, and what is the probable amount yet to be paid ?

Hon. Mr. SCOTT—The cost of the Treadgold Commission to the present date is $8,915.66. I am unable to say what amount may yet have to be paid.

Hon. Sir MACKENZIE BOWELL—The balance of the accounts are not in yet ?

Hon. Mr. SCOTT—The living commissioner has not made his report yet, and we have not completed the accounts yet.

NOTICES OF MOTION.

A POINT OF ORDER.

The SPEAKER—Orders of the Day.

Hon. Mr. LANDRY—There is a motion standing in the name of the Hon. Mr. Beique. that has not been called :

By the Hon. Mr. Béique :

That he will move, That the chairman of the Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York be ordered to report to the House that part of the proceedings of said committee had on the 13th instant, relative to an appeal made by Senator Béique from the chairman's ruling on a point of order raised on a motion in amendment, made by Senator Landry, to a motion moved by Senator Lougheed ; and that he will appeal to the House from said ruling of said chairman.

The SPEAKER—When this order was called yesterday, or the day before, it was allowed to stand over until the report of the committee with which it deals was taken up ; and, consequently, being guided by the previous action of the House, I did not call it.

Hon. Mr. LANDRY—There is nothing on record to that effect. Bourinot, at page 328, says :—

Calling of questions and orders—Until the session of 1876, when the rules were amended, questions and notices of motion were constantly allowed to stand, in case members were absent or were not prepared at the moment to proceed with them ; but great inconvenience and loss of time resulted from so irregular a procedure, and the consequence was the adoption of the following rule :

Questions put by members, notices of motion, and orders (other than government notices of motions and orders), not taken up when called, shall be dropped. Dropped orders shall be set down in the order book after the orders of the day for the next day on which the House shall sit.

This rule is now rigidly enforced.

If a member is not ready to go on with his motion, or if he gave his notice of motion in such an irregular form that it cannot come in its regular place, the only thing to do is to drop it. Therefore it is not in order to pass over this motion.

Hon. Mr. BEIQUE—When this motion was called the day before yesterday, I made the motion that it stand to be taken up with the seventh report of the special committee.

Hon. Mr. LANDRY—Where is that motion ?

Hon. Mr. BEIQUE—The motion was made verbally, and there was a discussion on the point, and that was the understanding. The motion was carried, if I recollect, on a division. I have not verified whether it appears that way on the Order paper, but that was the order of the House, and I declared that the first portion of the notice, the report having been made, had nothing to do with it any more except for the purpose of making the last portion regarding the appeal read intelligently. It is intimately and necessarily connected with the report, and cannot be taken up except with the report : if we are to proceed with any common sense it cannot be taken up separately from the report. The most that the hon. member should ask is that I should renew the notice of motion.

Hon. Mr. LANDRY—If we want to proceed, as the hon. gentleman says, with common sense, that motion should drop immediately. It is against the rules and against common sense. In the name of common sense, we cannot order the chairman to produce a document which is now before the House. Under the rules of this House I ask that this notice of motion be dropped.

Hon. Mr. CLORAN—If it is not dropped, I shall have to move that it be proceeded with. This notice of motion has been on the minutes for some days and is a standing farce. I ask the hon. gentleman to proceed now with his motion or I shall move that it be dropped.

Hon. Mr. BEIQUE—When the hon. gentleman has a motion before the House we

will deal with it. For the present I ask that the order of the House stand unchanged.

Hon. Mr. CLORAN—I move that the notice of motion be struck out.

Hon. Mr. BEIQUE—I rise to a point of order. The hon. gentleman has no right to make any motion of which no notice has been given.

Hon. Mr. LANDRY—Where is the notice of the motion the hon. gentleman has just made ?

Hon. Mr. CLORAN—This thing has to be settled one way or the other. The hon. senator has not even asked the chair to have the motion stand.

Hon. Mr. BEIQUE—I am standing on the decision of the Senate the day before yesterday.

Hon. Mr. CLORAN—I am taking the hon. gentleman's word for it, but there is nothing to show it on the record. There is a notice of motion here to order the chairman of the committee to produce a report, and no demand has been made to have the motion stand, and I am at a loss to know why the Speaker says 'Stand' when no request has been made to have the motion stand. I was waiting for the hon. gentleman from de Salaberry to ask that his motion stand, and then I would have spoken, but the Speaker said everything was clear until the hon. gentleman from Stadacona raised his point of order. In the face of this notice of motion I ask that it be dropped or moved, because it is important that we should know whether a certain portion of the evidence relating to this Mutual Reserve Company should go into the records or not. That should be settled at once. The hon. gentleman is holding up the decision of this House in regard to that matter, and it is important that the committee should know whether the charges against the company are to go into the record or not. We should have an immediate decision. I do not care whether the evidence goes in or not, but as chairman of that committee, I do not want my decision, sustained as it was by a majority of the committee, held up here for a week or two while the investigation is going on. If we get an order from the Senate that the documents charging the company with forgery and other offences cannot be admitted as evidence, then we can proceed with the examination of the witnesses on these lines, but as long as the document is held up by the Senate on the demand of the hon. gentleman from de Salaberry we cannot do anything.

Hon. Mr. YOUNG—I do not think there is any point of order. I was not here when the discussion commenced, but my recollection of the proceedings the other day is this : When that notice was called by the Speaker the hon. senator in whose name it stands, moved that it be taken into consideration at the same time as the report of the special committee. The House acquiesced in that, whether the records show it or not. I have a distinct recollection that that was done. The Speaker therefore has nothing to do but assert the authority of the House and order the motion to stand until the report of the select committee is taken up. There is no point of order to bring before the Speaker, because the House has placed itself in possession of the motion and has ordered it to be considered in the way the jugdment of the House has been pronounced. It is not the fault of the hon. gentleman from de Salaberry that this motion has not been dealt with; it is because other business has occupied the time of the House and the order has not been reached. Had the report of the select committee been reached, the complaint of the hon. gentleman from Victoria would have had no basis ; but by order of the House certain business has precedence over other business, and our time has been taken up with orders which stood on the order paper before this one.

Hon. Mr. CLORAN—I quite concur in what the hon. gentleman says, but it is no fault of mine if there is no record of the incident in the Minutes of Proceedings.

Hon. Mr. YOUNG—I have not looked over the minutes.

Hon. Mr. CLORAN—I have, and there is nothing of it there. I have stood under this impeachment for four sittings of the House. The course pursued by the hon. gentleman from de Salaberry shows either that he has no confidence in his appeal, or I am right. I do not want this notice to be dragged from day to day on the minutes of the House, re-

flecting on me as chairman of the committee, and on the majority of the committee who sustain my decision. It is but right and proper that the decision of the committee should be vindicated by this House, no matter what motion the hon. gentleman may have made to connect it with another order with which it has nothing to do. I hold that this Senate should give the committee the benefit of its decision, so that the committee will be able to go on and examine the witnesses on this document if it is admitted. It is an interference with the proceedings of the committee. On behalf of the committee, I ask that the hon. gentleman from de Salaberry either proceed with this motion or drop it.

The SPEAKER—I think it only right that the House should know what has taken place. It is true that this resolution of which I spoke does not appear in the printed minutes, but I have the original minutes of Tuesday under my hand.

Hon. Mr. CLORAN—I have not seen that.

The SPEAKER—I cannot help that. When I called the notice of motion, the hon. gentleman from de Salaberry moved, seconded by the Hon. Mr. David, that the notice of motion standing in his name for that day be allowed to stand until the item on the Orders of the Day for the consideration of the seventh report of the select committee to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York was called. The officer at the table did not put that in the printed Minutes, but it is part of the action of the House; and at any rate there is involved an ordinary courtesy which I have never known to be refused. Further, hon. gentlemen will bear in mind there are half a dozen notices on the Orders of the Day of motions which cannot be moved until we reach the third reading of the Bill to amend the Insurance Act.

Hon. Mr. CLORAN—Those notices of motion relate to that Bill directly. If that memorandum which the hon. Speaker has read had been on record I would not have had a word to say.

Hon. Mr. LANDRY—I want to know if it was only by error that this entry was not made in the Minutes?

Hon. Mr. CLORAN.

The SPEAKER—I assume it was, and I have been so informed by the clerk. Surely the clerks at the table had no reason to omit it.

Hon. Mr. YOUNG—Our officers have been worked early and late during the last few days.

Hon. Mr. LANDRY—Not only the officers.

Hon. Mr. YOUNG—That is true,—ourselves as well.

INSURANCE ACT AMENDMENT BILL.

THIRD READING.

The Order of the Day being called:

Third Reading (Bill H) An Act further to amend the Insurance Act as amended—(Hon. Mr. Kerr, Toronto.)

Hon. Mr. LANDRY—I rise to a point of order. The Bill is described on our order paper as Bill (H) an Act to amend the Insurance Act, but it has lost that title. The amendments which were carried yesterday contained one which changes the title to 'An Act respecting Canadian Assessment policy-holders in the Mutual Reserve Life Insurance Company'. By the adoption of these amendments the House erased the old title and substituted for it a new title. The Order of the Day now proposes the third reading of a Bill which no longer exists. I do not see how we can proceed that way. The hon. gentleman should make a motion that the title of the Bill should appear correctly in the Orders of the Day to-morrow.

The SPEAKER—I find in Bourinot, page 673, the following under the heading 'motion that the Bill do pass'—

The next question put by the Speaker is that this Bill do pass and that the title be, &c.

Then, at the end of that paragraph, Mr. Bourinot says:

Any amendment to the title may now be made.

That is, on motion for the final passing.

Hon. Mr. LANDRY—That is, provided the change has not already been made.

The SPEAKER—It has not been made yet.

Hon. Mr. CLORAN—Yes, it has been made by adopting the report of the committee.

The SPEAKER—Will the hon. gentleman just wait for a moment. Let him turn to page 781 of Bourinot, and he will find, dealing with reports of committees :

When the committee have found it advisable to alter the title of the Bill they will report the fact to the House, and it will be amended on the motion of the final passage.

Hon. Mr. LANDRY—But it has been amended already.

The SPEAKER—No, the committee reported in favour of altering it, and the title is to be altered on the final passing. At page 788, I find the following :

The member in charge of the Bill will move that the Bill be now read a third time ; and, when that motion has been agreed to, the final motion will be made, that the Bill do pass and that the title be, &c ; and now is the usual time to amend the title.

Hon. Mr. LANDRY—Yes, that is the proper time.

The SPEAKER—We are adopting the usual course; there is nothing in the point of order.

Hon. Mr. LANDRY—There is nothing—hear, hear.

Hon. Mr. KERR (Toronto) moved the third reading of the Bill.

Hon. Mr. DOMVILLE—I want to call the attention of the House to the fact that this Bill is not printed in French and English.

The SPEAKER—I understand the original Bill was printed in French.

Hon. Mr. DOMVILLE—We never had it distributed in French and English.

Hon. Mr. DANDURAND—I doubt if the hon. gentleman would be very much benefited by having it in French.

The SPEAKER—I have in my hand now the Bill as it appears before the House, printed in French.

Hon. Mr. DOMVILLE—I am speaking of the Bill as it appears since the amendments were made to it by the committee.

The SPEAKER—That is the Bill which I have before me.

Hon. Mr. LANDRY—I rise to a point of order. If we turn to page 657 of Bourinot, we find this :

It is becoming a frequent practice to send important Bills requiring very careful and deliberate inquiry to a special or select standing committee, before referring them to a committee of the whole.

And again, I find at page 660 :

When Bills are reported from select committees after their second reading in the House, they go upon the orders of the day for consideration in committee of the whole in pursuance of the following rule.

And then Rule 22 is quoted. I find again at page 670 the following :

It has not been uncommon in the Canadian House to pass Bills without reference to a committee of the whole. This has been done in the case of the Appropriation or Supply Bill and not unfrequently in the case of other Bills, also founded on resolutions passed in the committee of the whole. Supply and Customs Bills, on the other hand, have been considered only at times in committee, whenever it has been found necessary to amend them. This proceeding is at variance with the general practice of the Canadian House of Commons and is not sustained by the modern usage of the English House, where Bills generally (except those reported from standing committees) are considered in committee of the whole. The correct usage of considering all Bills in committee of the whole is now invariably followed. In the Senate, public Bills are also sometimes considered without reference to a committee of the whole, and invariably so in the case of the Supply Bill.

Now if we consult May, at page 443 we find a reference to just this case of a public Bill which affects private rights, thus combining the characteristics of a public and a private Bill. What does May say ? In England they have examiners who examine and classify those Bills—

If the examiners report that the standing orders have been complied with, or the select committee on standing orders report that the Bill may be proceeded with, the Bill is read a second time, and committed to a select committee, nominated partly by the House and partly by the committee of selection ; and the committee may be empowered to hear suitors, their agents, and counsel for and against the Bill ; and the Bill, when reported from the select committee is recommitted to a committee of the whole House and is subsequently treated as a public Bill.

With these authorities I claim that this Bill should now be recommended to a Committee of the Whole House. The hon. gentleman in charge of the Bill made a mistake in putting it on the Orders for third reading.

Hon. Mr. KERR (Toronto)—If I remember aright, the hon. gentleman himself the day before yesterday took the exception that this Bill could not go to a Committee of the Whole House, having gone to a special committee, and that there was a ruling on that point to that effect.

Hon. Mr. LANDRY—That is not correct. The point of order that I raised was this. The Orders of the Day indicated the procedure that the hon. gentleman wanted to take, that was, the consideration of the amendments reported by the select committee. When it came to that phase, he changed his motion, and the point of order that I raised was this, that he had no right to change his motion without giving notice, and that was the point which was decided. Further, if you will look at our own rules and forms of proceedings, you will see at page 100, clause 82, that when a Bill has been read a second time the following question is thenput, 'that this Bill be committed to a Committee of the Whole House :

Hon. Mr. LOUGHEED—It went to a special committee instead.

Hon. Mr. LANDRY—Yes, and the hon. gentleman knows why. It was because there were private interests in the case, but as the Bill is now declared a public Bill, I want to follow the course applicable to a public Bill.

Hon. Mr. SCOTT—The House ordered the third reading and we cannot go back on that now.

Hon. Mr. KERR (Toronto)—The time to have taken this objection was yesterday.

Hon. Mr. LANDRY—The hon. Secretary of State is wrong in saying that the House ordered it.

The SPEAKER—There is nothing in the authority which the hon. gentleman first cited, page 657 of Bourinot, to bear out his contention. It simply says that it is becoming a frequent practice to send important Bills to a select committee before referring them to a Committee of the Whole. The citation at page 670 was with respect to Bills in the House of Commons. At page 671, the quotation is :

> In the Senate public Bills are also sometimes considered without reference to a committee of the whole, and invariably so in the case of the Supply Bill.

It seems to me that leaves the whole matter in the hands of the House where it really is. A Bill has to be read three times, but there is no rule which requires a Bill to go to Committee of the Whole. That rests with the House. In this case the House decided to dispense with that stage. Whether the House was wise in doing so or not, it so decided, and, under the orders of the House, the Bill is up now for the third reading.

Hon. Mr. DeBOUCHERVILLE—The hon. senator from Rothesay has objected because the Bill was not printed in French.

The SPEAKER—That was decided half an hour ago—that the Bill was printed in French.

Hon. Mr. DeBOUCHERVILLE—This is a very important matter, affecting the rights of the French speaking minority. His Honour the Speaker has expressed the opinion that because the Bill has been printed once in French, therefore every requirement has been complied with. I cite the section 133, of the British North America Act :

> Either the English or the French language may be used by any person in the debate of the Houses of the parliament of Canada and of the House of legislature of Quebec ; and both those languages shall be used in the respective records and journals of the Houses.

I call attention to the words 'shall be used' ; to comply with this, every Bill should not only be printed and distributed in French, but should be reprinted in both languages when changes are made. I would also call attention to the fact that the minutes, containing these important amendments, have not yet been distributed in French.

Hon. Mr. CLORAN—I have received a copy of this Bill in French, and I want a ruling whether we can proceed with the Bill until it is printed and distributed in both languages. The constitution entitles us to the possession of these documents in both languages, and I ask for the Speaker's ruling.

The SPEAKER—I am informed that the Bill has been distributed in French and it is probable that the hon. gentleman being looked upon as an English speaking member has not got a copy, but if he wants one it will be supplied to him.

Hon. Mr. CLORAN—It is not a question whether I want it or not, but I claim that the position taken by the hon. gentleman from Montarville, should be respected. I do not want his point of order to be treated as it has been. He is entitled to a fair decision as to whether he should be supplied

with a copy of these documents printed in the language which he speaks.

The SPEAKER—As I understand the point taken by the hon. gentleman from Montarville, it is not that this Bill has not been printed in French but that the French edition of the minutes has not been distributed.

Hon. Mr. DeBOUCHERVILLE—The report of the committee and the Bill as changed must be printed in French and distributed. I am surprised that those who are always speaking of the rights of the French population are the first to let them go without saying a word on their behalf.

Hon. Mr. CLORAN—I furthermore have this to say on the question of French translation.

Some hon. GENTLEMEN—Order, order.

Hon. Mr. CLORAN—It is a question of privilege and I have a right to speak. How are we to ascertain the value of the French translation unless we are furnished every twenty-four hours with the documents of the day ? I would demand a week to examine the technical terms of this Bill. How do we know what will be the effect of the translation of this Bill ? I quite agree with the hon. gentleman from Montarville that this House is entitled to have the French edition of every Bill which comes before us for discussion. Here is a Bill that is sure to produce abundance of litigation. How do we know that the French version of this Bill is correct ? It is not wise to proceed with so important a measure as this without giving each member of the House an opportunity to verify the correctness of the translation. I stand with the hon. gentleman from Montarville in demanding this right.

The SPEAKER—The only right is that the Bill shall be distributed in both languages, and that has been done.

Hon. Mr. CLORAN—It has only been distributed now.

Hon. Mr. LOUGHEED—I rise to a point of order. The hon. gentleman from Victoria (Hon. Mr. Cloran) has spoken at least half a dozen times. I am quite willing to let him occupy half the time of the House, but I must draw the line somewhere.

Hon. Mr. CLORAN—I am only asking for a ruling of the chair, whether we should have the French translation of these documents.

The SPEAKER—The chair has ruled three times.

Hon. Mr. CLORAN—That it is not necessary ?

The SPEAKER—Nothing of the kind, but that the Bill has been distributed in French. I can furnish the hon. gentleman information, but I cannot furnish him understanding.

Hon. Mr. BEIQUE moved :

That the said Bill be not now read a third time, but that it be amended as follows :—
1st. By the insertion of the words ' on making application therefor within two months from the passing of this Act ' after the word ' entitled ' in the second line of clause 2.

The object of this amendment is quite plain. It is for the purpose of limiting it to two months instead of leaving it optional with the company to defer for a year, if they like, making the application for a license.

Hon. Mr. KERR (Toronto)—I would suggest that the time should be made three months ; two months is a very short time in which to procure all the information needed to present to the department.

The amendment was changed as suggested and adopted.

Hon. Mr. BEIQUE moved to amend :

By adding the words ' except as provided in subsection (dd) hereof ' at the beginning of clause 3, before the words ' from and after.'

The motion was agreed to.

Hon. Mr. BEIQUE—I move that the Bill be further amended by adding after paragraph (d) of clause 3, the following :

(dd.) The holder of any such assessment policy, except any of those mentioned in subsection (h) hereof, shall have the right to continue his policy under the assessment plan, as provided in the policy, upon giving notice in writing to the company within ninety days after the date of the said license electing to continue his policy on the assessment plan; and in default of such notice, such policy-holder shall be deemed to continue his policy as set forth in subsection (h) hereof.

The object of this amendment is quite apparent. If any of the assessment policy-holders should desire to remain under the assessment plan they can do so.

Hon. Mr. CLORAN—In regard to that I shall ask the hon. gentleman to accept a suggestion. I gave notice last evening that I would move that the words 'ninety days' be changed to the words 'six months,' but I find on the notice of motion it is not entered, so I have to ask you to accept the suggestion or I shall move an amendment. I was prepared yesterday to accept six months in this amendment. In reference to the second amendment that it be three months instead of two, I am under the necessity of asking a further delay in behalf of the policy-holders, simply after the end of three months, then the policy-holders of the company should have an extended delay not only of ninety days, but of the increased time given to the company to get their license. It would be unfair to the policy-holders, who are not around the immediate vicinity of the home office or of its principal agencies, to be given only ninety days. There are probably many policy-holders who are away in Europe, who are away in the far west, who will never hear of this Bill for several months to come. If we are going to limit their time to ninety days to secure the rights which this Bill gives them, you simply keep them away from the benefits of this Bill. Under these circumstances I would ask the hon. fathers of this Bill to accept the suggestion that that delay of ninety days be increased so as to provide time for those absent members to make their demand on the company to be reinstated.

Hon. Mr. BEIQUE—I would suggest that for the present the clause be adopted as it is, but with the understanding that the hon. gentleman who is promoting the Bill will ascertain as to whether the six months could not be granted and then it will necessitate changing six months in other clauses of the Bill, but we can come back to it for that purpose.

Hon. Mr. CLORAN—Who is to be the judge of the necessity of the provision for six months' time? Is it this honourable House or an officer of the company?

Hon. Mr. KERR (Toronto)—This House.

Hon. Mr. CLORAN—We should be in a position to pass on that question at once.

Hon. Mr. BEIQUE—I think the hon. gentleman will acknowledge that we must deal fairly with all parties, and the only thing that I suggest is that the promoter of the Bill should have an opportunity to ascertain whether there is any serious objection, as far as the company is concerned, whether it would be oppressing the company by extending the time limit from three to six months. I fail to see any objection. Unless they can show that there is serious objection, I think the House might make it six months.

Hon. Mr. KERR (Toronto)—Of course it would be apparent to everybody that once the Bill passes into law it is a matter of importance that at as early a date consistent with due protection to the interests of all, the business of the company, as readjusted, should be put into definite shape. Everybody will be interested in that, and the shorter the time in which that can be safely done the better for all concerned. It was thought that a shorter time than three months would be satisfactory, but there are cases of absentees, though there are few places in the world which cannot be reached in three months and an answer received, and probably none at all where three months would not be more than ample; but to guard against a person being ill when he received his notice, it was advisable to give as long time as possible. I would suggest as a reasonable time, and more than reasonable, that four months be accepted.

Hon. Mr. CLORAN—I do not care whether it is ten days or thirty days, if we give the policy-holder the option of proving to the company that he was not aware of this Bill. A man may be up in the shanties for a year, and we should give him an opportunity of proving that he was only aware of the passing of this Bill within ninety days. Take our shantymen who go up to the woods and do not come back in twelve months. They find the Bill has been passed on the 1st of August, and they return here the 1st of July following. Give that man the opportunity to prove that he had no knowledge of the Bill. I simply want to protect the policy-holder.

Hon. Mr. BEIQUE—The hon. gentleman does not suggest that seriously.

Hon. Mr. CLORAN—This Bill is supposed to be in the interest of the policy-holder. We have been charged on the floor of this

House, and in the corridors, with being opposed to the policy-holders. I ask for the protection of the policy-holders who are not able to protect themselves, who are away from sources of information and who will have no voice in the matter. Those policy-holders who are able to prove that they had no knowledge of the passing of this Bill should have an opportunity of being reinstated. It does not interfere with the principle of the Bill. I have no interest in the matter. I do not know the men that are up in the shanties, nor the men down in South Africa. I think that the promotors of the Bill could easily draft a clause whereby such policy-holders could be protected.

Hon. Mr. KERR—I wish to say——

Hon. Mr. LANDRY—I rise to a point of order.

Hon. Mr. KERR (Toronto)—The hon. gentleman does not want to vote on this question. This Bill provides three months for the obtaining of a license, and four months after that is the least a policy-holder would have if my suggestion was adopted. Practically there would be seven months for policy-holders to inform themselves about this.

Hon. Mr. CLORAN—Supposing a man comes in at the end of three months. The time he has got is only four months, not seven.

Hon. Mr. KERR (Toronto)—Practically he has seven months to learn about the Bill and he would appreciate as a lawyer as well as anybody the importance of having in the Bill some definite date, not an uncertain date requiring external evidence, but a definite date named in the Bill, and I ask him to accept the suggestion of four months, which gives ample time for everything.

Hon. Mr. CLORAN—I admit a definite date should be stated in the Bill, but if policy-holders are out of the country, and are able to make proof that they have no knowledge of this Bill they should be protected.

Hon. Sir MACKENZIE BOWELL—I hope the Speaker will enforce the rules of the House and confine each hon. member to one speech on this motion.

Hon. Mr. DOMVILLE—I do not quite understand this amendment. This proposed amendment read as follows :

(dd.) The holder of such assessment policy, except any of those mentioned in subsection (h) hereof, shall have the right to continue his policy under the assessment.

Take the case of John Brown. He says : 'No, you have broken my contract.' We might refer to the Angers case, or the case in England, and their answer is 'Yes, but you have been guilty of laches by not paying your premium under protest.' John Brown has been paying his premium under protest up to that date. He accepts that while he is in the court. He has kept his policy alive by paying his premium each time. Will that clause not be a tacit admission of his that he comes in under it and that all his premiums are wiped out when he comes into court ?

Hon. Mr. BEIQUE—No, I think the hon. gentleman will be fully satisfied when we come to the saving clause.

Hon. Mr. DOMVILLE—I would suggest otherwise that it might be amended by adding 'Unless suit has already been commenced.' I want to provide that the policy-holder cannot be held under that clause as having given tacit admission and accepted the change of policy.

Hon. Mr. WILSON—It strikes me that this clause should be amended. We are supposed to be protecting the policy-holders. There may be those who are policy-holders who are advanced in life, who would not desire to change from the one form to the other, and who would prefer continuing on the same plan. If they do not give notice within, say, four months, whether they will accept one or the other, are you to remove them from the assessment plan and place them in one of the other propositions ? I think the duty too should devolve upon the company, if they are going to force those who have entered into an agreement on the assessment plan and that agreement has been going on, and they have been paying assessments under that agreement, to see that those men are notified. If you say four months, perhaps they may get their notices, and perhaps they may not. If they do not get their notices they are driven out of the assessment class into the other class. We

should provide for a registered letter to notify these people.

Hon. Mr. BEIQUE—In clause (e) it is provided for. It is incumbent upon the company to notify every one by registered letter.

Hon. Mr. WILSON—We must have some means by which these men shall be notified. My hon. friend said we were going to cover it in the last clause, but we did not do it. Let those people remain in on the assessment policies as long as they desire to remain. That being the case, I think a registered letter or some positive means should be adopted.

Hon. Mr. BEIQUE—I may say the hon. senator from Wellington has given notice of an amendment to the last clause of the Bill, and we propose to accept his amendment which is very wise. It is in these words :

7. Nothing in this Act shall affect any suit, action or other proceeding now pending or which hereafter may be brought in respect of any policy or claim against the company.

Hon. Mr. WILSON—That does not cover it. It is the question of forcing a man who wishes to remain in the assessment plan, into another plan at the will of this company, provided he did not give notice in four months.

Hon. Mr. BEIQUE—The clause reads :

(d.) The company shall, within thirty days from the date of the said license, send to each of the holders of its assessment policies, by registered letter postage prepaid to the last known address of such policy-holder, a statement showing in detail the amount of the policy under each of the foregoing options and the lien, if any, and of the premiums to be thereafter payable in respect of such policy and of the times when such premiums are payable.

It is incumbent upon the company to send to each of the policy-holders within thirty days after the obtaining of the license, the full information, and it will leave them three months out of the four to decide which option they prefer, and it is only in default of their so deciding, that we provide that they shall remain under such option.

Hon. Mr. WILSON—That does not cover the point that I raised. My point is this, that even if these men get a notice and do not send back a letter stating that they accept the one or the other, they are put in a different class from that which they were in before. Many of these old men who have been paying assessments year after year aggregating a large amount would desire to remain where they are. If they were not prepared to write a letter saying they will accept one or the other of the options, this will force them out of the assessment plan and make them accept one or the other propositions. I say it is the bounden duty of this House to decide that they shall remain under the assessment plan unless they take a different course themselves. Why force them out of that class ? Are we to force out 75 per cent of those assessment policy-holders and drive them into one of the other classes without giving them ample opportunity of saying whether they desire to remain as they are ? Make it incumbent upon the company to notify these people. and let them send a document to the company stating they are willing to change their policy, but do not give the company power to force them out. If you do not do that then you oblige these policy-holders to say which of the options they are going to accept. I say you are doing an injustice to them, and are not acting fairly by those who desire to continue under the assessment system.

Hon. Mr. BEIQUE—I understand now the objection which is made, and it has not escaped my mind. I prepared an amendment in that direction, and I shall state the reason why. We are all satisfied that it would be to the detriment of policy-holders to remain under the assessment plan. It would be against their interest.

Hon. Mr. WILSON—They have the right to select.

Hon. Mr. BEIQUE—We are satisfied they should be given an opportunity of making a selection, but what I want to do is to protect a portion, whether large or small, of policy-holders who may not know of the passing of the Bill, who are neglecting their own interests, and to be sure that their interests will be properly protected by getting the benefit of the best option under the Bill I have drawn it that way so that it will be open to them to accept the option, and if they neglect to do so, we protect their interests to the best of our ability and judgment.

Hon. Mr. WILSON—All I ask is that those who are assured on the assessment

plan shall give to the company notice requesting that they should be placed under one or the other system before any change of their policy is made by the company.

Hon. Mr. SULLIVAN—I understood that we were to allow those gentlemen to continue under the assessment plan if they chose to do so. If they send no notice it is understood they continue in the same way. I understood that was a feature of the Bill.

Hon. Mr. KERR (Toronto)—No.

Hon. Mr. SULLIVAN—It should be made one.

Hon. Mr. DANDURAND—We are face to face with this difficulty: We all know the immediate cause of the raising of the assessment—the stopping of new-comers into that system. What will be the effect of this Bill upon the members remaining under the assessment system? As soon as the Bill is passed, or within the next six months, it is to be presumed that a considerable number under the assessment plan will adopt one of those three options. If the present system is so harsh that there is a general outcry throughout the country against the heavy assessments to which those people will have to submit, what will it be when a considerable portion of those policy-holders shall have abandoned the assessment plan and have passed to the premium plan? What load will the remaining assessment policy-holders have to carry? It will strike every one that the load that they will have to carry will be such that they shall break down. So we are now providing by this amendment for the vacillating ones, those who do not know, who cannot judge for themselves of the superiority of this present plan, who will hesitate between one of those three options and will let the time pass for three or four months, for everybody knows that inaction is far easier than action. This amendment will have the effect of giving the vacillating ones, the ignorant ones who do not know exactly what option to accept, the option that will be most favourable to them. My hon. friend from Elgin says that we make them slaves. We are coming to their rescue or making our best endeavour to come to their rescue. We know that a considerable number of them who have but a primary education will be confronted with this statement which is difficult to understand, and they cannot always get advice and will be nonplussed in many instances. It is for those who do not know better, and who will hesitate and not themselves decide what system they should adopt, that we declare that if within three or four months they do not make up their minds to remain on the assessment principle, which we all know would be one that would be ruinous to them, that they shall come under one of these options. It seems to me under those considerations that it is just that we shoud decide for them that they shall be classed under one option rather than be kept under the assessment plan. When you have transferred from the assessment plan a considerable portion of those who are at present under that system, in what position will the others be? There are people who believe that their position will be made still more difficult by the passage of the Bill, that by cutting off fifty per cent of the assessment policy-holders, the remaining ones will see their assessments rising yearly, and the parliament of Canada is deciding to put them under one of the options and not leave them in that class, because we all know when the two last policy-holders under the assessment system survive that the one who will die first will see his heir enriched by the full amount paid by the other under the policy. I think we are doing a just and equitable act in deciding for the ignorant and vacillating ones by taking them out of the assessment plan and giving them one of these options.

Hon. Mr. KERR (Toronto)—Just a word or two.

Hon. Mr. LANDRY—I rise to a point of order.

Hon. Mr. KERR (Toronto)—I have not spoken on the amendment.

Hon. Mr. LANDRY—I beg the hon. gentleman's pardon, he did speak.

Hon. Mr. SULLIVAN—If we are not allowed latitude in this discussion.

Hon. Mr. LANDRY—No.

Hon. Mr. McMILLAN—I should like to ask the hon. gentleman from de Salaberry if

it is so very important that assessment policy-holders should accept one of the first two options, why confine them to a limited time because the number is decreasing down to perhaps 50 or 25 per cent ?

Hon. Mr. KERR—Because the assessments have to make up the losses.

Hon. Mr. LANDRY—I rise to a point of order : the hon. gentleman has no right to speak.

Hon. Mr. DANDURAND—He has the right to answer a question.

Hon. Mr. LANDRY. No, we are not in Committee of the Whole.

The SPEAKER—The question is on the third amendment, substituting 90 days for 60 days and substituting F. for D.

The amendment was adopted.

Hon. Mr. BEIQUE—I move—

Hon. Mr. LANDRY—I rise to a point of order. The hon. gentleman has no right to move an amendment.

The SPEAKER—He is putting the amendments of which he has given notice.

Hon. Mr. LANDRY—I want the ruling of the chair.

Hon. Mr. YOUNG—When the hon. gentleman rose to move his amendment en bloc, it was suggested—and the House acquiesced as far as I could see—that the best way was to move each separately.

Hon. Mr. LANDRY—That does not give the right.

Hon. Mr. YOUNG—So as to discuss each amendment separately.

The SPEAKER—The House so decided.

Hon. Mr. LANDRY—I want the ruling of the chair.

The SPEAKER—The ruling of the chair is that, as it was understood, without any dissent expressed, that these amendments should be taken up one by one, the hon. gentleman is within his right.

Hon. Mr. LANDRY—The hon. gentleman may move his amendment separately.

The SPEAKER—He may move the amendments of which he has given notice, separately.

Hon. Mr. BEIQUE—I move that the Bill be further amended by substituting for the letter E in line 55 of paragraph F of clause 3 the letter I. On referring to Mr. Bradshaw for the purpose of confirming the opinion which has already been given by experts, I find that the best option is the first one, and therefore, I think it is our duty to give the policy-holders the very best option. They have a right to choose any one of them, but under the Bill as drafted if they do not make a choice they are assumed to have chosen the third one, and I want it understood that they will be taken to have chosen the first one.

The motion was agreed to.

Hon. Mr. BEIQUE—I beg to move the fifth amendment of which I have given notice, which reads as follows :

5th. By inserting after the word 'lapsed' in line 20 in clause 3, paragraph (h) the following : 'or what may lapse after the passing of this Act and prior to the date of the said license' ; and by adding after the word 'company' in line 30 of the said paragraph (h) the following: 'and approved by the Superintendent of Insurance.'

This is to cover such policies as may lapse from the time of the passing of the Act until the license is issued, and it is to give them the right to revive their policy the same as those whose policies have lapsed ten years previous to the passing of the Act. It is extending the date to which the holders of policies who have allowed their policies to lapse shall be entitled to be reinstated. The second amendment has reference to the certificate. Hon. gentlemen will bear in mind that they are given the opportunity of having their policy revived providing they furnish a certificate of good health. I suggest the addition of these words, which have been approved by the Superintendent of Insurance, so that they will not be left to the mercy of the company, but that the Superintendent of Insurance, who is the natural guardian of the right and interests of policy-holders in insurance companies, shall be the judge.

Hon. Mr. McMILLAN—My hon. friend does not meet the objection we raised to this clause. What we did object to was that they would have to submit to the terms dictated by the company. If they cannot comply with that, they have nothing to refer to the Superintendent of Insurance. They cannot possibly submit the case to

him at all, because the company may exact such answers from them as will prevent them from availing themselves of the privilege they have under that clause. What we really want is to make the Superintendent of Insurance take the holders of the lapsed policies into the company under the terms set forth in the Act, but to take no advantage of the fact that a man may not be in a healthful condition, take him as he stands in regard to his health and not submit him to a medical examination, the question that the Inspector of Insurance is expected to answer is the question whether he has told the truth or not. Has he told that he is subject to a cough or attacks of influenza every now and then, or that he was affected once or twice a year with an attack of rheumatism ? All these questions can be put in the certificate that he is compelled to furnish. He is supposed to tell the truth in that certificate ; he is supposed to tell all these things, and he is supposed to answer all these questions. The question that the Superintendent of Insurance is to answer is the question as to whether he has told the truth or not.

Hon. Mr. SCOTT—In our sympathy for the unfortunate man who has allowed his policy to lapse, we must not lose sight of the fact that this association is a mutual one, and that if it favours one class unduly we are injuring another class. We have no right to do that.

Hon. Mr. McMILLAN—Not in these lapsed cases, because they do not participate in the reserve.

Hon. Mr. SCOTT—Their claims on the company are absolutely forfeited under the rule. The moneys they had paid in already are an asset remaining to the holders of policies who continue in good standing ; therefore, I say any undue advantage you give to the policy-holders who have ceased to have a legal interest in the company is given at the expense and to the detriment of those who have remained in the company, and therefore we may be doing an injury to them in our desire to help those who are now being admitted into the company again as a matter of grace. We have to draw the line carefully. If a man who has forfeited his policy is in the last stages of consumption, it is quite apparent he is no longer a fair risk, and it would be unjust to those who have paid up their policies regularly to allow him to come in and be classed with the other policy-holders. It is a delicate matter how far you could fairly go in allowing persons who have forfeited their policies to be reinstated.

Hon. Mr. McMILLAN—This clause opens the gate ; where do you propose to stop ?

Hon. Mr. SCOTT—You cannot open the gate unqualifiedly.

Hon. Mr. McMILLAN—That is what is done.

Hon. Mr. SCOTT—No, I think it is apparent that if a man was not a fair risk it would not be just to allow him in to make a claim on the funds. We are giving the lapsed policy-holder some advantage ; we cannot give him the entire advantage. We cannot reinstate a man who is near his end, and say he shall be a charge on the funds of the company, when he has forfeited his policy.

Hon. Mr. BEIQUE—I attach importance to each clause being fully understood by every member and I cannot agree with the position indicated by the hon. Secretary of State. The point has been properly raised by the hon. gentleman from Glengarry, and let it be well understood that the other classes of policy-holders here will not be affected at all by this class, because they will be fully protected by the deposit which will have to be maintained with the government. These policies that have to be revived are not to participate in the deposit. The question that the hon. member from Glengarry suggests is that the Bill should go to the extent of reviving policies without any certificate of good health. Is that a fair obligation to impose on the company ? We are endangering the whole Bill if we go to that extent. The company might decline to take advantage of the Bill, and, therefore, the policy-holders would lose the benefit of it. I have done all I could to get the greatest benefit for the policy-holders by way of amendments and I should be very glad if it was possible to induce the company to go to the extent indicated by the hon. gentleman from Glengarry ; but I must confess that I think it would be unreasonable. These policies have lapsed for ten years, and it would not be reasonable to ask that this whole

mass of twenty odd million dollars would be thus revived en bloc without each policy-holder furnishing a certificate of good health. It is going a great way to do what is done. With the Bill as drafted, and as I propose to have it amended, the certificate is furnished by the insured himself, and the Superintendent of Insurance will decide as to the form.

Hon. Mr. LANDRY—A certificate as required by the company.

Hon. Mr. BEIQUE—As required by the company, but approved by the Insurance Superintendent.

Hon. Mr. SULLIVAN—You must get some certificate. The certificate of the gentleman who wishes to be reinstated should be supported by the certificate of his physician, or, if you like, by somebody else. It is a point we might consider whether it would not be better to have a physician give a certificate than the man himself, but it might be from both.

Hon. Mr. McMULLEN—I consider this is a very important point, and we might settle it in this way. The man who seeks to have his policy revived has to furnish a certificate. After he does so, the company should have twelve months in which to challenge the accuracy of that certificate, and if they do not do so within that time, they should forfeit their right to do it after the man is dead and gone.

Hon. Mr. McMILLAN—But if the policy-holder dies in the meantime ?

Hon. Mr. McMULLEN—It is good for twelve months, because it is approved by the Superintendent of Insurance. Within the twelve months the company must challenge the accuracy of that certificate, and set forth the grounds on which they do so, otherwise they should not be allowed to do it afterwards.

Hon. Mr. DOMVILLE—We all have sympathy with those whose policies have lapsed. Now let us see where this clause reaches. The hon. Secretary of State I think was right in what he said ; there must be fairness displayed towards the policy-holders, who have maintained their policies. We will assume that ten years ago a man at the age of 55 took out a policy and allowed it to lapse. If that policy is revived now he will be 65. Assuming that a large number will in the future do as they have done in the past, elect to stand by the contract they made when they got an assessment certificate, are you going to put these lives right on to them ? Are you going to make them pay not only for each other but for all these old lives that are to be brought in now ? In the committee this morning it was shown that the rates are not high enough at present, and that as each policy-holder dies, it is a question how much will be paid to his heirs, and the last man to survive will have nothing left. It is bad enough to be in that position, but are we going to load up these policy-holders with these old lives, and make it doubly burdensome ? Take the case that I have mentioned of a man who to-day is 65 ; if he is reinstated, in five years more he will have reached the three score years and ten, and that is considered an advanced age everywhere, outside of the Senate. The clause should be considered further to see how it really affects the interests of the policy-holders. Remember, the reinstated policy-holder must furnish a certificate of his continued good health. A man may be in good health at fifty-five ; how many men can say that their good health has continued up to sixty-five ? The man who gives a certificate of his good health gives a warranty, but nobody owns anything in this company but the managers. The policy-holders have nothing to say. Two or three gentlemen who control the company can do just as they please. They are the Czars of this company. Supposing they did their duty—if I could force myself to think they would—would they perpetrate such an injustice on the policy-holders left under the assessment system ? They could not.

On the other hand if they did, the assessments would have to be raised, because the old lives would be tumbling in, and the younger lives would be forced to meet the claims. It seems to me these reinstated policy-holders should be made a separate class, and furnish the grease for their own frying-pan. I think it is well their policies should be revived, but they should be a separate class by themselves. Look at the position this will put the Superintendent of Insurance in ? Is he to make a certificate, as against the company, and have we got to accept his decision ? We know how he has endorsed all that the managers of this

company have done at the home office in New York. He has never been able to see what has been going on, or hear of the charges against them, and to-day we are asked to take his dictum as against the policy-holders. This certificate of good health becomes a warranty. The managers have sent around to all the policy-holders slips to sign, saying that they are in good health or think they are. Time and again I have had them sent to me. Suppose you signed and returned one of these, and by some accident dropped dead next day, what would be the charge—breach of warranty; that man was in bad health when he gave that warranty; there was no doctor's certificate; he took the responsibility. We know what the result will be. If this was a doctor's certificate it would be different. Unless a doctor's certificate is furnished, the heirs of the policy-holder will have to take whatever the company is willing to give them, because the certificate of good health was furnished by the policy-holder himself, and the heirs would not be able to prove that he had acted in good faith in giving that certificate. I say it is wrong morally, and this clause should be recast and these reinstated policy-holders put in a special class by themselves. I have heard a good deal said in the lobbies, but my only desire since I took this matter up two years ago has been if possible to help out these unfortunate policy-holders, and any Bill which will be really in their interest has my approval. But I shall not stultify myself by accepting everything which is presented by the hon. gentleman from de Salaberry and the hon. gentleman from Toronto. I ask them therefore to leave this section over until to-morrow, and to think over the suggestion of putting these reinstated policy-holders in a class by themselves.

Hon. Mr. BEIQUE—They are put in a class by themselves, because they do not participate in the deposit already made; but the company will be liable. It will be incumbent on the company the next day after these policies are revived to place a very large deposit in the hands of the Dominion government to provide the proper reserve for these policies.

Hon. Mr. DOMVILLE—But that does not meet my objection, because taking the money that is here to-day in Ottawa with the government it is only $20 per thousand added to the policy, twenty dollars towards meeting one premium. What other value is there reserved here? The only object in having the reserve here is that they must have something at stake in this country in case actions should be brought against them or judgments recorded against them, but I do not think any insurance man in Canada will attach any other value to that deposit as security for the insured.

Hon. Mr. BEIQUE—The point the hon. gentleman has raised has no reference to the clause under discussion. It has reference more especially to clause 5 of the Bill, and I propose to make clause 5 read differently from the way it appears. As printed it provided only for a portion of the deposit in respect of the assessment policies. That is, there are on deposit with the Canadian government two different deposits, one of $228,000, which stands there as a guarantee for the assessment policies, and there is besides that a deposit of $80,000 which is for the new level premium business carried on by the company from the 7th of August, 1899. In the clause as printed, the policy-holders would not have the benefit of that $80,000, so I propose to strike out the words, 'In respect of the said assessment policy,' so that the policy-holders shall be secured by the two deposits in the hands of the government. Then I propose to add these words, 'The whole amount of the deposit shall remain in all respects subject to sections 33 and 34 of the Insurance Act.' The effect of the amendment is, that under these sections of the Insurance Act the deposit cannot be touched at all. It is to remain there, even if the company becomes insolvent and discontinues business, to be used to reinsure the risks.

Hon. Mr. DOMVILLE—I object to their coming in with that warranty with the approval of the Superintendent of Insurance. I say it is not fair to the other class of policy-holders. Do I understand the hon. gentleman to have explained that the deposit is going to be for all concerned, or are the assessment people under the old plan to have the money for themselves?

Hon. Mr. BEIQUE—The present and the future except those who remain on the assessment plan, which I take it, will be very

few. There will be but one deposit. The next day after the company takes its license, the deposit will consist of the $228,000 and the $80,000, and that will be for the guarantee of all the parties insured with the company, and it will be the duty of the Superintendent of Insurance to exact a much larger deposit before the company are allowed to continue their business, and it will be the consequence of the revival of the $20,000.000 of insurance.

Hon. Mr. DOMVILLE—That one deposit is what I object to. We never found out about that before.

Hon. Mr. BAIRD—Am I to understand that the $228.000 now on deposit with the government is to remain as security for the policy-holders still living under the assessment principle? I understood that was the case, but now I understand that that money, and the additional deposit will be put into a lump sum for all the policy-holders.

Hon. Mr. BEIQUE—The moment the Bill goes into operation the $228.000 which, at present, stands in the hands of the government merely as guarantee for policy-holders on the assessment plan, will remain there as guarantee for the others as well, and without depriving the policy-holders under the regular level premium plan of the benefit of the other deposit of $80.000. The deposit will have to be supplemented from time to time in order to protect fully all the insurance which will come under the level premium plan.

Hon. Mr. WILSON—There is one point in reference to the second amendment applying to the policy-holders who, through some accident, allow their policies to lapse; they are to be placed on the same footing as those who had allowed their policies to lapse for ten years. That would hardly be fair. For instance, there are many who know that this Bill is under consideration, and may be watching to see what sort of legislation will be enacted and what their position will be when it becomes law. They may allow one or two payments to lapse, and, if they do so, they are to be placed on the same footing as those whose policies lapsed ten years ago. They must not only be reinstated under that system but be deprived also of the very funds they have been contributing to for the last ten years.

Hon. Mr. BEIQUE—The reason why they are made to occupy that position is this: otherwise we would be interfering with the rights of the other policy-holders. The deposit in the hands of the government is as a guarantee to the policy-holders who have continued to pay their premiums. If they chose to let their policies lapse, we have no right to say that they shall remain with a share in that deposit. They lose their share of that deposit if they do not pay their premiums.

Hon. Mr. WILSON—That is hardly fair to those who have been in the habit of paying their assessments and who may be in arrears only for one or two assessments. The hon. gentleman says it is not fair to those who have made their payments; is it fair that they should be deprived of the dividends they have been contributing to for the last ten years? Are they to be put on the same footing as the delinquents of ten years standing? I say it is unfair.

Hon. Mr. DANDURAND—The line must be drawn somewhere. The hon. gentleman has a soft spot for those policy-holders who have allowed their policies to lapse, and says they should be treated in a better way than those who have been delinquents for ten years, but what difference will he make between a lapse of one year and a lapse of ten years? We take two large classes, those in good standing and those who are not in good standing. They are all labouring under the same difficulty. They decided to drop their policies. We are putting them all into one class.

Hon. Mr. WILSON—My hon. friend is putting the case very unfairly. He should state the case as I put it. I spoke of those who kept their policies up until the time this Bill passed the House, and he turns around and makes my statement appear absurd. I am here to protect those unfortunate policy-holders who, under some consideration, may think this Bill will place them in a different position, and may allow their policies to lapse for a short time. The hon. gentleman will hardly tell me that a man who has done that is a delinquent, and as bad as those who have not paid assess-

ments for a year or ten years. I say it is unfair to them.

Hon. Mr. MACDONALD (P.E.I.)—The company is required to notify the different policy-holders of the position they hold under this Bill. It must be done within a limited time after the Bill becomes law. If a policy-holder is silly enough not to take advantage of that, he deserves to be placed in the position from which the hon. gentleman is so anxious to rescue him.

Hon. Mr. WILSON—What I said was that if they allowed the assessments to lapse from the time the Bill passed until they received the notice, they should not be put in the position which the delinquent class occupy. I say it is unfair and unreasonable, and it is treating these men harshly.

Hon. Mr. CLORAN—I should like on behalf of the policy-holders to call attention to clause (h) which, to my mind, is largely the substance of the Bill. Why not have representatives of the company and of the policy-holders meet together and draft a clause that will protect the interest of the company and of the policy-holders. We have provisions in clause (h) which no doubt are a tremendous advantage to the policy-holders, an advantage given by the only company in the world that would give it, to allow lapsed policies to be revived. When we are prepared on principle to give that advantage to the policy-holders, let us take the means to provide that the advantage shall be effective. I stated a few minutes ago that three months was not a sufficient time for a large number of lapsed policy-holders to be heard from. What I want is to give these policy-holders an opportunity to be reinstated. Those who live in or near the centres of population do not need to be told of this legislation, but it is different with many who live in such places as the Yukon or South Africa, and therefore I suggest that the company should be compelled to write each policy-holder whose policy has lapsed for the last ten years, that he is entited to have it revived; that a registered letter be sent to his last post office address. To meet the exigencies of the situation, where policy-holders have moved from one spot to another, it should be advertised in the public press that this legislation has been enacted, and that policy-holders who have allowed their policies to lapse for the last ten years will have a right to have them reinstated.

At six o'clock, the Speaker left the chair.

After Recess.

Hon. Mr. CLORAN—As I understand the position now held by this honourable body in regard to this Bill from all sides and from all interests concerned, it appears to be a very friendly one, and I am glad that this situation has been attained after a very severe conflict of opinion in regard to this company, so that any suggestion that may be made in regard to amendments should be accepted in the best spirit and with the best will for the interests of the company, and in respect of the rights of the policy-holders. I am exceedingly pleased that this honourable body has reached that position in discussing this Bill. When the House rose at six o'clock clause (h) of section 3 was under consideration. To my mind, that clause is one of the most important in the Bill as presented to this House. Several amendments have been suggested to the different features contained in this clause. The amendments probably are not all acceptable in their entirety, but, certainly, they should be acceptable in some measure. For instance, the suggestion that the ninety days' delay should be extended to six months or more or less. So far there has been a compromise to four months—that is, in the time wherein a policy-holder who allowed his policy to lapse during the ten years would have a right to reinstate himself. There is no discussion on the principle. It is simply a question of adjusting the time. There is a matter which could be compromised, and amicably settled among members of this Honourable House, in the interests of the Bill, the interests of the company and the interests of the policy-holders. There is another suggestion made, in regard to the certificates of health, that would be held to be satisfactory to the company. The principle is admitted that a certificate of health is necessary before a man is reinstated. There is no question as to that, but where the friends of the company and the friends of the policy-holders may differ is what should be the form of that certifi-

cate and what should be the nature of that certificate. I humbly suggest that that matter can be better discussed between three, four or five members of this honourable House to more advantage than before the whole Senate. There is not the slightest doubt of that; it is an important matter that a policy-holder should know to what exigencies he shall be obliged to submit before being reinstated. If the letter of that form is left to the company it is only human nature that the company should make that form as exacting as possible. They would be very foolish if they did not do so. It would be the business of the officers of the company to make that form almost prohibitive to men who allow their policies to lapse for ten years and desire to be reinstated. That is one side. Then on the other side we have policy-holders who would say, 'I have a right to go in anyhow, no matter what condition my health is in.' The Senate should take a position between the two, and not allow the company to exact excessive conditions of health from the policy-holders, nor allow the policy-holder to insist on reinstatement when his health was such that he would not be accepted by any other company. That is a question which the committee I am suggesting could take into consideration and make provision for. It is suggested by the hon. gentleman from Belleville, and, I think, by the hon. gentleman from de Salaberry, that this form should be drafted by the Superintendent of Insurance, in regard to the financial and actuarial features of it; I do not know whether the superintendent is in a position to state what should be the condition of health required of a man to entitle him to reinstatement. That is a medical question, and I would be doubtful of exercising my duty here in putting that question of health which pertains to medical science into the hands of a mathematician. I would be doubtful whether I was performing my duty in consenting to that. Therefore, I would suggest to the hon. members who are in favour of this Bill and have accepted it, to put their heads together and nominate a small committee of four, five or six to study this question in the interests of the company and the policy-holders, and the interest of the Senate also, in proposing a fair and equitable method that will apply to all parties concerned. That is what I propose in regard to clause 8. I do not think there can be any difficulty in the matter. Even now I think this honourable body should allow all these clauses to go into the hands of hon. members such as the hon. senator who proposed the Bill, the hon. senator from Toronto, and the hon. member from de Salaberry, and the hon. gentleman who introduced this question into the Senate, the hon. gentleman from Rothesay. Name the members, whoever you please, who will do their work fairly and well—I need not say conscientiously—and five minutes after they present their report this honourable House will accept it without being obliged to go into interminable explanations on each clause of the Bill. That is what I propose, as I say, in the interest of not only the policy-holders, but of the company and of the Senate itself.

Hon. Mr. MACDONALD (B.C.)—Does the hon. gentleman from Toronto object to a medical certificate being had ?

Hon. Mr. KERR (Toronto)—I do not.

Hon. Mr. BEIQUE—Immediately after the House rose, I communicated with the hon. promoter of the Bill and Mr. Eldridge, and they are willing to accept the medical certificate that the applicant is in good health. That is going as far as we can, but I have not had occasion to discuss the other question to cover the suggestion of the hon. member for Wellington, in the way of making the certificate conclusive. I would, therefore, ask that this clause be allowed to stand for a few minutes until we can settle that, and in the meantime take up another clause.

Hon. Mr. CLORAN—Why not postpone it until the morning ?

Hon. Mr. BEIQUE—I think in a few minutes I shall be able to announce to the House an amendment in such a shape as will be acceptable.

The clause was allowed to stand.

Hon. Mr. BEIQUE—I move that the Bill be further amended, as follows :—

6th. By adding to paragraph (i) of said clause 3 the following : 'except upon policies continued under the provisions of paragraph (dd).

I suggest that we add the following to this clause :—

But on policies in existence on the date of said license the premiums shall be computed as from such date.

The premiums are settled in the three options under the first portion of clause 3. Of course it would not be fair to allow a period of seven months during which the company would have no right to levy assessments.

Hon. Mr. CLORAN—That is all right.

Hon. Mr. DOMVILLE—I would like a little further information. First of all, are we to understand that if the assessment policy-holders discontinue and do not choose to move into that class, whether this company has any right to interfere with them ?

Hon. Mr. BEIQUE—No.

Hon. Mr. DOMVILLE—If the present policy-holders under the assessment contract do not choose to accept either of the other alternative that the company shall have no authority to make any excessive assessment, or rather that they stand as they are to-day—that the company are not interfering with their rights.

Hon. Mr. BEIQUE—That is right.

Hon. Mr. DOMVILLE—Then supposing they stand in that way. The hon. member has spoken about premiums being levied. How does he propose to levy the premiums on those ?

Hon. Mr. BEIQUE—The object of the Bill is to transfer all the Canadian business of the company from the assessment plan to the level premium, and the rate of the premium is determined by the first portion of clause 3 in accordance with the British tables. The clause now being dealt with is the clause declaring that the company shall not have the right, after the date of the license, to levy any assessment, but they will have the right to levy the premium from the time at which their right to levy the assessments ceases.

Hon. Mr. DOMVILLE—I do not think the hon. gentleman quite understands my question. Presuming a certain number of these policy-holders have contracts under the assessment system as they stand to-day ; if they do not choose to take advantage of the level premium policy, where are they going to stand ?

Hon. Mr. BEIQUE—They will stand as they are to-day. They shall be liable to be assessed to the extent necessary to meet the death losses.

Hon. Mr. CLORAN—Will the hon. gentleman state when they are liable to be assessed ? Are they liable to be assessed in conjunction with all the other policy-holders of the company ?

Hon. Mr. BEIQUE—Yes. With all those who remain under the assessment plan.

Hon. Mr. CLORAN—Of that class ?

Hon. Mr. BEIQUE—Yes.

Hon. Mr. CLORAN—Did Mr. Eldridge not state that the members of that class were not assessed alone, but that the losses would be assessed in conjunction with the other policy-holders ?

Hon. Mr. BEIQUE—They will be assessed. The company has fifty millions to-day of business in the States under the same plan. They will be assessed as forming part of that.

Hon. Mr. CLORAN—Then they will not be assessed as a part of the class here in Canada ?

Hon. Mr. BEIQUE—No.

The amendment was adopted.

On paragraph (h),

Hon. Mr. BEIQUE—I have the satisfaction of announcing that a very strong objection has been removed in my mind. I had made up my mind to call the attention of hon. members of the Senate to all the objections which arose from the wording of clause (h.) Yesterday I obtained from the promoter of the Bill a form of the medical certificate, with the intention of suggesting that it be added as an appendix, but I found that the certificates which are the certificates in use by the company, and in use by other companies, go to this extent, that they call for warranty that the party has not suffered from any disease. They name all kinds of diseases, and it would practically shut out a large number of those parties whose policies we intend to revive. I then came to the conclusion that the best

way to meet the difficulty was to leave it entirely to the Superintendent of Insurance, because I could not see any other way at the time ; but immediately after the House rose I met Mr. Eldridge, and he is willing to accept the following :

The company shall revive for the amount to be computed as in this section provided any assessment policy which has lapsed or which may lapse after the passing of this Act, and prior to the date of the said license, for non-payment within the ten years immediately preceding the passing of this Act upon the holder making application therefor within four months after the date of the said license, and within the said time delivering to the company a medical certificate of his being in good health, which certificate shall become conclusive at the expiration of one year, if not impeached in the meantime by action by the company, the company to have, however, the opportunity of having a person examined by its own medical officer for the purpose of testing the accuracy of the certificate.

Hon. Mr. CLORAN—That is satisfactory.

Hon. Mr. BEIQUE—I call attention to the fact that all that is required will be a certificate that the party is in good health at the time, irrespective of what may have been his condition during the five or ten years which have preceded the issuing of the license ; and I take it to be of very great consequence, because it will practically allow all parties who should be allowed to remain in the company to have their policies revived. The provision will remain that such policy-holder shall not be entitled to share in the dividend.

Hon. Mr. CLORAN—I admit that the medical certificate is necessary. Then the amendment speaks of the medical certificate and the examination by the medical officer of the company.

Hon. Mr. BEIQUE—No. Under this wording the party insured is entitled to furnish the medical certificate of his own doctor, but the company within the twelve months intervening before the certificate becomes conclusive, has the right to have the person insured examined by his own medical officer to ascertain if that medical certificate has been given in good faith.

Hon. Mr. CLORAN—Once the officer of the company has impeached——

Hon. Mr. BEIQUE—By action.

Hon. Mr. CLORAN—We are not going to put them in the law courts ; this thing must be settled in black and white. Here is a certificate by the medical officer of the company, and the company has twelve months to investigate whether it is true or not, and after that the report comes in and says 'That medical certificate was not well granted.' What happens ? We want it put in black and white. Do not allow the company to bring all cases into court. It is just as easy to put the matter in black and white now as to let the courts put interpretations upon it in the future. This company is prepared to admit that the medical certificate of the applicant for reinstatement is sufficient to reinstate him. Then they come in with the proviso :

On condition that that certificate is accepted by a doctor of the company.

If he does not accept that certificate, what is going to happen ? He is out of the race, and that is what I want to prevent. I want no slip in the law. Put it in black and white in the Bill that that certificate is conclusive, and if not conclusive, let the doctor of the company come in and say so, and if they disagree let them bring in a third party. It is all very well to laugh. I am a lawyer and know that the legislatures of the country give too much power to the judges to interpret the popular will. Everything should be put in black and white, and leave to the judges as little interpretation of the law as possible. As long as I occupy a seat in this House that is the principle that I shall support in all our legislation. You are providing that a man shall be reinstated on the certificate of his medical officer ; then you provide that if the doctor of the company finds that that certificate is not correct, then they must go to law. I want this honourable House to put them under the protection of the law, and not under the interpretation of the law by judges and lawyers.

Hon. Mr. BEIQUE—If the hon. gentleman would make a practical suggestion instead of making speeches it would be better.

Hon. Mr. CLORAN—I have to make a speech to induce the hon. gentleman to accept it.

Hon. Mr. BEIQUE—If the hon. gentleman's suggestions were followed, it would

open the door to litigation, and I have suggested this wording to prevent litigation.

Hon. Sir MACKENZIE BOWELL—The only question, it seems to me, is the length of time that is given to object to the certificate. I do not know whether the hon. gentleman who has just spoken has paid any attention to the mode followed by all insurance companies in relation to certificates. If you desire to obtain a policy in any well-regulated company you first have a certificate after an examination by a physician in the locality in which the applicant lives. This certificate is sent to the head office, and the medical officer of the company at the head office analyses the certificate, and in many cases they are rejected and are sent back to the local physician to report why he has not answered such and such questions. There would be no security at all for insurance companies if this were not done. The only objection I see is giving the twelve months. I see no reason why, in cases of that kind, the matter should not be submitted to the physician at the head office at once. Give the medical officer sufficient time to examine and report on the certificate to the head office, as to whether it is of a character to justify the taking of that policy. That would be time enough. That is what I suggest to my hon. friend. I see the absolute necessity, in the interest of the company itself and in the interest of other policy-holders, that there should be that supervision of the first certificate that is presented by the doctor who examines the applicant in the locality in which he lives.

Hon. Mr. CLORAN—Supposing there is a clash between the reports of the two doctors, what then?

Hon. Sir MACKENZIE BOWELL—The physician at the head office must be the judge.

Hon. Mr. CLORAN—That is what I am against.

Hon. Mr. BEIQUE—If we adopt such a provision as the hon. genetleman has suggested, policy-holders would be at the mercy of the company, and the only way that I can find is to merely require a medical certificate which will be furnished by the parties insured, from any medical man they choose, and allow a reasonable time within which the company will have an opportunity to verify that certificate. If they ascertain, by having the person examined by their own medical officer within the twelve months, which will only be done in exceptional cases, that the first certificate has not been given in good faith, then they may impeach the certificate, but if they do not, although their own medical officer had ascertained that the certificate had not been given in good faith, that the party was not in good health, if they do not enter the objection within the twelve months, then the medical certificate is to be held as conclusive.

Hon. Mr. CLORAN—Supposing he impeaches it, what is the remedy ?

Hon. Mr. BEIQUE—Then the courts have to decide.

Hon. Mr. CLORAN—I pity the policy-holders.

Hon. Mr. BEIQUE—You have to leave it to the courts or to the company.

Hon. Mr. CLORAN—No, leave it to a physician, do not send it to the courts, or the people will be ruined.

Hon. Mr. DAVID—It is always easier to criticise than to suggest something in place of that which is criticised. But I think there is something in what is said by the hon. gentleman from Victoria, and by the hon. member from Belleville, about the length of time. What will you do with the premiums which will be paid during that time ? If twelve months are allowed the company to impeach a certificate, what will you do with the premiums which have been paid by the applicant ? Will he continue to pay them ? And if after that time the application is rejected, will the premium be remitted to the applicant ?

Hon. Mr. McMILLAN—He is insured in the meantime.

Hon. Mr. DAVID—If he died during the time allowed the company to reject or accept the certificate, would he recover ?

Hon. Mr. McMILLAN—Yes.

Hon. Mr. DANDURAND—The question put by the hon. gentleman from Mille Iles is easy of solution. We are speaking now of lapsed policy-holders who present certifi-

cates and deposit the premiums. He is simply an applicant for insurance. If his application is rejected he stands as if he had never been insured. I am speaking of general principles. I want to answer the objection that the delay of twelve months is too long. Speaking generally, the delay would be too long if we were with the general business of an insurance company on ordinary lines, but I contend that the delay should be longer in this instance, and for this reason, that the company will not open its offices and send out its agents to get risks in the ordinary course of business, getting them so many per day or week or month. Those applications will come in a rush by thousands from the holders of these lapsed policies, covering an immense area, and it will take a considerable time for the company to supervise all those applications, and examine those parties whose reports are not absolutely good. They will need to cover the whole of Canada with agents so as to have reports upon all those cases, before they decide to send their own medical officer to make a verification of the certificates which they have received, so that while in the ordinary course of business twelve months would be perhaps too long, we should give sufficient latitude to the company to protect them against fraud and negligence. My hon. friend from Victoria is somewhat afraid of the court intervening and deciding as between the company and the assured. I would draw his attention to what prevails to-day. In this House eight out of ten, and perhaps the whole of the eighty-one members hold policies in various companies. What risk are we carrying to-day? We have made our application. We have answered a great many questions. We have been examined by the physician, and what is the threat over our heads? We may live twenty-five years or fifty years, and the hon. gentleman from Victoria should know that after we die our applications can be tested in the courts, and if our declarations in our applications are proved to have been unfounded our policy is cancelled. That is the general law. Those who are insured in any company run the risk, after death, when we are not here to explain the situation as it was when we made the application, of having this application tested by the courts. In this Bill we provide that within twelve months a test may be had, and the parties, who are still living, can meet in the courts, and the judges of the land will decide between man and man, and will pronounce between the contentions of both parties.

Hon. Mr. BEIQUE—With reference to the delay, I want to call the attention of hon. gentlemen to this: for my part I expected that the company would insist on a longer delay. The company cannot be expected to have this second examination made except in exceptional cases. Otherwise it would throw on them a very large expense which they could not afford to pay, because they are not getting anything for it. The second medical examination will have to be done at their own expense; therefore it is but reasonable to give them the twelve months in order that they may save expense and avoid the necessity of having the second examination made. I have prepared the clause carefully and I am satisfied that it is reasonable in every respect. I am afraid hon. gentlemen do not appreciate the great importance that is involved in the clause. I think the hon. gentleman for de Lorimier has pretty well answered the point. I am asked by the hon. gentleman from Mille Iles, supposing that the applicant dies during the twelve months before the examination becomes conclusive. If he dies within twelve months he stands in exactly the same position that any insured stands with any ordinary company. If the certificate which he has given to the company is impeached within the twelve months and it is found to be false, then his heirs cannot recover the amount of the policy; but he has this advantage over ordinary policy-holders, that he does not lose the premium paid. There is no forfeiture of the premium that he may have paid. His heirs will be entitled to get the premium back.

Hon. Mr. CLORAN—It does not say so. He would have to sue for it.

Hon. Mr. BEIQUE—But it follows. It is the effect of the clause as it stands. To ask that the certificate which the applicant furnishes be conclusive against the company, is unreasonable; we cannot go any further than we have gone. The company

must be given a reasonable time during which it will have the right to impeach the certificate, if there is any occasion to do so.

Hon. Mr. McMILLAN—I think this honourable House ought to be thankful to the hon. gentleman from de Salaberry for the pains he has taken to meet this objection, for it was a very objectionable clause, particularly the idea of leaving the decision with the inspector of insurance ; still there is something lacking in it, to my mind. There are different kinds of medical examinations. With some companies they are very severe, while with others they are more liberal.

Hon. Sir MACKENZIE BOWELL—That depends on the position.

Hon. Mr. McMILLAN—No. There are series of questions in the certificate which we have to answer. Are the examinations going to be so severe that it will be a matter of impossibility almost for men at a certain age to take insurance ? People have bladder trouble. We know that examinations of urine are required by almost every company in the land.

Hon. Mr. BEIQUE—That is the part that has been avoided. A party might be in good health at the time of the examination, but the fact that he had troubles four or five years before would enable the company to reject the certificate. To close the door against such a thing I have adopted this wording—a mere medical certificate of his being in good health. You cannot exact less than that.

Hon. Mr. CLORAN—In good health until when ?

Hon. Mr. BEIQUE—A certificate of his being in good health at the time the certificate was given shall be conclusive at the expiration of one year, if not impeached in the meantime.

Hon. Mr. McMILLAN—I would further suggest to the hon. gentleman from de Salaberry that the company would appoint their own men, as far as they can, to give this blanket certificate, and then it would be less subject to criticism at the head office.

Hon. Mr. BEIQUE—The company would be very glad to appoint their own men. I am sure the company would be very glad to have it that way.

Hon. Mr. CLORAN—Supposing I reinstate myself, and I am in perfect good health, and have my medical certificate, and the doctor of the company only comes round to examine me at the end of the eleventh or twelfth month. In the meantime, I fall into consumption or contract some serious disease, would my heirs suffer?

Hon. Mr. KERR (Toronto)—No, that would not affect the policy.

Hon. Mr. CLORAN—Is that in black and white ? My doctor has given me a medical certificate of a condition of health that has continued for twelve months until the doctor of the company comes and says that certificate is no good. According to the hon. gentleman's statement, my heirs or myself will have to go into court and prove that my doctor's certificate is better than the certificate of the company's medical officer.

Hon. Mr. KERR (Toronto)—Oh, no.

Hon. Mr. CLORAN—We want it in black and white. No use leaving it to the courts. You say the doctor of the company can set aside the certificate of my doctor. What is the situation ? I have to go to court to assert my right, and I do not want that.

Hon. Mr. BEIQUE—It is open to the company to impeach the certificate. That can only be done by asking the court to pass upon it.

Hon. Mr. CLORAN—It is the company that is to take action ?

Hon. Mr. BEIQUE—Yes.

Hon. Mr. CLORAN—I am quite willing.

Hon. Mr. WILSON—The amendment is one that we all ought to be disposed to accept. In the first place, the applicant gets a blank form of certificate, which covers a whole year, and if the company do not make their application within the year the insurance is permanent. I think the hon. gentleman from Victoria ought to be quite satisfied with the amendment.

Hon. Mr. CLORAN—I am satisfied now, but I wanted the explanation.

Hon. Mr. DAVID—I am satisfied, because I am interested in having the Bill passed ; but it is always well to make objections

which we think are reasonable, and see if we cannot agree. Many things may happen in twelve months. Many a man has been obliged to drop his policy after having paid for twelve, fourteen or fifteen years, as I have done, and if he thinks proper to take advantage of the clause which allows him to have his policy reinstated, after having paid three or four or five thousand dollars previously, he will begin to pay again and continue paying for five or six months, possibly for twelve months a sum in addition to what he has paid before, and find in the end that his certificate may be rejected, and he will lose the money he has paid. I shall accept the Bill, if it cannot be helped, but would it not be better to shorten the time? The company should, within a few months, be in a position to have that examination made. Those who represent the company are so reasonable that I think they will see the objection is one that is to be met, and they will consent to shorten the period.

Hon. Mr. WILSON—I do not think there is any reason to complain of the delay when you consider the number of persons admitted every month. It would be impossible for the company's surgeon to promptly examine all the cases. It is only where a doubt is expressed at the time the blanket certificate was given. You do not want to load this company down with any more expenses than are necessary. You would not want to load my hon. friend down by requiring him to have medical examination. Therefore it is in the interest of the insured and of the company that we accept the proposition of the hon. gentleman from de Salaberry. It is fair and just, and the best you could devise to protect both the company and the parties interested.

Hon. Sir MACKENZIE BOWELL—I have not changed my views, notwithstanding the explanations of the hon. gentleman from de Salaberry. He makes a declaration that he desires to place the reinsured person in a position not to be at the mercy of the company, and yet he gives the company twelve months in which to take advantage of the certificate given by the local physician. The only good reason I have heard for a twelve months' limit is that advanced by the hon. gentleman from St. Thomas (Hon. Mr. Wilson), that is, the extent of the business being so great it would necessitate the employment of a number of physicians at the head office in order to make the examination. Now if you desire to place the reinsured in a position which makes his policy secure for the future, the sooner that is established by the company's physician examining the certificates which have been given by the local examiner, the better for the insured. When the local certificate of health of the applicant to be reinsured is received before a new policy is made, that certificate I take it is sent to the head office by the agent of the company. How is the medical officer of the company to examine that certificate to ascertain whether the answers will enable him to judge of the applicant's state of health? No one knows better than the hon. gentleman from St. Thomas that a larger number of questions may be answered by the local physician in such a manner that if the certificate were placed before the hon. gentleman as the examiner of the company he would reject it at once or would send it back for more detailed information. I am speaking of what I know takes place. How does the hon. gentleman propose to get over that difficulty? I think it is only just to the company that they should have a protection of that kind, but the question is, if the physician at the head office, after examining the certificate, rejects it, and says that the applicant cannot be reinstated on account of the state of his health, who is to judge then? Is that to be the final rejection of the applicant for reinsurance? I think it should be. I have not had that answered yet. I know generally if the certificate of the local physician appointed by the head office is rejected at the head office, the applicant does not get a policy. The hon. gentleman from de Salaberry says it would be the duty of the company to enter the action in the courts; what action is the company to take? If the local physician certifies the health of the applicant, and the physician at the head office rejects it, there is an end of it. Do you suppose the company are going into litigation to ascertain if their medical officer has put the correct interpretation on the certificate? I look upon that as utterly impracticable. I have a much

higher opinion of judges than my hon. friend from Victoria appears to have ; I would be quite willing to take the decision of the judge without a jury at all. I think twelve months is a longer time than a man ought to be kept in suspense.

Hon. Mr. KERR (Toronto)—The hon. gentleman has been drawing a deduction from the ordinary course of life insurance business as carried on by companies. Bear in mind in that case what happens. A local agent solicits and gets an application, and takes the applicant to a doctor. What doctor ? The medical officer of the company. So that at the very initiation of the business, the company has the protection of an examination of the case by its own medical officer. More, that examination is, as has been explained by the hon. member from Glengarry, an exhaustive one, an examination for which the applicant is obliged to pay. He is catechised on every question which the medical officer of the company deems of importance to determine the state of his health at the time, and that is placed on record, and the answers given are all binding and conclusive on the person who gives the information. That kind of information which contains the history of the family, of the person himself who has been examined, of his life and habits, the respiration, the blood and other tests, all of which is taken by the officer of the company and forwarded to the head office. With a knowledge of who the medical man is, and the experience and care which that medical officer has devoted to examinations, the head medical officer can very quickly determine whether there should be further information obtained or not. But that is not the case here. The applicant for reinsurance is relieved from all that. The examination is the examination of a medical man of his own choosing, having no connection with the company in doing it. The nature of the examination which he makes is not disclosed, and the only thing he certifies to is the conclusion, not as to what the record of the applicant or his family has been, or anything else, but the certificate he gives is as to his then being in good health. That is the broad, simple certificate. That goes to the head medical officer of the company. What information does that give him ? Here is a certificate from a medical man in good standing no doubt. It goes to New York, and simply tells that the man is in good health. The point arises, is it an unreasonable time, considering you are taking his statement and that the certificate so given is to become conclusive after a certain time ; whether true or false is to bind the company, whether the medical officer who made it has been deceived or careless, or indifferent, or partial to the insured. Now in other companies that is not so. In other companies the certificate of their own officer and the statements of the man himself as to his state of health and history are not conclusive, and as a rule and it is only of late years that the practice has been introduced —the policy is only conclusive after a period of three years ; in fact in some policies five years, and in older policies it never was conclusive at all. All the policies I hold being old policies, there is nothing of the kind in them. So that the reports that are made as to the state of health at that time made by the person are binding on him, and the company could take advantage of them fifty years afterwards ; but in this case it is not so. Having regard to that, and the large amount of business that is being done by the company all over the United States, as well as in Canada, one year is a very short time to leave the certificate open and be subject to investigation by the company. Then some information may reach the company, or for some reason or other they think it is a case they had better examine. One year is a short time. The company will no doubt do it as quickly as they can. As long as they do it they take all the risk. When they do it they have the evidence of their medical officer, and it would be a hard thing to tie them down to a shorter period. Supposing their medical officer makes an examination, and discloses to the company from his examination the record of the person, and shows that during recent years the man has been afflicted with diseases which must have remained in his system, and from which he could not have been free on his previous examination, and which had perhaps escaped the attention of the officer altogether, or on which he might have been misled, the company should have a right to say,

'We impeach the certificate which was given,' and the onus would be on them to enter a suit to avoid the certificate and to avoid the policy which was based upon it.

Hon. Mr. LANDRY—The onus you say is on the company ?

Hon. Mr. KERR (Toronto)—The onus is on the company to impeach. The company are making a large concession in taking a blanket certificate of good health, and, in the second place, I think it is a very reasonable, in fact a rather short time indeed which is allowed to them during which to impeach a case of fraud. I think it is a reasonable time, having regard to the nature of the examinations they may think it necessary to make in order to satisfy themselves.

Hon. Mr. McMILLAN—Is the examination of their own medical men likely to be as critical and severe as that made generally to-day in insurance ? If that is the case there are very few of these applicants who will pass.

Hon. Mr. KERR (Toronto)—The examination ought to be definite in all particulars. I am talking of the duty of the medical officer towards the company. I assume there is a case in which, six months before, a certificate of good health was given, and on which a policy was issued, and the company send their medical officer to investigate the case. It would be his duty to make such a searching inquiry to find out, not whether the man when he made the application then is in good health, but whether the statement that he was in good health, made by the medical officer before, was correct or not. The man may be in bad health at the end of the six months. That would not impeach the certificate, if the certificate was true at the time it was given. Unless the company is satisfied, and can show that it is justified in saying that was a case of fraud or misrepresentation, that the man was in bad health, that he was dying at the time, or otherwise impeach the truth of the statement that he was then in good health—unless that is done, the company would never be justified in impeaching him and could not do so because of the state of his health at the time the second examination took place, but on the state of his health at the time the medical officer gave the certificate.

Hon. Mr. KERR (Toronto).

Hon. Sir MACKENZIE BOWELL—Answer me this question : supposing a certificate of health has been sent to the head office, and it remains there six or eight months, and after a second examination has been made through a medical officer, or any other person, and they find they would be justified in impeaching the first certificate, whom would they notify ? Would they notify the person who made the application ? Does the hon. gentleman tell us that the company would go into court to verify the position that they are taking ? Would it not devolve upon the applicant to go into court to show that the original certificate was bad ? I understood the hon. gentleman to say that once the certificate is impeached, the company would have to go into court to sustain that impeachment ? Is that the position ?

Hon. Mr. KERR (Toronto)—Yes, it is done now in ordinary life insurance business. A fraudulent statement is made and the company find it out, at any time, it may be ten years afterwards, and they take proceedings to impeach that policy.

Hon. Sir MACKENZIE BOWELL—No.

Hon. Mr. CLORAN—Supposing I am an old policy-holder, and I want to be reinstated. I get a certificate from Dr. Sullivan or Dr. Wilson that I am not troubled with cancer, and I present that to the company. Subsequently should I be attacked by cancer, am I responsible for the certificate given by the doctor? It is not the doctor the company will take action against, but against me.

Hon. Mr. BEIQUE—The case the hon. gentleman suggests cannot occur at all. No such certificate is to be given. It simply certifies that the party is in good health at the time he is examined—nothing more or less. It is either true or false. If it is true, then the party is fully protected. If it is false, and the company can show in the court that it is false, and not given in good faith, they are not liable.

Hon. Mr. CLORAN—Let us make it plain now for a thousand years to come. Let us suppose that I have a certificate from my doctor, who certifies that I am not afflicted with any disease on the 1st August.

Hon. Mr. KERR (Toronto)—That you are in good health ?

Hon. Mr. CLORAN—And the medical officer of the company has no time to come and examine me, until twelve months afterwards. In the meantime cancer has developed and the company's doctor finds it out. What is going to be my position ? My doctor has given a certificate in good faith, but the company's doctor finds my condition somewhat different twelve months afterwards. Where am I ?

Hon. Mr. BEIQUE—You are protected.

Hon. Mr. CLORAN—How ?

Hon. Mr. BEIQUE—By this law.

Hon. Mr. CLORAN—That is all I want to know. I do not want to be protected by the courts. I wish to be protected by the law.

The question being put by the Speaker,

Hon. Mr. CLORAN—Would this amended section be subject to revision ?

The SPEAKER—This has been discussed.

Hon. Mr. CLORAN—I have right to speak.

The SPEAKER—Will the hon. gentleman be good enough to sit down.

Hon. Mr. CLORAN—I shall, but I have a right to speak.

The SPEAKER—The hon. gentleman has no right to speak after I have put the question.

Hon. Mr. CLORAN—The question has not been put. I think the Speaker should not be in any haste. He can furnish me information if he cannot give me understanding. I find the hon. gentleman from Toronto and the hon. gentleman from de Salaberry, quite willing to give me information, and I do not see why hon. senators should object to information being furnished now.

Hon. Mr. BEIQUE—I think the hon. gentleman should assist in maintaining proper decorum in this House. Where is the Senate to stand in the estimation of the public, if we adopt this practice, which seems to be inaugurated, of insisting on speaking when called to order. The hon. Speaker has declared this motion carried.

The SPEAKER—No.

Hon. Mr. BEIQUE—He has put the motion.

The SPEAKER—I had asked the House if they were ready for the question and I had read the question but had not taken the voices.

Hon. Mr. LANDRY—The voices were not taken.

The SPEAKER—No.

The amendment was carried.

Hon. Mr. BEIQUE—I move that the Bill be further amended, as follows :—

7th. By striking out the words 'in respect to the said assessment policies' in clause 5, and adding at the end of said clause the following :—'and shall in all respects be subject to sections 33 and 34 of the Insurance Act.'

I have already explained the object of the amendment. These words are struck out for the purpose of covering the whole deposit in the hands of the government, instead of covering only part of the deposit, $228,000, which was applicable to assessment policies only, so that it will have the effect of binding the whole deposit in the hands of the government, and the addition to the clause, though for my part I think it is unnecessary to remove the objection which is—and in fact I had myself prepared it before, because I expected that the objection would be made, that any portion of that deposit may be removed. It is to make it plain that the deposit shall remain subject to the operation of sections 33 and 34, which sections provide that the money thus deposited remains in the hands of the government, and cannot be paid back to the company ; and that if the company is unable to carry out its obligations towards its policy-holders, it may be used in satisfaction of judgments obtained against the company, and if the company failed then the money is used by the Superintendent of Insurance, in reinsuring all the risks with solvent companies.

Hon. Mr. McSWEENEY—I think you will find under the present Act, that the policy-holders have greater security than under this. If you read all of Mr. Eldridge's testimony in part No. 3 of the Select Committee's report, you will find that it is stated that the Canadian policy-holders have the protection of every other dollar of the com-

pany's assets, no matter where situated. Under this they would not have that protection.

Hon. Mr. BEIQUE—Yes, exactly. This is a special guarantee, over and above the recourse against all the assets of the company elsewhere, here or in the United States. It is not limited at all. It is dealing with the deposits ; the company is liable on all its assets.

The amendment was adopted.

Hon. Mr. BEIQUE—I move that the Bill be further amended by substituting the proposed amendments which stand in the name of the hon. Senator McMullen, and adding paragraph 8 of my amendments. It would read as follows :—

7. Nothing in this Act shall affect any suit, action or other proceeding now pending or which hereafter may be brought in respect of any policy or claim against the company.

Nor shall this Act apply to policies in respect to which any contract or agreement may have been made by the company with holders of certificates for commutation of their assessments and the payment of uniform rates, without the consent of the holders of such certificates.

This addition is necessary, because certain parties might not be covered by the clause as suggested by the hon. gentleman from Wellington. It is to protect the parties who have dealt with the company, and who claim that they have entered into an agreement with the company whereby their assessments were commuted to fixed rates.

Hon. Mr. SULLIVAN—I would put it in a shorter way, to read thus :

Nor shall it affect any right which a policy-holder had previous to this Act.

The amendment was adopted.

Hon. Mr. LANDRY—I think the hon. Speaker has a mode which is a little too hasty. When an hon. member suggests an amendment it is not taken notice of.

Hon. Mr. SULLIVAN—I just suggested it as being more comprehensive and more to the point, and did not consider the phraseology, but I do not care.

Hon. Mr. LANDRY—I should like to know if the hon. member from de Salaberry accepts the amendment.

Hon. Mr. BEIQUE—I think the clause is properly worded.

Hon. Mr. McSWEENEY.

Hon. Mr. CLORAN—The amendment has been carried, and the hon. gentleman is out of order.

Hon. Mr. SULLIVAN—I simply suggested it as being comprehensive and brief.

Hon. Mr. BEIQUE—I have no further suggestion to make, except to ask that paragraph E of section 3 be struck out, and that the following words be added after the word 'policies.'

Including those entitled to be revived under the provisions of this Act.

Hon. Mr. CLORAN—Hear, hear. I will second that.

Hon. Mr. WATSON—I think that that notice should be of such a character that it will give the policy-holder who had a right to come in, some intelligent idea of what he would have to comply with under the Act, and I would suggest that the circular, which is signed by the company, should be approved of by the Superintendent of Insurance, which would give the insured an idea as to what he would have to do to comply with this Act.

Hon. Mr. SULLIVAN—Better leave it as it is. It would complicate matters.

Hon. Mr. BEIQUE—The company had better be kept responsible for furnishing the details. The clause is very simple, I think.

Hon. Mr. CLORAN—It does not cover the policy-holders under clause H.

Hon. Mr. BEIQUE—The amendment is exactly to cover that.

Hon. Mr. CLORAN—That is all right. The senator wants to protect the policy-holder. That protection will be given to those who receive the registered letter, and where will those who do not receive the letter receive their protection ? I would suggest to have them announce it in the public press.

Some hon. MEMBERS—Oh, no.

Hon. Mr. CLORAN—Letters sent to where I lived ten years ago would never reach me. I am anxious in the interests of the policy-holders, and I think it is better to make the matter perfect now than to let the law courts settle it later on.

Hon. Mr. KERR (Toronto)—This Bill has been the subject of a great deal of inquiry, and I doubt whether there is a policy-holder who does not understand what has been going on here. He will know all about it, but this is a supplementary matter. Every one entitled to it will have a notice sent to him.

Hon. Mr. BEIQUE—And the issuing of the license has to be published in the 'Official Gazette,' and it will be well known.

The amendment was adopted.

Hon. Mr. BEIQUE—I am not sure if there is not a clause in the Bill in which the words 'three months' occur, where it should be made 'four.'

Hon. Mr. DOMVILLE—How will clause 7 affect the assessment policy-holders, who may remain in that class ?

Hon. Mr. WILSON—It gives them an open door.

Hon. Mr. CLORAN—The amendments are all right.

Hon. Mr. KERR (Toronto) moved the third reading of the Bill.

Hon. Mr. DOMVILLE—In regard to the notice of motion which I placed on the order paper, that the deposit made at Ottawa should not be withdrawn, but should remain for the benefit of the policy-holders——

Hon. Mr. BEIQUE—That is fully covered.

Hon. Mr. VIDAL—I wish to suggest that as the alterations which have been made in this Bill are so numerous, and contain matter which requires consideration. that the third reading should be postponed until the Bill has been reprinted.

Hon. Mr. DOMVILLE—I think it is all right. There is no obstruction offered.

Hon. Mr. BEIQUE—Allow me to say that I feel the responsibility I have taken in interfering to the extent that I have in this Bill, and if I had any hesitation I would very gladly suggest that it be deferred, but I have given such close attention to the clauses that I am satisfied there can be no objection. Otherwise I would not like to take that responsibility, because I feel that I would be open to reproach, but the Bill has to go to the Commons, and the end of the session may come very soon, I think we should not run any risk, and pass the Bill as soon as possible. I suggest that, because I attached a great deal of importance to the measure in the interest of the policy-holders.

Hon. Mr. VIDAL—I make the regular motion in amendment, that the Bill be reprinted, with all the alterations, before it be read a third time.

Hon. Mr. CLORAN—I think it is well hon. senators should express their opinion in the matter. I understand the necessity of passing this measure, in view of the approaching end of the session, but the hon. gentleman from de Salaberry, as well as myself, will understand that senators, who should vote with their eyes open, after reading every clause of that Bill, should be entitled to at least twenty-four hours before casting a vote, and I think the hon. gentleman from Sarnia has made a very wise and prudent request. I admit it is exceedingly necessary, in view of the approaching close of the session, that the Bill should be passed at once, but it is a dangerous precedent to establish. This is a Bill which will give rise to a great deal of litigation, and I do not see that there is any objection to postponing it till four o'clock tomorrow, when we can get the reprinted Bill. As far as I am concerned, I know enough of the Bill to cast a vote now, but I know there are senators who have not been able to follow the Bill as assiduously as many of us have done, and on these grounds I coincide with the views put forward by the hon. member from Sarnia.

The amendment was declared lost.

Hon. Mr. LANDRY—Before the motion for the third reading is put, I wish to ask the hon. Speaker if we are in order.

The SPEAKER—I think so.

Hon. Mr. LANDRY—Amendments were reported from the Senate committee which were read once. I think they should be read twice.

Hon. Mr. SCOTT—It has never been the practice on third readings.

Hon. Mr. LANDRY—An amendment to a public Bill is read twice.

The SPEAKER—I have never known it during the time I have been in the Senate. The motion is carried.

Hon. Mr. LANDRY—Is my point carried ? Did the hon. Speaker decide that my point was carried ?

Hon. Mr. WILSON—He said there was nothing in the point of order.

The SPEAKER—The uniform practice has been that these amendments are read and concurred in.

Hon. Mr. LANDRY—I am speaking of the first amendment made by the Select Committee.

Hon. Mr. SCOTT—They were adopted long ago.

The SPEAKER—Those amendments were concurred in when the report was adopted. The question is on the third reading of the Bill. I do not think the point of order is well taken.

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

The CLERK—Bill (H) An Act to amend the Insurance Act—this Bill is read a third——

Hon. Mr. LANDRY—I rise to a point of order. That is not the Bill we have been discussing.

The SPEAKER—The hon. gentleman raised that question at an earlier stage to-day, and I then read the rule from Bourinot, that the title was to be changed at the final motion for the third reading of the Bill.

Hon. Mr. LANDRY—I rise to a point of order.

The SPEAKER—The Bill has to be read a third time at any rate. Read the Bill.

The Bill was then read the third time.

The SPEAKER—This Bill has been read a third time, and it is moved by the hon. gentleman from Toronto that the title be changed——

Hon. Sir MACKENZIE BOWELL—I observe that this is an Act to amend the Insurance Act. If I understand the point, it is that the title of the Bill shall be as amended.

The SPEAKER—Yes, the House has already decided that.

Hon. Mr. LANDRY—I rise to a point of order. The motion now before the chair is that the title of the Bill should be amended. I contend that that motion is not in order.

The SPEAKER—The Bill has been read the third time and the motion is superfluous. the House having already decided.

Hon. Mr. LANDRY—The motion is to change the title, and I am raising the point of order on that.

Hon. Mr. KERR (Toronto)—I withdraw the motion.

The SPEAKER—The motion has been withdrawn.

Hon. Sir MACKENZIE BOWELL—What motion was withdrawn ?

The SPEAKER—The motion that the title be so-and-so.

Hon. Sir MACKENZIE BOWELL—Then I understand the title is 'An Act respecting the Canadian assessment policy-holders in the Mutual Reserve Life Insurance Company,' and not 'An Act further to amend the Insurance Act.' The recommendation of the committee makes this change; now is it necessary to have a motion ?

Hon. Mr. SCOTT—I hold here one of the most recent works on the subject, and the rule is, after the third reading of the Bill the title may, if necessary, be amended for the purpose of making it conform to the contents of the Bill.

Hon. Mr. LANDRY—But it was amended before.

Hon. Mr. SCOTT—It was recommended by the committee.

Hon. Mr. LANDRY—And adopted by the House.

Hon. Mr. SCOTT—I beg my hon. friend's pardon. When the recommendation came from the committee, it was considered by the House, and it was understood by myself and by others who expressed an opinion on it, that the proper time to fix the cor-

rect title was after the third reading, and before the Bill passed.

Hon. Mr. LANDRY—If the hon. gentleman will look at the proceedings of the House, he will find that the report of the committee changing the title was adopted by the Senate. When an amendment is adopted I do not know of any authority that will say that a thing that has already been adopted shall be adopted at another time.

The SPEAKER—The question is that this Bill do now pass, and that the title be 'An Act respecting the Canadian assessment policy-holders in the Mutual Reserve Life Insurance Company.'

The Bill passed.

The Senate adjourned until to-morrow.

THE SENATE.

Ottawa, Friday, July 22, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

MUTUAL RESERVE FUND LIFE ASSOCIATION COMMITTEE SEVENTH REPORT.

Hon. Mr. CLORAN moved the adoption of the

Seventh Report of the Select Standing Committee appointed to investigate the position of the Mutual Reserrve Fund Life Association of New York.

Mr. BEIQUE—The report of the Select Committee now before this honourable House contains the following information:—

1. At a meeting of your committee held on 12th July instant, a certain document was produced and admitted in evidence as Exhibit No. 36, a copy of which is contained in the copy of the evidence herewith submitted.

2. At a meeting of your committee held on the 13th July instant, it was moved by the Hon. Mr. Lougheed :

That the committee reconsider its action of the 12th instant in admitting Exhibit No. 36.

In amendment thereto, it was moved by the Hon. Mr. Landry :

That all the words after 'That' be struck out and the following substituted : the Exhibit No. 36, accepted yesterday, the 12th instant, by this committee, be considered as tending to prove the consideration for which a sum of $5,000 has been paid by the Mutual Reserve Company to one Patterson and not as a proof of the truth of the charges which such document contains.

3. It was objected, by the Hon. Mr. Béique, that the amendment was out of order, on the ground that Exhibit No. 36, having been offered for evidence and received as such, could not now be qualified as sought to be done by the amendment ; that, moreover, the said amendment was not in accordance with the facts.

Exhibit No. 36 contains a libel which was published by a witness who was examined before the committee—one Patterson.

Hon. Mr. LANDRY—I rise to a point of order. The hon. gentleman is appealing to this House from a decision given by the chairman of the select committee. He has no right to do so. He cannot point out in any of our rules anything which gives permission to make such an appeal. Committees are of two kinds, Committees of the Whole and select or standing committees. An appeal is given in the House of Commons from a decision of the chairman of a Committee of the Whole, where all the members are in the chamber, and where everybody knows what is going on. Such an appeal from the decision of the chairman to the House, is permitted under a special rule of the House of Commons, but in cases of standing or select committees there is no appeal at all, and in the Senate there is no appeal in any case. In this case the rules of the House of Lords apply to the Senate, and if the hon. gentleman will look at page 375 of May he will find this :

Following the principles which govern procedure in Committee of the Whole House—no appeal can be made to the Speaker regarding the decisions and rulings of a chairman of a standing committee.

That settles the question.

Hon. Mr. BEIQUE—The authority cited by the hon. gentleman does not sustain his proposition. It is not an appeal to the Speaker, that I am intending to make, it is an appeal to the House. I must say first of all that the hon. member has changed his opinion, because in the committee he suggested himself that it was to the House the appeal should be made.

Hon. Mr. LANDRY—I rise to a point of order. The hon. gentleman has no right to refer to what has taken place in the committee, or to any statement I may or I may not have made there.

Hon. Mr. BEIQUE—I am willing to withdraw the statement if I have no right to make it, but I have an impression that I have the right, from the fact that the evidence is before the House.

Hon. Mr. LANDRY—Take only what is in the evidence.

Hon. Mr. BEIQUE—I am not sure if that appears in the evidence or not.

Hon. Mr. LANDRY—I am sure it does not.

Hon. Mr. BEIQUE—I have no objection to withdraw the statement; I do not attach much importance to that. What I desire to say is, that this House has absolute jurisdiction over all the business which comes before it, and before its committees, whether standing or select committees, and this jurisdiction can only be limited by special rules adopted by the House. If the hon. member can cite any such special rule, then his point of order might be well taken, but in the absence of any such rule, I claim that the jurisdiction of the House is absolute and entire, and that the House has complete control over its committees. Will it be contended that it would not be in the power of this House to say that any grievance which may arise in a select committee shall be remedied? Will it be contended that the hands of this House are tied up in that manner, and that it would not be entitled to act if a wrong decision is given by the chairman of a select committee and he would have allowed any amount of libels to go on the record?

Hon. Mr. CLORAN—I rise to a point of order. I want the hon. gentleman to prove that the chairman of the committee has allowed libels to go in the evidence. He has no right to make such an assertion.

Hon. Mr. BEIQUE—I did not make that statement.

Hon. Mr. CLORAN—The hon. gentleman said that the chairman of the committee allowed any amount of libel to go on the evidence.

Hon. Mr. BEIQUE—I am arguing in a general way, and I ask whether the House would not have a right to say that libellous evidence which might be admitted under the ruling of the chairman of a select committee, should remain on the records of the committee or of the House? The proposition cannot be seriously discussed, unless the hon. member is able to show that the House has divested itself of control over its committees.

Hon. Mr. POIRIER—I have not studied this question in its detail, but it strikes me the whole discussion is out of order. I believe on general principles we have no right to take cognizance of anything that has transpired in committee, select or standing, except that which comes regularly before us through the chairman, and this discussion partakes of the nature of things that may have taken place in committee and which, if referred to in this House, such reference is not allowable. On the general principle I am of opinion that the discussion of a question like this is entirely out of order, that we can only discuss what comes to us regularly through the ordinary and proper channel.

Hon. Mr. LANDRY—I ask for the ruling of the chair.

The SPEAKER—As I understand, the question which I am asked to decide is whether an appeal by the hon. gentleman from de Salaberry is in order. The seventh report of the committee is before the House. The circumstances which have led the hon. gentleman from de Salaberry to appeal are set forth in the report of committee which is now in possession of the House; and unless some very strong, positive authority can be found to the contrary, there must be an appeal to the House. A member who thinks himself unjustly treated by the chairman or by a majority of the committee, must have a right to seek a remedy somewhere, and the remedy is in the House. The authority cited by the hon. gentleman from Stadacona is not entirely in point. May at page 375 says:

> Following principle governing procedure in Committee of the Whole House—no appeal can be made to the Speaker regarding decisions and rulings of a chairman of a standing committee.

This is not an appeal to the Speaker; it is an appeal to the Senate. The authority which is given by May is that in 1889 the Speaker said that he would not allow an appeal to be made to him on a point of order arising in a standing committee. Then Bourinot on page 519 says:

> In case of an appeal to the House it is the duty of the chairman of the committee to report in writing on the point of order which he has decided.

Hon. Mr. LANDRY—That is for the House of Commons. There are special rules for the House.

The SPEAKER—I assume that in a case of this kind the Speaker must submit the matter to the House.

Hon. Mr. LANDRY—That is not the point at all.

The SPEAKER—The only case—I think it is referred to in Bourinot—is given in Speaker Peel's decisions, by Blackmore, where Mr. Sexton appealed to the Speaker from the decision of the chairman of the Committee of the Whole. It was held there that the appeal should not be made to the Speaker but to the House. Clearly the committees of this House are under the control of the House, and if a committee is acting in an improper way, or if any member thinks so, he has a perfect right to bring the matter to the notice of the House, and particularly in a case of this sort, where the evidence and the transactions in connection with the committee whence the appeal is taken have been reported to the House and are now on the table of the House ; so, in my opinion, the question of order has not been well raised.

Hon. Mr. LANDRY—I raise another point of order. I contend that this question of appeal is not in order.

The SPEAKER—I have just decided that it was.

Hon. Mr. LANDRY—Well, I have another point to make. It is on the same subject. I suppose I have the liberty to do so.

Hon. Mr. BEIQUE—No.

Hon. Mr. LANDRY—It is on another point.

Hon. Mr. BEIQUE—If it is the same point——

Hon. Mr. LANDRY—If it is another point it is not the same point.

Hon. Mr. BEIQUE—It is the same question I understand, but what the hon. gentleman desires is to give additional reasons ; and, therefore, it amounts to an appeal from the decision of the chair, for reasons which have not been stated, and I say that the hon. member is bringing up the same question.

Hon. Mr. LANDRY—I have a right to state my point of order, and the hon. gentleman has not right to interfere. Taking the ruling of the Speaker and accepting it, I say that in the present instance an appeal cannot be made, because in committee when the hon. member raised his point of order he allowed the question to be decided. The document he was opposing and the introduction of which he was trying to prevent by his question of order, was produced and the question decided, and we have had five or six sittings since then. If the precedents of the House of Commons are to be followed, what was the duty of the hon. member ? His duty was to see that the proceedings of the committee be immediately suspended and that a special report be made to this House for its immediate decision.

Hon. Mr. POIRIER—That is the practice in the House of Commons.

Hon. Mr. LANDRY—It does not apply here, but the wisdom of the Speaker, having decided it could be done in this House. I claim that if it is done it must be done according to the rules of the House of Commons, and in that light it is not in order.

Hon. Mr. KERR (Toronto)—What should have been done, may I ask ?

Hon. Mr. LANDRY—If the hon. member wants a professor he should pay for it. I am not going to instruct him.

Hon. Mr. KERR (Toronto)—If I were going to pay a professor I would not select the hon. member.

Hon. Mr. BEIQUE—I did not catch the point of the hon. gentleman, but I rise to call attention to this portion of the report—

Hon. Mr. LANDRY—I rise to a point of order. If the hon. gentleman does not see the point he cannot discuss it. He has no right to enter into the merits of the question. He must discuss the point of order.

Hon. Mr. BEIQUE—I am discussing the point of order.

Hon. Mr. LANDRY—The hon. gentleman says he does not understand it.

Hon. Mr. BEIQUE—The report contains the following :—

6. The Hon. Mr. Béique having appealed from the decision of the chairman, it was

Resolved, that the chairman do report the facts to the Senate.

7. The motion of the Hon. Mr. Lougheed, as so amended, was then carried on the same division reversed.

8. At a meeting of your committee held this day, Thursday, July 14th, it was

Resolved, that together with the report to be made by the chairman as to the action of the committee with respect to Exhibit No. 36, there be submitted to the Senate a copy of all the evidence adduced before the committee up to and including the 13th July instant.

9. A copy of the said evidence is herewith submitted.

It therefore appears from that very report that the committee has acquiesced in the appeal being submitted to the Senate.

Hon. Mr. LANDRY—Never.

Hon. Mr. CLORAN—No, never.

Hon. Mr. LANDRY—The hon. gentleman has read the report, and he will see that the point of order was disposed of by a vote. The document was accepted by a vote of the committee, and it was only after that the hon. gentleman asked that the point of order be referred to the House. He should have asked before a vote was taken. He should have asked as soon as the chairman decided the question. He should have immediately appealed and suspended the proceedings in the committee, so that the question could be decided in the House. He did not do so, and he has lost his right of appeal. Brand has been quoted; he says this:

Order in committee is settled by the chairman at once, and cannot be raised subsequently. Questions of order in committee are settled by the chairman.—Are settled by the chairman, and further—The Speaker has no authority to interfere in a matter that has occurred in committee and which the committee has settled for itself.

Objection must be taken before the question has been settled, and there is no right of appeal.

Hon. Mr. BEIQUE—I ask the chairman of the committee, if the appeal was not taken immediately after his decision? I am not responsible for the action of the chairman of the committee in interverting the order as he did. Whether it was inverted or not, it appears that the committee itself has invited the action of this honourable House.

Hon. Mr. LANDRY—I deny that.

Hon. Mr. CLORAN—This is quite a serious charge to bring up at the eleventh hour. The hon. gentleman says the chairman of the committee has inverted the order of proceedings of that committee.

Hon. Mr. BEIQUE—I do not say it was done purposely.

Hon. Mr. CLORAN—Purposely or not, this has been before the House for nearly two weeks, and the hon. gentleman has declined to take action on it until the eleventh hour, and now he asks me, as chairman, if I have not inverted the order of the proceedings.

Hon. Mr. BEIQUE—I ask, as a matter of fact, if it is true that I appealed from the decision of the chairman immediately after the decision was rendered and before a vote was taken?

Hon. Mr. CLORAN—That was the only time the hon. gentleman could have appealed. He appealed after the vote was taken. He did not appeal from my decision, but allowed the committee to confirm my decision and then appealed, which, as the hon. member from Stadacona says, debars him from appealing now. It was stated to me at the time, if he was going to appeal his appeal was lost. His right to appeal existed when I decided that the document was admissible; and once the committee confirmed my decision by a majority of votes there was no further appeal. Evidently the hon. gentleman from Stadacona knew the procedure in this matter, because he stated it. A question has been put by the hon. gentleman from de Salaberry, and I state in reply that his appeal was made not only after my ruling that the evidence was admissible, but after the committee by a majority of votes had confirmed my decision.

Hon. Mr. BEIQUE—Do I understand the hon. gentleman to say that I did not make the statement immediately before the vote was taken—immediately after the chairman's decision? Did I not state 'I appeal from the decision,' and did not the hon. member from Stadacona then say it is not an appeal to the committee, the appeal has to be made to the House? Did not this occur before the vote was taken?

Hon. Mr. CLORAN—When I gave my ruling the hon. gentleman intimated a desire to appeal, but he made no appeal, and there is not the slightest doubt that the hon. member from Stadacona stated in my hearing that the appeal should be to the House. It was for the hon. member from de Salaberry to accept or refuse to accept his advice. Unfortunately for himself he accepted the advice, and thereby debarred himself from his

right to appeal to the House. Whether the hon. member from Stadacona deliberately led the hon. gentleman off the track, or did it unwittingly, is more than I can say, but if he did it deliberately he evidently succeeded. I do not know what his motive was. The hon. gentleman from de Salaberry took his appeal after the decision of the chairman was confirmed by a majority of the committee, and, therefore, according to authorities, this honourable House cannot well intervene now and say the majority of the committee were wrong. It might say that the chairman was wrong, but not that a majority of a body created by the House was wrong. The Senate is asked to reverse a decision made by a body created by themselves, that is to stultify their own action, as they have been asked during nearly two weeks to do.

Hon. Mr. KERR (Toronto)—It appears to me there is a little misapprehension about this matter, and it is owing to that misapprehension that this question about an appeal arises at all. When certain evidence was offered in the committee, objection was taken to its admissibility. The chairman ruled that it was admissible. On that a desire to appeal, according to the way the hon. gentleman from Victoria states it, was expressed by the hon. member for De Salaberry. According to his statement, the chairman said you must wait until the committee decides.

Hon. Mr. CLORAN—No, I did not say that.

Hon. Mr. KERR (Toronto)—At all events. he did wait. Objection was taken to the decision, and on that the committee was called upon to decide, and the chairman's view of the matter was sustained. Until that was done, there could not be an appeal to the Senate. There could not be an appeal until there was a decision sustained by the committee.

Hon. Mr. LANDRY—Who is the hon. gentleman's professor ?

Hon. Mr. KERR (Toronto)—On the committee so deciding, the question is, was there an appeal ? What was the decision of the committee ? The decision of the committee was that the subject should be referred to the Senate. They sustained the chairman's ruling at the time ; but, in order that the matter might come up here and be disposed of, it was :

Resolved, that together with the report to be made by the chairman as to the action of the committee with respect to Exhibit No. 36, there be submitted to the Senate a copy of all the evidence adduced before the committee up to and including the 13th July instant.

In other words, the committee, whilst giving a decision to sustain the chairman's ruling, decided that the opinion of the Senate might be taken on the matter, and for that purpose this evidence should be reported. That is the logical conclusion of what occurred. Under those circumstances, it appears to me it may be interpreted two ways, either that there was a ruling subject to a subsequent decision of the Senate, or that what passed, although in the form of a decision, was not to be treated as one, but that the Senate itself was to decide. That is the logical conclusion from that report.

Hon. Mr. CLORAN—It is not the actual one.

Hon. Mr. KERR (Toronto)—It seems to me, therefore, that all that the Senate can do is to deal with it in that spirit, and to entertain the appeal.

Hon. Mr. BEIQUE—There seems to be a misapprehension. The vote of the committee was not taken on the decision given by the chairman.

Hon. Mr. LANDRY—Nobody said it was.

Hon. Mr. BEIQUE—The vote was taken on the amendment which I asked to be ruled out of order, and which the chairman of the committee ruled was in order.

Hon. Mr. LANDRY—And the appeal being made on that decision, and the committee having voted on the motion, the committee decided the motion itself, and the motion was carried and the document produced. That occurred seven or eight days ago, and different proceedings have taken place since, and the appeal was never brought before this House.

Hon. Mr. BEIQUE—That does not make any difference.

Hon. Mr. LANDRY—It does. We have more than one decision by Speakers that an appeal may come too late.

Hon. Sir MACKENZIE BOWELL—Perhaps the whole difficulty in this case arises

on a question whether the Speaker in this case shall guide the House or the House the Speaker. The hon. gentleman from Toronto is clearly in error in the opinion which he has expressed in reference to the question of appealing against a decision of the chair. He has laid down the principle that no appeal from his decision can be taken until it has been acted upon, confirmed or disallowed by the committee. That is a proposition which I must confess I never heard of before. An objection to a ruling, whether it be by the chairman of a committee or the Speaker of the House, must be taken immediately after the decision is given.

Hon. Mr. LANDRY—Hear, hear.

Hon. Sir MACKENZIE BOWELL—It seems to me that I cannot conceive a more illogical position to be taken than to say you are to appeal after the committee or House has decided in favour of the chairman or in the House in favour of the Speaker. I think a moment's reflection will show the hon. member from Toronto that that position is not only illogical, but contrary to all practice. The point which has been raised just now is quite clear. If you are to draw the distinction between the Speaker and the House to whom the appeal is made, you may have a peg upon which to hang your argument. In Blackmore's Speakers' decisions, I think he lays that down pretty well in one or two places. He says :

> An appeal was made to the Speaker on a question of order arising in the committee and the Speaker, when appealed to, reminded the House the other evening that the chairman of the Committee on Ways and Means is the judge of the questions of order which may arise in committee. I cannot say that a reference to myself of this kind is strictly in order. I could hardly, perhaps, with propriety, answer the question unless it was the wish of the House that I should do so, and then only in general terms.

Another reason was given in 1867 by the Speaker upon the question. An hon. member put a question to the Speaker with reference to what was heard in committee, and the Speaker's ruling was :

> The matter in question occurred in committee. A point of order such as that to which the Speaker refers should be addressed at once to the chairman and cannot be questioned at a subsequent meeting.

That seems to settle the question so far as the action of the committee is concerned. The appeal should be made at once ; there is no doubt about that, and in this case the objection was taken to the ruling of the chairman, and, if I am not correct, I wish somebody would set me right—an appeal was made and the chairman gave a ruling or decision. An appeal was made from that. Objection was taken to his ruling and the correctness of the ruling or the decision was put to the committee and the committee confirmed the ruling of the chair.

Hon. Mr. BEIQUE—No, no.

Hon. Mr. CLORAN—That is right.

Hon. Mr. DOMVILLE—Yes.

Hon. Sir MACKENZIE BOWELL—I was not one of the committee, and consequently I guarded my statement by saying if I were not correct in my understanding of the fact that I could be corrected, and the hon. gentleman from de Salaberry says I am wrong. The hon. chairman of the committee and the hon. gentleman from Rothesay say that I am right. I am not going to enter into a controversy on that point. I do not think it makes much difference. The chairman of the committee did rule. The objection was taken to it, and it must have been decided in some way, and I take it for granted that the chairman was sustained.

Hon. Mr. BEIQUE—No. I was under the impression at the moment that I had the right to appeal to the committee, and the hon. gentleman from Stadacona stated that I could not—denied me the right of appealing to the committee and said I would have to appeal to the House.

Hon. Mr. LANDRY—I deny that.

Hon. Mr. CLORAN—That is not in the record. I refer hon. gentlemen to the record.

Hon. Sir MACKENZIE BOWELL—I think it is exceedingly unfortunate that we should have such direct contradictions from gentleman on this question because I think we are lowering the dignity of the House very rapidly by that mode of procedure. If I may be excused for digressing a little. I do hope in future that when an hon. gentleman rises to address the House he will not be interrupted until he has completed his case, and I give notice that I shall commence raising the question of order, after an hon. gentleman has spoken if he rises to speak the second time.

I shall call him to order unless he rises merely for the purpose of explaining his position ; because if we consider for a moment the preceedings of last night, every hon. gentleman present will come to the conclusion that they ought not to be repeated, and the closer we adhere to the rules the better. While it is on my mind, I am going to say something else. I propose if I live until the next meeting of parliament to introduce a resolution asking for a special committee consisting of the Speaker and the older members of the House to revise our rules so that certain powers may be given to the Speaker to maintain order. I know that would be a departure from the rules of the House of Lords, but we have forgotten to act on their rules—myself among the number—and I think it is about time we put a stop to it. The extract I was referring to reads as follows :

> The matter in question occurred in committee. The point of order such as that to which the hon. gentleman referred should be referred at once to the chairman and cannot be questioned at a subsequent meeting.

That decision was given when a question of order was raised from the committee, on The Established Church of Ireland Bill. On May 7th edition, 1867, I find the following heading :

> Questions of order in committee are settled by the chairman.

And the Speaker adds :

> Mr. Speaker has no authority to interfere in a matter which has occurred in committee, and which the committee has settled for itself.

I have taken the liberty of calling attention to it and, perhaps, the Speaker is better acquainted with it than I am. I have done this to put my own views on record, and I do not think there is anything to be gained by pressing the motion. On the contrary, the sooner we get rid of all discussion in reference to the New York Mutual Reserve Bill the better for the House and for ourselves.

Hon. Mr. POIRIER—This discussion goes to show how wise the rule is that forbids references to discussions that take place in committee. If these appeals were allowed, there would be no end of discussion. No such questions should be taken up, because the discussions and the doings in detail in committee would be recited and repeated here, the whole thing showing, from my point of view, that the question is out of order.

Hon. Mr. SCOTT—I think that it is rather an attempt to check what is a reasonable proposition. It is alleged by a member of the committee that there was certain evidence that was inadmissible. The ruling was against him, and he made the announcement that he would appeal to the Senate. That is the point now as I understand. It appears to me there was a good deal of difference amongst the members of the committee themselves, and I therefore suggest that this question stand until the whole report comes in. Then we shall have a wide opportuntiy of giving what consideration we like to the report, which will be based on the mode in which the evidence was taken and other facts. It will not be this matter alone, but every subject matter before that committee will be open to criticism and the fair expression of opinion of every hon. gentleman of this chamber, and this matter can then be settled with the other questions.

Hon. Mr. BEIQUE—I have no objection to acquiesce in the suggestion to defer this matter until we are dealing with the official report.

Hon. Mr. LANDRY—What becomes of the Order of the Day ?

Hon. Mr. BEIQUE—It will be taken up in the final report.

Hon. Mr. LANDRY—It will remain on the order paper.

Hon. Mr. SCOTT—It will be taken up in the final report.

Hon. Mr. CLORAN—I move that the further consideration of this report be deferred until the final report of the committee is presented.

Hon. Mr. VIDAL—Has it not already been adopted ?

The SPEAKER—No.

Hon. Mr. SCOTT—No.

Hon. Mr. VIDAL—It most assuredly has.

Hon. Mr. CLORAN—It has been under consideration, and it has not been completed, and I move the further consideration of it be postponed until the final report of that committee be presented to the House.

Hon. Mr. VIDAL—I hold that we have already passed the report.

Hon. Mr. SCOTT—No, no.

The SPEAKER—The seventh report of the committee is the first item on the Orders of the Day. It is the item which is now before the House, and in connection with that the hon. gentleman from De Salaberry has brought up this question of appeal.

Hon. Mr. CLORAN—Then I shall include in my motion both my report and the hon gentleman's appeal.

Hon. Mr. PERLEY—I am entirely under a misapprehension. I understood when the hon. gentleman from Rothesay moved for a committee to investigate the affairs of a certain company, that after that investigation a Bill would be introduced to assist the policy-holders. That committee has employed counsel and has been sitting for several weeks taking evidence, and a Bill has been introduced in this House and has become law. Now, what is the object of the committee ? I think it is a piece of child's play. The council of a backwoods municipality ought to do business better than that.

Hon. Mr. LANDRY—I do not second a motion recognizing the appeal of the hon. gentleman from De Salaberry.

Hon. Sir MACKENZIE BOWELL—I think a date should be named for the consideration of the report.

Hon. Mr. CLORAN—Say Thursday next.

The motion was agreed to.

RAILWAY ACT AMENDMENT BILL.

SECOND AND THIRD READINGS.

Hon. Mr. SCOTT moved the second reading of Bill (73) An Act to amend the Railway Act. He said: Railway companies enter into agreements with their employees to accept a certain amount out of a fund contributed by the men and the company. In many cases it is thought undue pressure is brought on the men, and this Bill provides that notwithstanding this agreement that any man injured may still have a case against the company. In legal parlance it is called contracting-out—that no man can contract himself out of any benefit he may be entitled to. That is the first clause in the Bill. There is a question whether the parliament of Canada have a right to pass such legislation. It is rather a matter for the province, and therefore there is a provision added that the Act shall not go into force in the event of the Bill being declared ultra vires.

Hon. Sir MACKENZIE BOWELL—Might I ask the hon. Secretary of State if there has not been a decision in some of the courts on this question ! If my recollection serves me right, I have read something in the newspapers to the effect that a railway employee could not contract himself out of his rights, or out of the rights which his family would have. There is no objection to the Bill, and I am merely asking for information. The second clause provides for referring the question to the Supreme Court of Canada for decision as to whether it is ultra vires on the part of the Dominion parliament to pass such legislation, which I think is a very good precaution.

Hon. Mr. SCOTT—The question has come up before individual judges and I really cannot tell whether the majority of decisions have been one way or the other. They have never been followed up. There has been a compromise without going to the higher courts, and the subject is still open. There has been no final appeal to the Supreme Court or to the Privy Council and this Bill is for the purpose of settling that question.

The motion was agreed to, and the Bill was read a second and third time under suspension of the rules.

REVISED STATUTES OF CANADA ACT AMENDMENT BILL.

SECOND AND THIRD READINGS.

Hon. Mr. SCOTT moved the second reading of :

Bill (154) An Act to amend chapter 61 of the Statutes of 1903 respecting the Revised Statutes of Canada.

He said : Hon. gentlemen are aware that the statutes of Canada are being revised, no revision having taken place since 1886, and an unusual course is being adopted in this case to do away with the precedent which has heretofore prevailed. The commissioners have authority under the Act on our statute-book, as soon as their revision

is complete, to bring the Act into force without submitting it again to parliament, and therefore it is important that all errors must be eradicated from it. This Bill simply deals with a few typographical or clerical errors, such as substituting the word 'are' for 'were,' &c.

The motion was agreed to, and the Bill was read a second and third time and passed under suspension of the rules.

THOMPSON RIVER IMPROVEMENT COMPANY'S BILL.

CONSIDERATION OF AMENDMENTS POSTPONED.

The Order of the Day being called :

Consideration of the amendments made by the Standing Committee on Railways, Telegraphs and Harbours to (Bill 79) An Act to incorporate the Thompson River Improvement Company.—(Hon. Mr. McHugh.)

Hon. Mr. McHUGH moved that the amendments be concurred in.

Hon. Mr. KERR (Toronto)—I have been asked to make a request that this order be allowed to stand over until Tuesday.

Hon. Sir MACKENZIE BOWELL—What object is there in keeping this order standing ?

Hon. Mr. KERR (Toronto)—I speak at the request of some hon. members who are absent to-day. I know nothing about it myself. I do not think that the Bill will be delayed by the postponement.

Hon. Mr. McHUGH—I do not like to take advantage of any one who is interested in the Bill and for some reason cannot be present to-day. The Bill was before the standing committee and a sub-committee, and was thoroughly discussed and dealt with, and I do not think anything is to be gained by postponing it.

Hon. Mr. ELLIS—This Bill has been thoroughly discussed in committee. Those who held conflicting views have yielded more or less to each other, until finally there was a complete agreement, and I can see no good to be gained by postponing the concurrence in these amendments.

Hon. Mr. McMILLAN—It is really a move to defeat the Bill. It was before us sometime ago, and the consideration of it was postponed from time to time to permit witnesses to come from British Columbia, and I can see no object to be served by putting off this Bill any longer. Unless some good and substantial reasons are given by the hon. gentleman from Toronto, I think we should proceed with the Bill.

Hon. Mr. BAIRD—This Bill has been before the House for two months. At the instance of some hon. gentlemen it has been held over to procure information from British Columbia. That information was obtained ; the Committee on Railways met and thoroughly discussed the Bill. There was some yielding on both sides, and it was finally agreed that the Bill should go through without further opposition, and the gentlemen interested went away feeling satisfied that there would be no further trouble. I can see no good in postponing the Bill, except to try and defeat it at this late stage of the session.

Hon. Mr. WATSON—All that has been said about this Bill is correct, but the Bill has been amended in a great many particulars and not unanimously amended. In the committee there was about an even break. The hon. gentleman from Killarney, who had to leave this afternoon for Montreal, I know would like to be here when this Bill is considered, and if the gentleman in charge of the Bill is willing to allow it to stand until Tuesday I do not think any harm will be done, and it will give those who are absent an opportunity to be here when it comes up again for discussion. The hon. gentleman from Killarney is seldom absent from his place in the House, but he had to be away to-day, and, in view of his request that it should be postponed until Tuesday, I do not think the Bill should be pressed in his absence.

Hon. Mr. MACDONALD (B.C.)—If these amendments were before the House for the next sixty days nobody would look at them. I doubt if any one who is here to-day has read them ; I know I have not. It is usual when concurrence in amendments is put off to enable hon. gentlemen to look at them that they never do look at them, and when the motion is made for concurrence they pass without further discussion. This measure has been fully discussed. A lawyer came from British Columbia to represent some of the opposing interests, and the Bill was

amended, and it was finally agreed that it should be passed in its present shape.

Hon. Mr. WILSON—No injury can result from concurring in the amendments to-day. As has been stated, it has been before parliament for a long time, and no valid reason has been offered why concurrence should be any longer delayed. I do not think it is right to defer measures of this kind unless somebody can show there is material information to be supplied. It is usual to accommodate members who feel that they cannot be in attendance, but it is a bad principle to establish. If the hon. senator from Toronto can give any substantial reason why further amendments should be offered, I can understand his appeal to the House to postpone the concurrence. Otherwise it should be proceeded with.

Hon. Mr. KERR (Toronto)—I am sorry that reference has been made to me as though I had been asking something for myself.

Hon. Mr. WILSON—I did not refer to the hon. gentleman in that way.

Hon. Mr. KERR (Toronto)—I do not think there is any harm in letting this Bill stand until Tuesday. If the Bill is passed then, there will be plenty of time for concurrence in the amendments by the other House. It has already gone through the House of Commons and there will be no difficulty about it. Let me say a word about the Bill and amendments. The Bill as presented to us was one of the worst Bills ever brought before this House. There was a great objection to enlarging it at all to enable people to come from British Columbia who had opposing interests, but an opportunity was given for that. When they came and presented their case, a sub-committee was appointed to deal with the important rights that were involved. That sub-committee did deal with them and heard all parties. I do not think there are any, or at all events many provisions of the Bill as settled by that sub-committee that were agreed to unanimously, but they were carried, and I believe carried rightly and greatly improved the Bill.

Hon. Mr. MACDONALD (B.C.)—Why postpone the Bill ?

Hon. Mr. MACDONALD (B.C.)

Hon. Mr. KERR (Toronto)—There may be some point which has been overlooked. We have endeavoured to bring this Bill within the scope of this parliament. Perhaps we have not succeeded. As a matter of courtesy to absent members who wanted to be here when the Bill is considered, it might fairly be allowed to stand. I understand the hon. gentleman who has charge of the Bill has no objection to postponing it until Tuesday next.

Hon. Mr. McHUGH—This Bill has been placed in my hands by the promoter of it in the other House. He has gone away, and I do not feel that I can take upon myself the responsibility of jeopardizing its passage. The Bill is before the House. It has been before the standing committee and before a sub-committee. The opposing interests in British Columbia were represented there and I thought every amendment went into the Bill that they had agreed to include in it. It was amended, as I thought, to the satisfaction of both parties. After that attention was called to an objectionable clause, and the promoters of the Bill very generously said, notwithstanding they had a majority of the committee, we are willing to strike it out. I thought the rights of all were preserved—the lumbermen and the riparian land owners. Amendments were put in to protect their rights. The Bill is before the House and I leave it in their hands.

Hon. Sir MACKENZIE BOWELL—The third reading might be put off and then any amendments could be proposed.

Hon. Mr. TEMPLEMAN—I do not think any harm can result from letting the order stand until Tuesday.

Hon. Mr. MACDONALD (B.C.)—What good can result ?

Hon. Mr. TEMPLEMAN—As has been stated by some hon. gentlemen, a sub-committee of the Railway Committee went over this Bill and made several amendments. Representatives of the interests opposing the Bill were there and concurred in those amendments. I was informed that at a subsequent meeting of the Railway Committee, at which I was not present, a very material amendment was changed considerably on the casting vote of the chairman of the committee.

Hon. Mr. LANDRY—The hon. gentleman has no right to say that.

Hon. Mr. TEMPLEMAN—It was changed after the parties had agreed to it. I was a member of the sub-committee, but was not present at the meeting of the Railway Committee. I was not fully seized myself with the amendment made by the Railway Committee to the amendments proposed by the sub-committee. I want to understand it. I believe that amendment has a reference to the free navigation of the Thompson river by others than those in the company, by the loggers and millmen on the river. I do not think there is any attempt whatever to defeat the Bill. It will pass in some form, and as one interested in the important legislation of the province of British Columbia, I think my hon. friend will advance the cause of the Bill by postponing it until Tuesday next.

Hon. Mr. McHUGH—On the understanding that those gentlemen will have something to say on the Bill and assist in passing it through on Tuesday I have no objection to postponing it.

Hon. Mr. LANDRY—If the Bill is defeated the hon. gentleman may thank himself for it, because it must go back to the House of Commons and be considered there.

Hon. Mr. McHUGH—I do not like to be discourteous to hon. members who cannot be present to-day.

Hon. Mr. LANDRY—The Bill must go back to the House of Commons. The hon. member who said that there was no danger, felt that there was a good deal of danger with his own Bill last night. He was anxious to have it go to the House of Commons. If he was in such a hurry yesterday, there is no reason why he should be so indifferent to-day.

Hon. Mr. KERR (Toronto)—That is an imputation that I was acting unfairly. The case yesterday was entirely different from this. That Bill was one which originated in this House and had to go through all its stages in the House of Commons, while this Bill comes to us from the House of Commons.

The order was allowed to stand until Tuesday next.

CANADIAN CREDIT INDEMNITY COMPANY'S BILL.

ORDER POSTPONED.

The Order of the Day being called :

Consideration of the amendments made by the Standing Committee on Banking and Commerce to (Bill 29) An Act to incorporate the Canadian Credit Indemnity Company.—(Hon. Mr. Young.)

Hon. Mr. WATSON moved that the Order of the Day be discharged, and that it be placed on the orders for Tuesday next.

Hon. Sir MACKENZIE BOWELL—What is the reason ?

Hon. Mr. WATSON—Mr. Ferguson, the solicitor in charge of this Bill, appeared before the Banking and Commerce Committee. The people who are interested have not had an opportunity of considering the amendments made to the Bill by the Banking and Commerce Committee, and he asked me today to let it stand over until Tuesday, until he can hear from the people who are interested in the Bill. I make the request at the instance of the promoter of the Bill.

Hon. Sir MACKENZIE BOWELL—There is no reason that I know of for postponing the Bill, except that it would be to oppose the amendment which was made in reference to giving power to the provisional directors to substitute other names for those which are contained in the Bill. If that be the only reason for it I have no objection to let it stand over, but I do not think it is a good reason.

Hon. Mr. WATSON—I must say I do not know anything about the reasons or the Bill, but the solicitor for the people interested in the Bill asked to have it stand over until Tuesday, as he wished to consult them with regard to the changes made by the Committee on Banking and Commerce.

The order was allowed to stand.

THIRD READING.

Bill (80) An Act respecting the West Canadian Colliers, Limited.—(Hon. Mr. McHugh.)

ORDERS IN COUNCIL FOR YUKON TERRITORY.

MOTION.

Hon. Mr. SCOTT moved that the House approve of the Orders in Council passed since last session, submitted for the approval of

parliament, respecting the Yukon Territory. He said: Under several statutes, Orders in Council relating to the Yukon require to be submitted to parliament at the next session to be approved. I will give the House a brief resumé of the terms of them:

Order in Council 6th July, 1903.—Amending section 12 regulations governing placer mining by prefixing the words 'the rear boundary of.' Purely formal.

Order in Council 13th August, 1903.—Approving of the recommendation of Mr. William Ogilvie. The minister recommends that as Mr. Henderson was the first discoverer of gold in Klondike river that he be granted a frontage of two thousand feet of available placer mining ground.

Order in Council 8th September, 1903.—Recommending that mere membership in the Dawson Rifle Company does not disqualify from holding a mining claim in the Yukon Territory.

Order in Council 17th November, 1903.—Reviving the free miners certificate in favour of Mr. E. A. Dixon which had expired.

Order in Council 26th November, 1903.—Making a fee for the free miners certificate in all cases $7.50 instead of $10.

Order in Council 28th November, 1903.—Making a royalty uniform 2½ per cent of the sales of the products of the location.

Order in Council 28th November, 1903.—Permitting that Messrs. Reeves, Lanoir and Patton be granted renewal of entry for their respective claims, notwithstanding that work to the value of $200 had not been expended, as they had been stopped in their operations by order of the Gold Commissioner.

Order in Council 7th December, 1903.—Recommending that the grantees of claim No. 93 below lower discovery on Dominion creek be relieved from the payment of $200 prescribed by the regulations.

Order in Council 3rd January, 1904.—Recommending that on the approval of the commissioner surplus water on Bonanza and Eldorado creeks may be impounded and held for periods of scarcity.

Order in Council 2nd February, 1904.—Rescinding of certain regulations for the disposal of mining locations to be worked by hydraulic mining process.

All of the above have been published in the 'Canada Gazette.'

Hon. Mr. LANDRY—I do not want to object to the approval of these orders, but is it not possible, when they are laid on the table for the approval of this House, to distribute printed copies of them, or have them printed in the Minutes of Proceedings, so that members can read them and know what they are asked to approve?

Hon. Mr. SCOTT—It would load up the proceedings very much. Some of them are very long.

Hon. Mr. LANDRY—We are asked to approve of something we do not know anything about.

Hon. Mr. SCOTT—I submitted it ten days ago for the information of hon. gentlemen.

Hon. Mr. LANDRY—But they are not in print.

Hon. Mr. SCOTT—Only a few copies are issued.

Hon. Mr. LANDRY—It would be very easy to strike off a few more copies for the use of members.

Hon. Mr. MACDONALD (P.E.I.)—Have they not all been printed in the 'Canada Gazette'?

Hon. Mr. SCOTT—Yes, they have all been published there.

The motion was agreed to.

BILL INTRODUCED.

Bill (120) An Act respecting the Montreal Terminal Railway Company.—(Hon. Mr. Casgrain, de Lanaudière.)

The Senate adjourned until Tuesday next.

THE SENATE.

Ottawa, Tuesday, July 26, 1904.

The SPEAKER took the Chair at Eight o'clock.

Prayers and routine proceedings.

THIRD READING.

Bill (79) An Act to incorporate the Thompson River Improvement Company.—(Hon. Mr. McHugh.)

SECOND READING.

Bill (120) An Act respecting the Montreal Terminal Railway Company.—(Hon. Mr. Casgrain, de Lanaudière.)

DELAYED RETURNS.

Hon. Mr. LANDRY—I should like to ask the hon. leader of the Senate if we could get the report of Dr. Potvin which has been sent to the medical superintendent of the Immigration Hospital in Quebec at Savard Park?

Hon. Mr. SCOTT—Is the Doctor here or in Quebec?

Hon. Mr. LANDRY—It is Dr. Boyce. The report was sent by him to the Department of the Interior.

Hon. Mr. SCOTT—The hon. gentleman does not know where he is.

Hon. Mr. LANDRY—I think he is a public officer, in the Immigration Department at Quebec. I also ask the hon. gentleman if he can explain why the French copies of the debates of the Senate have not been sent to the members of this House since the end of April. I understand the work at the Printing Bureau is done now ?

Hon. Mr. SCOTT—I have no more control over that matter than the hon. gentleman and know less about it. The matter is controlled by the committee of the House.

Hon. Mr. LANDRY—I thought it was in the Department of the Secretary of State.

Hon. Mr. SCOTT—No.

The Senate adjourned until to-morrow.

THE SENATE.

Ottawa, Wednesday, July 27, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

COMPANIES ACT AMENDMENT BILL.

FIRST READING.

Hon. Mr. SCOTT introduced Bill (N) An Act to amend the Companies Act, 1902.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the Bill be read the second time to-morrow.

He said : When the Companies Act was before parliament, there was a clause in the Bill which prevented the Secretary of State from incorporating or chartering telegraph, telephone or railway companies ; but it was not intended that a construction company should be debarred from supplying ties for instance, or from taking a contract for the construction of a road. It was intended to prevent a charter being granted except by parliament, for either building or constructing a telegraph, telephone or railway line. Now it has been pointed out that the courts have decided that a contracting company cannot take a contract for building any part of a railway because they are without the statutes. That was not the intention of parliament, and I do not know whether the courts are correct. The mere supplying of ties by a company, or a company supplying steel rails or building a section of the road was not intended to be prohibited. It was not intended that they should be debarred from performing such work as that by their charter, and there has been before the House of Commons a Bill amending the Act. It is, however, on the public Bill list and it is not likely to pass this session ; but if the Bill were passed here it would probably have a chance of going through. It would be an addition to clause 5 and would read as follows :

> Nothing in this section or any charter or letters patent heretofore or hereafter issued shall be deemed to prevent any company to which this Act applies from acting as a contractor in the railway, telegraph or telephone construction.

The other clause is allowing the companies that have capital shares for less than $100 to raise the shares to $100.

Hon. Mr. LANDRY—I suppose that must be with the unanimous consent of the House, as the Bill is already in the other chamber.

Hon. Mr. SCOTT—Perhaps so. I am not aware that there is any rule about that. However, I should ask the consent of the House.

Hon. Sir MACKENZIE BOWELL—Has it been withdrawn in the other House ?

Hon. Mr. SCOTT—I do not really know. It is so low down on the order paper that it will not be reached at all events. It will be struck off the list in the other House if this Bill is read the first time.

Hon. Sir MACKENZIE BOWELL—I should suggest to the hon. Secretary of State the propriety of ascertaining whether the Bill in the other House has been withdrawn. It would be an unusual proceeding if we were to deal with this Bill while the Bill was in the other House at the same time.

The motion was agreed to.

COPYRIGHT QUESTION.

MOTION.

Hon. Mr. DAVID moved :

That an humble address be presented to His Excellency the Governor General; praying that His Excellency will cause to be laid before the Senate copies of all correspondence, petitions and documents in the hands of the government, being connected with the copyright question, and the law on the subject; also, for a statement of the number of foreign books which have been reprinted in Canada in accordance with our laws on copyright.

He said : In order that hon. members shall discuss this question intelligently it will be necessary to have before us certain documents which I have asked for, especially petitions which may have been presented to the government by associations of French or English writers. Not knowing whether those documents are in the possession of the government, or whether the Secretary of State is able to produce them, I shall delay the remarks which I had intended to make. There is no doubt the question is more complicated than I thought, and if it is true, as I suppose it must be true, as alleged by the hon. Secretary of State, that the Berne treaty is still in force, I do not know that the provisions of that treaty can be consistent with the Canadian statutes. Perhaps I will be better able to present my views to the House when the documents asked for are placed before us.

Hon. Mr. SCOTT—I understood the department communicated to my hon. friend the nature of the correspondence. That it would be quite impossible this session to prepare copies of all the documents asked for. They are very voluminous. Correspondence has been going on for fifteen or twenty years, and unless my hon. friend can point out something that can be got ready in two days, it would be useless to leave the notice on the paper. He asks if Canada is in the Berne convention ? I may say it is, although a protest has been entered. The imperial government have refused to allow Canad to go out, and, as hon. gentlemen know, the Bill on the subject passed under the supervision of the late Sir John Thompson was not allowed to go into effect. It has been held up ever since, and although repeated communications have been had with the imperial authorities, they still decline to recognize that we have the sovereign control. Under the British North America Act it is quite clear the question of copyright is relegated to the parliament of Canada, but the British authorities do not seem to be willing to carry out the British North America Act in that particular.

Hon. Mr. DeBOUCHERVILLE—I understood the hon. gentleman to say that the Berne treaty was too voluminous. I suppose it is not more than two or three pages ?

Hon. Mr. SCOTT—The Berne treaty enabled authors included in that treaty to obtain copyright in the several countries mentioned in the treaty, and the British government have pointed out that it would be a serious blow if Canada withdrew. Canadian writers have availed themselves of the privileges that flow from being in the Berne convention, but in consequence of the very many discussions we have had with the imperial government on the subject of copyright, the late government, as I thought wisely, passed an Order in Council expressing their desire to retire from the Berne convention, so that the people of Canada would be perfectly independent and free to do as they pleased in regard to the question of copyright. However, the British government did not acquiesce in our views. They thought it was a mistake ; that it would be rather injurious than otherwise, and so they declined to carry out the request made by the late government, and they have withheld their assent. I do not know whether Sir John Thompson was Minister of Justice or not at the time, but at all events he did not concur in the view taken by the imperial government. It was left in a very unsatisfactory condition.

Hon. Mr. FERGUSON—I do not think it will be at all necessary to go back so far to produce the correspondence, as my hon. friend the Secretary of State says it will. I am quite sure that we have had all the papers brought down to comparatively recent dates. I remember very well that at the time of Sir John Thompson's death in England, he was engaged in the discussion of this very question. A very extensive correspondence conducted by him just up to that time will be found in one of Hodgins' volumes on Dominion Legislation.

Hon. Mr. SCOTT—His long report on the subject is printed in the appendices of the 'Journals.'

Hon. Mr. FERGUSON—It will not be at all necessary to produce correspondence as far back as has been indicated by the hon. Secretary of State, because returns to a comparatively recent date are available. My view is that since the death of Sir John Thompson, this question has not been taken up by Canada in the way he was dealing with it. It was one of the losses which Canada sustained in the death of Sir John Thompson at that particular time, on account of the earnest and extremely able manner in which he was dealing with this copyright question, and I am under the impression that since his death no one has taken up the matter in the way he was dealing with it.

Hon. Mr. DAVID—I might indicate the documents which I require specially. I would be happy to get all the complaints which have been made for many years by French or English writers against the application of the British copyright laws in this country. If the hon. Secretary of State would produce those documents, for my part, I would be satisfied, because as the hon. senator from Marshfield has just said, I think we can find in Hodgins' work the papers which would be sufficient for the discussion, and especially the correspondence exchanged between Sir John Thompson and the British government.

Hon. Mr. SCOTT—I may say that the strongest arguments against the copyright question were brought by the publishers of Canada, because it practically gives priority to United States publishers where English authors print contemporaneously in the United States with taking out copyright in England, because they have eighty odd million people there. Having taken out copyright in the United States they are able to print and send their publication into Canada, and Canadian publishers are superseded entirely.

The motion was allowed to stand.

MILITARY STRENGTH OF CANADA.

INQUIRY.

Hon. Mr. PERLEY inquired for :

A statement showing the military strength of the government of Canada in so far as it relates to ammunition, rifles and other weapons of warfare, where and in what proportions are such stored ?

Hon. Mr. SCOTT—I am unable to give the hon. gentleman as complete an answer as he probably would like. The question was brought up three or four years ago in the House of Commons, and the minister in giving an answer to the question, while stating the number of rifles under construction and those that had been distributed, thought it was not proper to give the quantity of powder and the number of cartridges that had been already made, and where they were deposited.

There are 38,000 Lee-Enfield rifles issued to corps of the active militia and rifle associations, and there are, in addition, 4,568 Lee-Enfield rifles and 810 Lee-Enfield carbines at the various stations.

As regards ammunition, it is considered inadvisable that this information should be given out publicly.

MINING CONCESSION IN THE YUKON TERRITORY.

INQUIRY.

Hon. Mr. MACDONALD (B.C.) rose to :

Call the attention of the government to some of the concessions made of gold-bearing ground in the Yukon district to different persons, such as—

The Boyle Concession.—Commencing near the mouth of Bonanza creek and extending up the Klondike river a distance of six miles, and embracing, according to Treadgold's own sworn statement before the Royal Commission (Judge Britton's), 40·5 square miles, 25,600 acres.

Bronson and Ray Concession (Ottawa men).—According to sworn evidence at the Royal Commission, eight to nine square miles, on both limits of Bonanza creek, 5,120 acres.

Matson and Doyle Concession.—Contains over three square miles of proven hillside placer ground, 1,920 acres.

Quartz creek Concession (Joe. Boyle again).—Contains three square miles of the best part of Quartz creek, 1,920 acres.

Hermann Concession.—Embraces six square miles of territory on Gold Bottom creek, 3,840 acres.

Anderson Concession.—Containing four square miles on the best part of Hunker creek, 2,560 acres.

And will ask the government have the above-named concessions been made ?

If so, on what conditions ?

Have the concessionnaires carried out the terms on which the concessions were made ?

If so, how much has been contributed to the revenue of the Dominion by them ?

If the conditions have not been complied with, will the government in all cases of non-compliance declare these concessions forfeited to the Crown, and open to the free miner under the ordinary mining regulations ?

Hon. Mr. SCOTT—I think I can answer some of the questions, in reference to the concessions. As to the first, the answer is, yes, they have been made. As to the second, on what conditions, leases for hydraulic mining purposes have been issued in favour of the persons mentioned for locations situated in the localities referred to. Then, the next question is on what conditions. They are issued under the provisions of regulations in force at the time the applications were made, and under the terms and conditions of the leases issued. A printed copy of the regulations, and a printed form of the lease is attached. Then, in reply to the third question, have the concessionnaires carried out the terms on which the concessions were made ; the subject is now being inquired into by Judge Britton. His report has not yet been received.

4. If so, how much has been contributed to the revenue of the Dominion by them ? The following amount has been collected for rent and royalty, namely, $24,359.14.

5. If the conditions have not been complied with, will the government in all cases of non-compliance declare these concessions forfeited to the Crown and open to the free miner under the ordinary mining regulations ?

The reply is : If the conditions under which a lease has been issued are not complied with to the satisfaction of the Minister of the Interior, such lease may be cancelled and the ground included therein is thrown open to entry by free miners under the provisions of the regulations.

A fuller explanation of the third question has been handed to me. The lease issued in favour of the persons mentioned in the return, provides that the lessee shall have machinery in operation on his location within one year from the date of the lease, and that if, during any year of the said term, the lessee shall fail to expend in mining operations in, about or upon the location the sum of $5,000, of the fact of which failure the minister shall be the sole and final judge, the lease shall become and be utterly and absolutely null and void, unless the minister shall otherwise decide.

At the present time Mr. Justice Britton is preparing a report for submission to the Secretary of State with respect to each of the hydraulic mining locations referred to in this return.

Hon. Mr. MACDONALD (B.C.)—I suppose the very fact of the matter being referred to a commissioner shows that the terms of the concession were not carried out, that there was default either in providing machinery or in paying rents which the concessionnaires were to have paid. Of course I cannot tell from the amount stated who has paid and who has not paid, but I do hope that the Secretary of State will be able to say this will be the last of these concessions. It must be obvious that they were not for the benefit of the country. It is throwing a fortune into the hands of a few people, I do not know and do not care whether they are Conservatives or Liberals or where they come from. No miner should be allowed to get more than an ordinary mining claim, or to take up timber limits, water-powers and large tracts of lands to be controlled by four or five people. I am sure the hon. Secretary of State will agree with me that something ought to be done to prevent a young minister from throwing away the heritage of the country in this way. Who benefits by it ? Not the country. It injures the mining industry, and I do hope that this is the last of this kind of thing, and that the country will be kept for miners on equal terms. A wise administration of the Yukon territory is most important. In the early history of it, young men were sent up there under small salaries, and they had to steal to keep themselves alive. The consequence was, we had all sorts of evil reports that those young officials had favourites, and others who desired to secure mining claims could not get them. Claims could only be got through favourites, lewd women sometimes, and it was because the officials were poorly paid and had to get a living some way or other. I hope the concessions are ended, and that there will be nothing more of the kind.

Hon. Mr. SCOTT—I do not propose to discuss the policy of granting concessions just now, but one of the important questions was whether those concessions had been given on misrepresentation, or whether any fraud had been perpetrated. Of course, where a department is administering a territory four or five thousand miles away, it

is exceedingly difficult to supervise. Representations come from there which seem to be in the best interests of the people, and they are accepted as honestly given. Mistakes will sometimes arise, but one of the important questions submitted to Judge Britton was whether any misrepresentation had been made when the parties were obtaining those claims, whether any of the reasons given were not honest and correct. That is the most important element in the inquiry. We ought to know whether fraud was practised by individuals or officials, and we cannot, of course, know the truth of that until we get Judge Britton's report, which I hope will be presented shortly.

Hon. Sir MACKENZIE BOWELL—I suppose we are to understand, from the statement made by the hon. Secretary of State, that these concessions, which are mentioned in detail by the hon. gentleman from Victoria, have been granted.

Hon. Mr. SCOTT—I presume so. I presume all that part of it is correct.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman is not aware whether any of the parties who obtained these concessions are working them ? I know when I was in that country, some of the concessions referred to in this list on the notice paper were pointed out to me, and at that time, they were not being worked. They seemed to be large areas of five or six thousand acres each, and the result was, that while claims had been taken up, adjoining these concessions that were being worked successfully, particularly the bench claims, these large areas were lying idle. Nothing was being done by the parties holding them. I know that one of the parties in that country, with whom I had conversation, had one of those claims, and on making an inquiry I found that the holders of these concessions were not working them, nor was there any prospect that they would, and I agree with the suggestion that they should be cancelled the same as the Treadgold concession was cancelled. In answer to a question put by myself a few days ago, the hon. Secretary of State said that the Treadgold concession had been cancelled on the application of the parties holding the concessions, on the ground that they had been unable to complete their financial arrangements, and that the fault lay with, as the hon. gentleman said, my friends. I find on reading the letter of Mr. Ewing, signed by him and by Mr. Treadgold, he winds up in this way :

> Regretting that after having secured sound financial support for this enterprise, and havfinancial arrangements for a large sum of money upon it, we have been prevented by the attitude of the government (not of the opposition) from carrying it through to a successful termination, in the shape in which it was chartered.

I must, however, in justice to the hon. gentleman, say that in another part of the letter, they say that :

> When our enterprise was attacked in parliament, in May, 1903, we had completed our financial arrangements for a large sum of money required for our work, and no doubt existed as to the carrying out of the obligation.

Hon. Mr. SCOTT—It is rather inconsistent.

Hon. Sir MACKENZIE BOWELL—I admit that they attribute the failure afterwards, to a certain extent, to the attack which had been made upon them, and then he says that arising out of that attack, it threw doubt upon the validity of their charter, and imposed upon them a complete suspension of operation until the report of the commission appointed by the government should be received, and had completely paralysed their efforts, and undermined the confidence of their financial backers, and made it impossible for them to proceed, and for that reason, they felt compelled to ask the consent of the government to their withdrawal from the concession. Of course, he attributes the action of the government to their not having had stamina enough to resist the attacks which had been made upon them. That being the case, it would lead one to suppose that the Treadgold people were under the impression that Judge Britton's report would be of an unfavourable character, and before that report was made, they would withdraw from the enterprise. In order to assist them, perhaps unintentionally, the hon. Secretary of State instructed the commissioner not to make a report, so that we have been in the dark, as to the real effect which these concessions had upon the country. When we get the report, probably we may learn whether the concessions made to other parties are in the same position as the Treadgold concession, although they were of a different character altogether. Still the impression with the

miners, and with those interested in the Klondike in all those enterprises, as well as upon every person who has given any study to the question, could be of but one character, and that is that these concessions are detrimental to the mining industries of that country. As has been pointed out in this notice, some forty or fifty thousand acres of land covered by these concessions, is held by less than a dozen people, and the result has been to close out the free miners. The sooner the system is abandoned, and only the proper area of a mining claim granted to each individual, the better it will be for the country and for those engaged in the mining industry.

Hon. Mr. SCOTT—The hon. gentlemen of the opposition have been so steadily opposed to the Treadgold concession, that I thought it would be a matter of congratulation to them when it was cancelled. It is hard to please my hon. friend. When I found that it had been withdrawn, I thought then, and think still, that it was perfectly idle to ask for a report on something which no longer existed. It would not affect my hon. friend's opinion one way or the other. I pointed out to the judge that he had better send the evidence without comment, and we could form our own opinion upon it. He is not an expert in hydraulic engineering, and his fellow-commissioner, who was an expert, is no longer able to give him assistance, and I think the proper course would have been to simply report the evidence.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman's opinion, that no one would read the 5,000 or 6,000 pages of evidence, may be correct; for that reason we ought to have the judge's finding in the form of a report.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

MOTION POSTPONED.

The Order of the Day being called:

By the Hon. Mr. BEIQUE:

That he will move, that the chairman of the Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York be instructed to report forthwith to the Senate all proceedings of said committee in connection with the examination of the two witnesses, Messrs. D. E. Cameron and R. B. Cannon, as per resolution of the Senate of the 12th instant.

Hon. Sir MACKENZIE BOWELL.

Hon. Mr. BEIQUE said: I wish to state very briefly my reasons for making this motion——

Hon. Mr. LANDRY—I rise to a point of order before the hon. gentleman goes any further. The hon. gentleman gave notice of this motion only yesterday, and I call his attention to rule 13, which provides that:

One intermediate day's notice must be given of all matters deemed special, and any motion is deemed special which initiates a subject of discussion.

I think this motion will initiate a subject of discussion.

Hon. Mr. WATSON—Oh, no.

Hon. Mr. LANDRY—In commenting on that rule, Bourinot, page 414, says:

When a member proposes to bring any matter before either House with a view of obtaining an expression of opinion thereon, he must make a motion. Of this he must give due notice, unless it be one of those questions of privilege or urgency which may be immediately considered.

That is not the case now, so that rule 13 of the Senate applies.

Hon. Mr. BEIQUE—To avoid troubling the hon. gentleman, I ask that this notice be allowed to stand until to-morrow.

The motion was allowed to stand.

RAILWAY ACT AMENDMENT BILL.

FIRST READING.

A message was received from the House of Commons with Bill (132) An Act to amend the Railway Act, 1903.

The Bill was read the first time.

Hon. Mr. SCOTT—In the Railway Act, as hon. gentlemen probably recollect, the Railway Committee was removed altogether from considering questions—it was abolished. A number of questions had been heard by the Railway Committee, under which there would have been, under ordinary conditions, had the Railway Committee continued its jurisdiction, some that could have been appealed to the Privy Council. After the Bill was passed it was found that, the Railway Committee having been abolished, practically the appeals could not be heard, and the first clause of this Bill applies to appeals then standing, and provides that the Privy Council should still continue to hear

appeals of cases heard before the Railway Committee was abolished, and that those intending to appeal to the Privy Council should still be heard. The other clause is recognizing the Sunday legislation in the provinces in regard to railway companies that have come here and obtained charters, in which that clause has been introduced that they were 'for the general benefit of Canada.' Hon. gentlemen will remember there are certain provincial Acts incorporating railways which have been incorporated by the federal parliament, those words having been added. They are practically local companies, but, for reasons which I need not now explain, they obtained federal powers. Now, in so far as those powers are concerned, the clause of this Bill provides they shall come under whatever legislation the provinces may enact in regard to the observance of the Sabbath.

Hon. Sir MACKENZIE BOWELL—Does that apply to railways which are exclusively local in their character, and do not connect one province with another ?

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—If so it would paralyze the operations of the railways altogether.

Hon. Mr. SCOTT—The words we put in gave jurisdiction to this parliament in those cases, though they were clearly local acts. It has been pointed out over and over again that it was legislation which we should not have interfered with, but we have interfered with it, and this clause provides that in so far as the Sunday legislation is concerned, the fact of our assuming sovereignty over those roads shall not interfere with any Sunday legislation with regard to the operation of such railways, that may be adopted by local legislatures. The provincial legislation cannot affect federal charters, like those of the Grand Trunk Railway, the Canadian Pacific Railway and other roads, which pass from one province to another. It will apply only to those companies, which are local in their character, but have obtained federal recognition.

Hon. Sir MACKENZIE BOWELL—How will it apply to local roads which may hereafter be extended so as to pass into another province ?

Hon. Mr. SCOTT—I presume then it would be a fair subject for federal control, because the federal parliament would have jurisdiction over a road passing from one province into another.

Hon. Mr. LANDRY—Is this a Bill to amend the Railway Act ?

Hon. Mr. SCOTT—Yes.

Hon. Mr. LANDRY—I would suggest an amendment of a very practical character. Every member of parliament has, I suppose, a couple of dozen passes in his pocket giving him a right to travel on the railways. I think we might amend the Bill to provide that on presentation of a certificate of the Clerk of the House, to which the member belongs, he would be entitled to a free pass.

Hon. Mr. CLORAN—I may state that the conductors on trains have spoken in regard to the matter, and have expressed their desire that parliament should make some such provision. Under the law to-day, members of parliament have a right to free transportation, and, as a matter of fact, the railway companies now extend passes to members which they are not entitled to accept, so the suggestion of the hon. member from Stadacona is in order. It will facilitate travel on the trains. The conductors ask for a simple card of identification, certified by the clerk, and that will be amply sufficient to entitle members to travel on the railways.

Hon. Mr. SCOTT—That suggestion was made last year. It does not require legislation to carry it out. A member of parliament is absolutely free on the trains.

Hon. Mr. CLORAN—The point is to identify him.

Hon. Mr. SCOTT—The clerk can do it without legislation. It does not need an Act of parliament.

Hon. Mr. FERGUSON—It is very desirable that some document should be issued which would extend to all railways. Some of the railway companies have substituted a new pass for the one they gave at the beginning of the year, but all the passes which I have seen contain conditions on the back, of them, which have no right to be placed there, when they are issued to members of

parliament. It is very undesirable that we should be compelled to use passes which contain such conditions. That is one of the reasons, in addition to those that have been pointed out by other hon. gentlemen, that we should be furnished with one document and not be under the necessity of carrying around with us twenty or thirty of these different passes in our wallets, which, if we happen to lose would create a difficulty. We are not obliged to present a pass at all, but it would be boorish on the part of members of parliament to take that ground, because conductors might not be able to identify them, and it might under certain circumstances put the conductors in an awkward position. Therefore, to facilitate the railway companies in their work, we do use the passes, but I do not think we should use a pass with such a condition on the back of it.

Hon. Mr. CLORAN—Might I ask the hon. Secretary of State if it would be necessary to give instructions to the clerk to issue cards of identification, or can he do it without those instructions ?

Hon. Mr. SCOTT—A formal motion might be made.

Hon. Mr. CLORAN—Yes. The clerk might not want to take it upon himself.

Hon. Sir MACKENZIE BOWELL—The easiest way to avoid the difficulty would be to repeal the clause altogether.

Hon. Mr. LANDRY—There has been no notice for that.

The motion was agreed to.

NATURALIZATION AND ALIENS ACTS AMENDMENT BILL.

FIRST READING.

A message was received from the House of Commons with Bill (147) An Act to amend the acts relating to Naturalization and Aliens.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the Bill be read the second time to-morrow. He said : This Bill is simply for the purpose of amending the tribunal before which naturalization may be proved. It provides that section 11 of chapter 113 is amended, in Quebec, to any circuit court within the territorial limits of the jurisdiction of which the alien resides. It is simply altering the particular court in Manitoba to the county court having jurisdiction where the alien resides.

Hon. Mr. LOUGHEED—How about the Territories ?

Hon. Mr. SCOTT—The circuit courts in and for the territorial division and districts and counties in the province of Quebec are hereby declared to have jurisdiction under the Naturalization Act so amended. There is nothing in regard to the Territories. So I presume that is correct. It only relates to Quebec and Manitoba.

Hon. Mr. LANDRY—Does it affect the civil condition of aliens, or only the tribunal ?

Hon. Mr. SCOTT—Simply the court to which the naturalization papers will be referred.

The motion was agreed to.

MUTUAL RESERVE FUND LIFE ASSURANCE COMMITTEE.

INQUIRY.

Hon. Mr. LOUGHEED—Before the House adjourns, I should like to ask the hon. chairman of the select committee appointed to inquire into the position in Canada of the Mutual Reserve Fund Life Association, when he intends to make his report ? Is it intended to make it to-day ?

Hon. Mr. CLORAN—No. I see that the hon. gentleman from de Salaberry has a motion with reference to this matter which will come up to-morrow. Our report is held over.

Hon. Mr. LOUGHEED—But the report will be made by the chairman, as to the motion that the committee report the evidence to the House.

Hon. Mr. CLORAN—The report is now being made up and it is to be submitted to the committee before I can present it.

Hon. Mr. LOUGHEED—I scarcely comprehend what my hon. friend means by being prepared. The evidence is all printed is it not ?

Hon. Mr. LANDRY—I think the hon. gentleman has no right to question the chairman like that. He is not a minister.

Hon. Mr. LOUGHEED—I simply asked, as one of the committee, for information as to what my hon. friend means by preparation. The resolution was simply that the committee would report the evidence.

Hon. Mr. CLORAN—No, that the committee do now rise and report.

Hon. Mr. LOUGHEED—Report the evidence—that is the way it is recorded.

Hon. Mr. CLORAN—It is recorded wrongly.

Hon. Mr. LOUGHEED—Does my hon. friend intend to present it to-morrow?

Hon. Mr. CLORAN—I hope to have it to-morrow. I have just got a copy of the evidence.

Hon. Mr. WATSON—Does my hon. friend mean to call another meeting to submit the evidence?

Hon. Mr. CLORAN—No.

Hon. Mr. WATSON—What does he mean?

Hon. Mr. CLORAN—I suppose it will be necessary, as has been the practice in the past, to submit the final report to the members of the committee, but not at a formal committee meeting. Members have been notified as to the contents of reports before they have been submitted to the House, and the final report will be ready to-morrow. I do not intend to run round to nineteen members, call a meeting and say: 'Here is our report,' and then have the committee pass on it, whatever it may be, which I do not know yet.

Hon. Mr. WATSON—The motion was stated in the report, that the committee rise and report the evidence.

Hon. Mr. CLORAN—I took the trouble to ascertain what the motion was in regard to it. I went to the reporter, and the reporter informed me that his notes read 'to rise and report.' There is some conflict between the reporter and the clerk as to that, but I have a distinct recollection of putting the motion that the committee rise and report.

Hon. Mr. WATSON—Was it not the intention to close the evidence?

Hon. Mr. LANDRY—The committee adjourned.

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Hon. Mr. WATSON—The committee were instructed to make an examination into the affairs of the New York Mutual Reserve, and report the evidence to the House.

Hon. Mr. CLORAN—It does not say so. Such were not the instructions from the House.

Hon. Mr. WATSON—The order of the House was to report the evidence to the House.

Hon. Mr. CLORAN—Report from time to time.

Hon. Mr. WATSON—And that is all they have to do. It was asked at the last meeting that two other witnesses be examined, and the hon. member from Stadacona objected and moved that the committee rise and report the evidence and close the investigation, but the committee refused to allow these witnesses to be examined.

THIRD READING.

Bill (29) An Act to incorporate the Canadian Credit Indemnity Company, as amended.—(Hon. Mr. Young.)

The Senate adjourned till to-morrow.

THE SENATE.

Ottawa, Thursday, July 28, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

THIRD READING.

Bill (120) An Act respecting the Montreal Terminal Railway Company.—(Hon. Mr. Casgrain, de Lanaudière.)

MUTUAL RESERVE FUND LIFE ASSOCITION COMMITTEE REPORT.

Hon. Mr. CLORAN—I have an explanation to make to this honourable House. Yesterday I stated that the report from the Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York would be ready this afternoon. I regret to say that it is not yet ready; that a meeting of the committee has been called for a quarter past eight this evening, when the

matter will be finally dealt with there. I have also another explanation to make. A question was put by the hon. gentleman from Calgary as to what kind of a report the committee was to bring in, that our powers and rights were limited. I find that according to May, page 397, under regulations 75, a committee is entitled, and it is practically its duty to bring in a report with opinions and recommendations and all such matters.

Hon. Mr. YOUNG—Do I understand the hon. gentleman to say that the committee have not yet got through with their labours?

Hon. Mr. CLORAN—The committee have yet to deal with the report. They have got through with the evidence.

Hon. Mr. YOUNG—I understand it was moved at the last meeting of the committee, that the committee rise and report the evidence.

Hon. Mr. CLORAN—The minutes of the stenographer are wrong in that respect.

Hon. Mr. BEIQUE—Do I understand the hon. gentleman to deny that that motion was moved and carried ?

Hon. Mr. CLORAN—The motion made by the hon. member from Stadacona, in the first instance, was that the committee do now rise and report the evidence. There was a discussion on the motion. I called his attention to the fact that if such a motion was carried it would close the committee and end its work altogether, leaving it in a disabled and emasculated condition, and then the hon. gentleman from de Salaberry moved an amendment which took some further time, and a final motion put to the committee, was that the committee do now rise and report.

Hon. Mr. FERGUSON—Is the hon. gentleman submitting a report of the committee.

Hon. Mr. CLORAN—I am giving an explanation in answer to the question of the hon. gentleman from Calgary, who is not now in his seat.

Hon. Mr. WATSON—I should like to say——

Hon. Mr. MACDONALD (B.C.)—There is nothing before the House.

Hon. Mr. WATSON—I think I can say a word on the point of order.

Hon. Mr. LANDRY—There is no point of order.

Hon. Mr. WATSON—I will rise to a point of order.

Hon. Mr. LANDRY—What is it ?

Hon. Mr. WATSON—The point of order is that the hon. gentleman has stated that he intends to call a meeting of the committee——

Hon. Mr. LANDRY—There is nothing before the chair, and there is nothing before the House. The hon. gentleman cannot speak.

Hon. Mr. WATSON—If hon. gentlemen will not permit me to make a statement I shall have to sit down, but I want to say——

Hon. Mr. LANDRY—I ask the ruling of the Speaker.

The SPEAKER—There is nothing before the House.

Hon. Mr. WATSON—I wish to say——

Hon. Mr. LANDRY—Order, order.

Hon. Mr. WATSON—I say the question of the veracity of the report, is before this House, and the chairman of that committee has risen to make a statement which I say is not in accordance——

Hon. Mr. LANDRY—Order, order.

Hon. Mr. WATSON—Is not in accordance with the minutes of that committee meeting.

Hon. Mr. LANDRY—Order, order.

Hon. Mr. CLORAN—I think I am in a position to raise a point of order now, if the hon. gentleman will allow me. The hon. gentleman has no right to criticise any action which is not before the House.

Hon. Mr. WATSON—I am criticising the statement of the chairman of the committee.

Hon. Mr. CLORAN—I ask for a ruling. The hon. gentleman has no right to criticise anything which is not before the House.

Hon. Mr. YOUNG—The hon. gentleman is criticising the statement made by the chair-

man as to the accuracy of the record of the committee.

Hon. Mr. LANDRY—Order, order.

NOXIOUS PATENT MEDICINES.

NOTICE OF MOTION.

Hon. Mr. SULLIVAN gave notice that he would, on Tuesday, move the following motion :—

That an humble Address be presented to His Excellency the Governor General ; praying that His Excellency will cause to be laid upon the Table of the Senate a statement showing the names of all liquid mixtures known as patent or proprietary medicines purporting to remove the most varied forms of diseases occurring in the human body, and when weakened by such disease or by any indulgence, habit or accident, to restore it to its former strength and vigour. Showing also the amount of money, if any, paid by importer, maker, mixer or vendor, to the government as special tax or license, and to whom paid. Showing likewise if the government has any knowledge of the ingredients which are employed to make these compounds:—

1. Has such knowledge been acquired from the statements of the parties who have the formula ?

2. Has it been acquired by qualitative and quantative analysis of the Dominion Analyst, or by any other practical chemist. if so, what quantities are contained in a determinate, say one fluid ounce, of the following named ingredients :—

1. Water, quantity in a determinate measure, say one fluid ounce, of the preparations examined.

2. Alcohol in any form other than absolute ; methylated or proof spirit or any other form; essences, ethers or any other solvent ; colouring or flavouring substances, and, lastly, the solid ingredients in said preparations, the quantity and names of each.

He said : I give notice of this motion simply to induce the House to take some action to prevent the sale and use of noxious medicine compounds, many of which are injurious instead of being beneficial to the body, and which, moreover, cultivate an appetite for alcohol, opium and other injurious drugs. I know of cases where men using for insomnia a specific that is sold openly in the drug store, of which the ingredients are not known, in that way acquire the habit of using injurious drugs. There are cases where the habit has been engendered by the use of one patent medicine which I may mention, Peruna. The Board of Health of Massachusetts reports that it contains more than 40 per cent of alcohol, and not the best kind of alcohol either. I have a report here also from the Medical Council of the province of Ontario, which shows that sarsaparillas, bitters, and other such preparations consist in great part of alcohol.

Hon. Mr. WILSON—Does the hon. gentleman include in that also the whiskey habit ?

Hon. Mr. SULLIVAN—I meant it to include the alcohol habit. There is no question the extent to which those preparations are used is due to advertising. A more rapacious or degrading practice was never indulged in by anybody than the compounding and sale of those preparations. There is not one of them that can possibly do what is claimed for it in the advertisements. I have seen it advertised that a patent medicine has gone to the very doors of death and rescued a man who was in the hands of the undertakers, assertions which are untrue, that these preparations can cure diseases at any stage. The sale of such preparations can only be effected by an enormous amount of advertising, and the reckless way in which it is done—portraits of nuns and distinguished senators of the United States are published in Canadian papers, and I suppose they publish portraits of distinguished Canadian senators in the papers of the United States. The statements published are a mass of untruths from beginning to end. These frauds and iniquities are practised on the most helpless and unfortunate invalids, persons to whom doctors have given no hope, and who are willing to try almost anything, and seeing those lying advertisements and fraudulent assertions in the newspapers, published day after day, are tempted to spend their last shilling in purchasing preparations which only hasten death. Although this notice of motion looks very complex, it is only for the purpose of obtaining information. Vendors of patent medicines have an extraordinary indulgence in this country. They are allowed to vend their wares in the most sacred places, and with the cognizance of the authorities. The government should exercise strict supervision over this business and test the amount of alcohol, opium and other agents in those compounds. I suppose it is difficult to get at it. I have been told that the formulæ of such medicines are in the hands of some official of the government. It is partly to ascertain if that is the case, that I am asking for this return. It

is not so difficult to tell one ingredient as to tell all, and it is essential that some one with the authority of the government, some chemist of repute should make an analysis of patent medicines and show the public the terrible agents employed for the purpose of poisoning rather than giving relief. The government should order such an analysis. They have the Dominion analyst and the laboratory, and it is no difficult matter to test these preparations. The analyst can acquire a knowledge of the ingredients of some of them by the smell or taste of the preparation. I have no animosity towards these people, but I do not know of any agent which they sell in their preparations that has any qualities that cannot be got of a purer quality and for less money than in the form in which they sell it. It is no wonder they acquire fortunes and are able to indulge in all the luxuries that money can purchase. I would not mind if they sold only bread pills, and sweetened water, but I do protest when they use agents which are not only of no use to sufferers, but have a tendency to cultivate degrading habits. The government ought not knowingly to allow those preparations, purporting to be medicines, to be sold. It would be well if the quantity and nature of the medicine were plainly stated, giving the percentage of alcohol, strychnia, hydrate of chloral, or other drugs. If the label stated that opium was an ingredient. people might shrink from using the preparation, but when some other name is used, no danger is apprehended, and people are induced by skilful advertising to purchase and use these dangerous medicines. The evil is widespread. These men make money by their rapacity, mendacity, and utter disregard of all that is moral, and so flaunt their riches in the presence of poor, honest men, who make their living by the sweat of their brow, that no one would say it was arbitrary or class legislation, to make them give a share of their ill-gotten wealth towards the maintenance of hospitals and the eleemosynary institutions. I wonder that the temperance people have not taken this matter up long ago, and endeavoured to repress the evil. Perhaps they have ; if so I am not aware of it. It would greatly redound to their credit, and there is no field in which they could work with greater success.

Hon. Mr. SULLIVAN.

Hon. Mr. McMILLAN—Did I understand from the hon. gentleman that his motion applies only to liquid preparations ?

Hon. Mr. SULLIVAN—That is all.

Hon. Mr. McMILLAN—Why confine himself to that ? Why are the solid preparations excluded ?

Hon. Mr. SULLIVAN—The number is not so great, and I thought if we got the fluids first, the others could be got at afterwards. I am more after the preparations containing alcohol and opium.

Hon. Mr. McMILLAN—One is just as noxious as the other.

Hon. Mr. SULLIVAN—But there is not so much poison, as a rule, in solid preparations as in liquid preparations. The liquid ones are the more dangerous, containing as they do the most destructive agents.

TRADE RELATIONS WITH THE UNITED STATES.

MOTION DROPPED.

The Order of the Day being called.

To resolve, that the Senate of Canada is of opinion that any further effort to secure closer trade relations with the United States by a meeting of the Joint High Commissioners, or otherwise, under present tariff conditions on the part of the United States, and in view of the satisfactory conditions of Canada's trade, is inadvisable and inopportune. If the United States desire better trade relations with Canada, or even a continuation of the advantageous relations they enjoy in our market at present, a substantial reduction in their tariff in favour of Canadian products is the only course that would be regarded by Canada as a favourable indication on their part of a desire to treat Canada fairly on the lines of trade intercourse. And, in the absence of such evidence on the part of the United States, our tariff should be adjusted in order to encourage inter-imperial trade as fast as possible.

Hon. Mr. McMULLEN—Before asking permission of the House to withdraw this resolution, I beg to make a short statement. At the time I placed the resolution on the notice paper, the Finance Minister had not delivered his budget speech. In the budget speech, certain changes were made, particularly with the intention of counteracting the effects of slaughtering goods from the United States in the Canadian market. I am strongly urged to permit the application of that clause to have a fair trial, before discussing the question of which I have given notice. I am also desirous of avoiding any-

thing that might possibly interfere in any way with the Chamberlain movement in England. It might possibly be construed as an interference with that movement, with which I personally am in full sympathy, and, therefore, for these reasons I think it better to drop the resolution for this session, allow the clauses in the amended Customs Act to have their full application, with the hope that they will meet the conditions, and if not, we can bring up the subject next session and discuss it.

Hon. Sir MACKENZIE BOWELL—I think there is no objection to the hon. gentleman withdrawing the motion under the circumstances, for the reasons which he has given. I understand him to say, that he will be prepared at the next session of parliament, if it should be deemed necessary, to revive this subject, and move his resolution, either in its present form, or in some other form, in order to show that certain portions of the people of Canada are in accord with the movement that is now going on in England, so far as it affects our trade relations with the mother country. That I take to be his position. I notice also that the hon. gentleman referred to the clause adopted by the House of Commons known as the dumping clause in the tariff resolutions. It is not my intention at the present moment to discuss that question, because it will, of necessity, be brought before the House, and in a proper form, when the tariff resolutions are before us. Then we shall be in a position to discuss that slaughtering or dumping clause, as it has been termed. I may, however state, that so far as the dumping clause is concerned I look upon it as, well I scarcely know how to designate it —I would say a farce, utterly impracticable in its working, and I think I will be able to show that, when the question comes up. Hence that reason given by the hon. gentleman does not suggest itself to me as being a good one for withdrawing his resolutions. I think at this period of the session, most of the hon. senators will agree with him, as to a portion of his statement, and I only hope that when we meet again we may take up this question and discuss it upon its merits. I think there is plenty of evidence to show that it would be in the interests of the whole Dominion if we could secure preferential treatment in the markets of Great Britain which we have not at present. I believe that it would be of infinitely greater advantage to the people of Canada than any reciprocity treaty which we might effect with our neighbours south of the line.

Hon. Mr. FERGUSON—When an hon. member drops a resolution of this kind, it is scarcely proper to open any discussion, still as this resolution has been standing before us for a great part of the session, and is now being dropped a few days before prorogation, some of us would desire to put ourselves on record. I am not going to object to the dropping of the resolution at all, because if it had been proceeded with, I should have objected quite strongly to the last paragraph of it. I look upon that paragraph which seems to regard reciprocity with the United States as being more desirable to the people of Canada, than preferential trade within the empire, as being objectionable, and on that account I would oppose it. I do not object to the dropping of the resolution, because I could not support that part of it. I am entirely in accord with the first portion of it. I simply regret the dropping of the subject more than the mere resolution at this stage, for the reason that we appear to be parting without putting on record any expression of the opinion of this parliament with regard to preferential trade within the empire. I looked upon this motion as likely to bring up that question, and expected that some valuable opinions would be expressed, and possibly some resolutions arrived at in this House which would strengthen Mr. Chamberlain's hand as showing what the opinions of the people of Canada are in regard to preferential trade within the empire.

Hon. Mr. KERR (Toronto)—I did not intend to say anything in regard to the matter, but after hearing what has been said by the hon. gentleman with reference to Mr. Chamberlain and his proposals, it occurred to me, that as this matter is to come up at another session it would be interesting to hear from the hon. leader of the opposition with reference to what he has specially spoken of here lately, and that is the expression to which he objected so much, calling Canada a nation.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman will have it as fully as I can possibly express it.

Hon. Mr. KERR (Toronto)—It might not be amiss for me to call his attention to the great statesman's views with reference to this matter. Speaking on this question of the trade relations between the colonies and the mother country recently, I see in the Toronto 'World' of yesterday, and I suppose it is to be found in the other journals of the country, that in speaking on this question Mr. Chamberlain is reported to have said :

> The colonies are not ours in any sense whatever by possession. They are absolutely independent states, and nothing could prevent them from separating from us to-morrow. We would not and could not attempt to hold them by force. The bond was a voluntary one and had never been ratified.

It appeared to me that was an instructive paragraph for some persons who have been discussing this subject, and who are great admirers of Mr. Chamberlain.

The motion was dropped.

CARDS OF IDENTIFICATION FOR SENATORS.

MOTION.

Hon. Mr. CLORAN moved :

> That the Clerk of the Senate be instructed to give to the members of the Senate cards of identification for railway transportation.

He said : I make this motion in view of the explanations given yesterday in regard to the matter. The clause governing transportation is very clear, as far as it goes ; but it left the senators in this position ; that when they were confronted by the conductors on the trains, or rather officers of transportation companies, the difficulty of identification arose. I have known senators and members of parliament who were allowed to have their transportation on identification. It is not always feasible, or possible, to have people on trains to identify senators, in fact it should not be left to chance; so that I think the proper plan is the one which I have embodied in this motion. The House of Commons can take care of itself, but as far as the Senate is concerned, we should have this means of identification, to carry out the intention of the law passed last year giving us free transportation.

Hon. Mr. KERR (Toronto).

Hon. Mr. MACDONALD (B.C.)—The hon. gentleman will see that the conductors on the trains do not take their instructions from the clerk of this House. They have them from the railway companies, and the railway companies say : 'You must produce your ticket or pass.' I do not think this certificate would be of any use at all. The conductor would say : 'I do not know anything about this, I do not take my orders from the clerk of the Senate or any other official of the government.' I think it is a most oppressive thing to compel the railway companies to give free passes.

Hon. Mr. CLORAN—That was settled last year.

Hon. Mr. MACDONALD (B.C.)—Every man in the country is just as much entitled to a railway pass as members of the House of Commons and the Senate.

Hon. Mr. CLORAN—I think the hon. Secretary of State pointed out that difficulty yesterday. The law is very clear. The matter of being compelled or not compelled was settled last year.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman has spoken to this question.

Hon. Mr. McMULLEN—I quite agree that under certain circumstances some difficulty might arise in a case where, for instance, a member had lost his pass. That is no reason why he should be deprived of travelling upon a railway under the Act, because under the Act members and senators are entitled to ride free within the Dominion, and they are not supposed to be called upon to present a pass at all. At the same time, I can easily see that the suggestion made might be easily abused. Supposing the Speaker issues a certificate to each member of the Senate, and the Speaker of the Commons does the same thing, the railway company, for their own guidance, will in all probability continue the pass that is issued. Now, if any member were disposed to hand over that certificate to some other person, some other person might travel upon the certificate, as a member of the Senate when he was not ; or if a senator happened to lose his certificate of identification, some other person might find it and travel upon it for hundreds of miles before it would be discovered.

Hon. Mr. LANDRY—They could do the same thing with a pass.

Hon. Mr. McMULLEN—But as a rule members take pretty good care of their passes, and the probabilities are that railways will continue to issue passes if certificates are given, or if they choose to withdraw the pass, when the certificate is lost there might be trouble. I do not think members and senators have much to complain of, I think they are recognized as a rule, as being entitled to ride free, and a difficulty such as I have outlined might arise, whereby these privileges might be abused by certificates falling into the hands of those who should not have them at all, and in that way, a very great injustice might be done the railway company. Under present conditions I think we are very well served.

Hon. Mr. ELLIS—It does not appear to me that the Senate ought to take any action whatever to have the law carried out. It is the duty of the railway companies to carry out the law. It is no hardship to show a pass, if that be the way, but I am quite satisfied, where gentlemen are known on lines of railway, they are not required to show passes. The motion might be dropped, and His Honour the Speaker might write a line to the Railway Commissioners who could devise some plan by which the law could be carried into effect. I do not think we should take the initial step.

Hon. Mr. SULLIVAN—Talking about a conductor knowing you, I had to pay my fare after this Bill was passed last year, when travelling between here and Brockville. There ought to be some means taken to carry out the law. I think the better way would be to notify the Railway Commissioners. A great many conductors have no instructions whatever about members, and if you had not your pass to show when it was demanded, or the money for your fare, you would be ejected. In a multitude of counsel there is wisdom, and perhaps I might strike the wisdom point. My suggestion is, that if the Railway Commissioners were notified to make some arrangement they could do it. I think it would be infra dignitatem for the Senate to take action.

Hon. Mr. SCOTT—The law is plain and clear. Members of parliament have the right to travel free on a railway. It is for the railway companies to recognize who are members of parliament. That is quite clear. A railway company forcing payment would do so at its peril, and would have to recoup the passenger. If the motion was wisely considered by the Senate, I should say that the clerk of the Senate should give such certificates to those members who desire them —only those who wish it—not to make it a rule. If any hon. gentleman wishes it, it is his own affair. We would be taking the responsibility, practically, if we adopt this motion, which I think would be very unwise and very foolish.

Hon. Mr. MACDONALD (B.C.)—How would a brand on the forehand 'M.P.' do ?

Hon. Mr. POIRIER—I think this question should be settled, according to the law that is passed. On one of my travels, I myself, although holding a pass last year, tried to travel free under the authority of the Act. Had I insisted on my right I would have run the risk of being put off the train. If we have the right by law, I think we should enjoy the privilege, and not be liable to predicaments that might turn out very unsavory and very disagreeable. There are many countries in which the same privilege is given—a certificate issues to each member without his demanding it. If a member is not willing to use it, he need not do so ; but those desirous of using such a certificate have it at their disposal, and it is very useful, preventing misunderstanding. It is according to the law. I think therefore that such certificates should issue to members of this House. Let the other House care for itself. I had an idea that those certificates might, perhaps, more properly, issue from the Railway Commission. They have the authority to deal directly with the roads, and they could see that the certificates are delivered to us. It would simplify the matter, and it would, in my humble estimation, make it more practicable, and to all intents and purposes more desirable. This is merely a suggestion which I lay before the House.

Hon. Sir MACKENZIE BOWELL—I do not see how the securing of a certificate

would be any greater advantage, or put a traveller to less trouble, than a pass.

Hon. Mr. POIRIER—We have not a pass on all the railways. I do not care for a pass. I do not want it. I would rather have no pass, although I use it.

An hon. MEMBER—Some companies have not issued passes yet.

Hon. Sir MACKENZIE BOWELL—An hon. member says that some of the railways have not issued passes. It seems to me that the law imposes a duty on the railways to furnish free transportation, and it is their duty to do it. They do it by sending each member a pass. If they do not send the pass, I suppose it would be within the province of the member who is entitled, under this clause, to ask for it, I do not know that the law imposes the duty upon the railway company, to ascertain who the members are. Whose duty is it to furnish that information to the railway companies? But apart from that I think it would be rather undignified for us to pass such a resolution. I am fully in accord with the sentiments uttered by the hon. gentleman from St. John. The clause of the Act reads as follows:—

> The company shall furnish free transportation upon any of its trains, for members of the Senate and the House of Commons of Canada, with their baggage, &c.

By sending a pass to each senator, or to each member of the House, they do furnish the free transportation. It will be just as much trouble, whether that certificate was issued by the clerk of the Senate or by the Railway Commission, to take it out of your pocket as it would be to take out your pass. In Australia the railways are government railways, and the moment a man is elected to the legislature he is entitled to free transportation, and he is handed by some official, I do not know just now who, a small article like a little locket, which he attaches to his watch chain, or carries somewhere on his person, so that when he enters a railway carriage it is seen by the conductor, and that passes him. Of course, that privilege could be abused just as well as any other. The privilege of passes has been abused, and even this little locket could be handed to somebody else. A pass or a certificate could be handed to somebody else, but the person so misusing the pass, should be subjected to some penalty. It seems to me that the railway companies, so far as I have had any experience, have done all that they can do under the circumstances, and I should hope that after this discussion the hon. gentleman will not press the motion.

Hon. Mr. FERGUSON—My hon. friend the leader of the opposition says that the railway companies have done all that is required of them under the law. I contend that some of them have not done so. As an illustration of my meaning, I refer to the Grand Trunk Railway Company. We were formerly given a pass on the Grand Trunk Railway with some limitations. We received the usual passes at the beginning of this year. This Act came into operation after three or four months of the year had passed over, and then another pass was given, which conformed with the law respecting the right of using their railway; but in another respect it did not, because it carried on the back of it a condition which is not in accordance with the Act, and which should not be found on any pass furnished to a member of parliament. While other companies furnished passes at the beginning of the year, which complied with the requirements of the law, with the exception of this condition on the back, they have not withdrawn that condition. It remains in force, but the assumption is that at the beginning of the next year, they will furnish a pass that will not have this condition on the back of it. The Grand Trunk Railway—I mention it as one—substituted for a pass which only gave us the right on certain trains, a pass which gave us a right to use all their trains in Canada, but the substituted pass still contains the conditions on the back which I contend should not be there. The present condition is not entirely satisfactory in another respect. Some roads in Canada have never given free transportation to members. I refer to the Dominion Atlantic Railway in Nova Scotia, which has not furnished any pass or any document which would entitle members of parliament to pass on its lines.

Hon. Mr. MACDONALD (B.C.)—That is a provincial railway.

Hon. Mr. FERGUSON—No, it is not. It is a public railway, built almost entirely at the expense of the people of Canada. Now,

in order to bring about uniformity I think it would be the duty of the Railway Commission, which is carrying out this Act, to take this matter up, and issue such certificates to members of parliament as would carry them over all Canadian railways under the terms of the law. I hope my hon. friend will withdraw his motion.

Hon. Mr. CLORAN—Yes.

Hon. Mr. FERGUSON—Because it would be only a partial remedy, and would only apply to members of this House, and the Commons, would have to be considered in this matter. I think it would be much better if my hon. friend the Secretary of State would call the attention of the government to the matter, and cause the Railway Commission to issue passes which would carry members and senators over all railways. It would be very much more satisfactory to the officials of the railway and to members themselves than to be carrying about a dozen or so of passes and taking up the time of conductors searching for the right one, if a document could be furnished which would answer the purpose on all our railways. I hope my hon. friend will withdraw his motion; the remedy will properly come from the Railway Commission.

Hon. Mr. CLORAN—On the suggestion of the hon. gentleman from Marshfield I am only too happy to withdraw the motion, so long as the convenience of senators in travelling will be consulted. The hon. gentleman from Belleville says it makes no difference whether one has a certificate or a pass. It is not very convenient however to carry forty or fifty passes in your pocket, and the railway officials would prefer the certificate. If the hon. Secretary of State will call the attention of the Railway Commission to this matter and have it settled, I beg leave to withdraw my motion.

Hon. Mr. SCOTT—I do not feel that I can give any assurance to the House that the Railway Commission will consider it their duty to deal with the matter. In my judgment the law is perfectly plain. All railways which come under the provisions of the Railway Act are bound to carry members of parliament, and whether a member has a pass or certificate is a matter of no consequence whatever. Our laws are supposed to be known to everybody who is bound to obey them. The railway company would have no excuse whatever for demanding the production of a certificate or a pass. If a man says I am a member of parliament and the conductor insists on his paying, and puts him off the train if he refuses to pay, the courts of the country would award heavy damages.

Hon. Sir MACKENZIE BOWELL—They are not obliged to show passes.

Hon. Mr. LANDRY—The best way to overcome the difficulty would be if the clerk of the House would furnish a certificate of identification to be produced when necessary.

The motion was withdrawn.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

CONSIDERATION OF THE SEVENTH REPORT POSTPONED.

The Order of the Day being called:

Consideration of the seventh report of the Select Committee appointed to investigate the position of the Mutual Reserve Fund Life Association of New York.—(Hon. Mr. Cloran.)

Hon. Mr. CLORAN said: This order has been on the minutes since the 18th instant. The report, as the House is aware, relates principally to a decision which was rendered by the chairman of the committee, during the taking of the evidence and maintained by a majority of the committee, and which has been appealed from.

Hon. Mr. BEIQUE—I understood the other day that it was suggested by the hon. Secretary of State and the leader of the opposition that this matter be allowed to stand until the final report is brought in.

Hon. Mr. CLORAN—I have no objection.

The order was allowed to stand.

NATURALIZATION OF ALIENS ACT AMENDMENT BILL.

SECOND AND THIRD READINGS.

Hon. Mr. SCOTT moved the second reading of Bill (147) An Act to amend the Acts relating to Naturalization and Aliens.

He said: As I explained yesterday, this Bill relates simply to the question of the jurisdiction of the courts, giving a proper description to the court that is charged with

passing on the certificate. It affects only the court in Quebec. In Quebec, I notice, the manner in which it was described in the Act was: 'In Quebec to the Circuit Court in and for the district in which the alien resides.' It should have read 'In Quebec, to any Circuit Court within the territorial limits of the jurisdiction of which the alien resides.' In Manitoba, it read: 'In the Court of Queen's Bench, in the district in which the alien resides'; now it is proposed that it should be 'to the county court having jurisdiction where the alien resides.'

Hon. Sir MACKENZIE BOWELL—There are no circuit courts there.

Hon. Mr. SCOTT—It was thought simpler and easier to substitute the County Court for the Court of King's Bench.

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

The Bill then passed through its final stages under a suspension of the rules.

DELAYED RETURNS.

Hon. Mr. LANDRY—Has the hon. Secretary of State any news of that return relating to the Hudson Bay expedition—the names of the crew?

Hon. Mr. SCOTT—I sent it to the department that is charged with it, but they have not given the information.

Hon. Mr. LANDRY—Any news of Mr. Bryce?

Hon. Mr. SCOTT—No, he is not in town. I sent a messenger to ascertain and he cannot get any information of Mr. Bryce.

Hon. Mr. LANDRY—He is not lost?

Hon. Mr. SCOTT—I suppose not.

Hon. Sir MACKENZIE BOWELL—When may I expect that correspondence concerning the contract for the construction of ice-breakers, moved for some time ago?

Hon. Mr. SCOTT—I shall make further inquiry. I periodically make inquiry.

Hon. Sir MACKENZIE BOWELL—I shall very much like to have it before the end of the session.

Hon. Mr. SCOTT—They have always the excuse that they are overwhelmed with work. That is the excuse they give me.

THE PROROGATION.

Hon. Sir MACKENZIE BOWELL—Before the House adjourns, I desire to call the attention of the Secretary of State to a notice in the public press alleging that arrangements have been made for the prorogation of parliament for next Thursday. I should like to call the attention of the hon. gentleman to the fact that there are some Bills of an important character which have not yet reached this House. It may be the policy of the government and the opposition in the House of Commons to make arrangements for the prorogation of parliament without consulting the Secretary of State or this House. It seems to me if the measures which are before the House of Commons—among them is the Militia Bill, and I think one or two other important measures—were passed in the House of Commons and sent to the Senate, the House of Commons could proceed with the estimates and the Supply Bill while the other measures were under consideration here. We can discuss the Supply Bill here but we cannot amend it. The practice has been when the Supply Bill comes up to pass it after a very brief discussion. The opposition sometimes discuss the merits of the Supply Bill so far as the expenditure is concerned, but beyond that they never go, and the Bill passes through its three stages in about one-half hour, sometimes less. If we could have all the other Bills except the Supply Bill so that we could take ample time to consider them, it would facilitate business. It is just possible that if the government continue their present manner of conducting business in the House of Commons we shall have to take the Militia Bill, and other important measures and pass them without discussion in order that parliament may be prorogued when the Supply Bill is passed. I think it would be the duty of senators to consider these important measures upon their merits. In the past the Senate in its wisdom has made very important changes in such Bills. As evidence that sufficient attention has not been given to legislation at all times, I may point out that some two or three Bills passed this year have been amended by other Bills passed later in the session. If proper attention had been given to those Bills this might not have occurred. If these important Bills,

which I have called attention to, come down at the very last moment, we must either pass them without consideration or delay prorogation. If senators would take my advice and keep the House of Commons two or three days—place them in the same position that they have placed us—that is let them remain two or three days doing nothing while we are considering important measures, The sooner the Senate assert its rights in that respect, the sooner it will teach the government—no matter what government is in power—to send us important measures in time. I make the suggestion in order that no friction of the character that I have described may occur this session or in the future.

Hon. Mr. SCOTT—I quite concur in the language of the hon. gentleman. For eighteen years, while I occupied the position which he occupies now, I had been in the habit of making a somewhat similar speech.

Hon. Sir MACKENZIE BOWELL—But not so pertinent.

Hon. Mr. SCOTT—If my hon. friend will look back, he will find that the Senate has been treated better the last two or three sessions than it was in former years. If I were to turn up the record, I could show that forty or fifty Bills have been sent to us a few hours before prorogation. The House of Commons hang on to a few Bills, because some gentlemen are not ready with their estimates, and they want to keep a few Bills there. I have impressed on my colleagues how much better it would be to send Bills earlier to the Senate, and this session they have nearly all been sent up. With the exception of the Militia Bill, those that remain are not important, and I hope that the Militia Bill will come to-morrow. So far as the prorogation is concerned, I am not in the confidence of the opposition on that point, nor am I aware that the government have expressed any opinion as to the time. They are not masters of the situation as far as prorogation is concerned, as my hon. friend very well knows; but there is a feeling generally in the House or Commons that the time has come to wind up the business of the session. No particular advantage is to be gained by continuing debates on subjects which will be more interesting at a future day before the electors. It will not change any votes in the House of Commons, and therefore the debates do not amount to much except as literature for the elections. We all hope that the session will terminate some day next week.

Hon. Mr. LANDRY—Has the Militia Bill passed the House of Commons?

Hon. Mr. SCOTT—I do not know. It was in the last stages this morning.

Hon. Mr. LANDRY—Now that Lord Dundonald has gone, it might go through.

Hon. Mr. FERGUSON—We have heard of persons making a statement so often that they have come to believe it themselves. My hon. friend, having made this speech eighteen times, we will assume that he has got very sincere about it, and he will give all credit for sincerity to the leader of the opposition when he goes on making the same old speech. If my memory serves me right, the Militia Bill was reprinted as it passed the Committee of the Whole in the House of Commons more than a week ago.

Hon. Mr. SCOTT—I know it was reprinted after the committee stage.

Hon. Mr. FERGUSON—I received a copy of it in Prince Edward Island last week, in the form in which it was reported from the Committee of the Whole. It seems strange that so important and voluminous a Bill should be held up in that way. It has been printed more than a week, and still it has not been sent to us.

The Senate adjourned until to-morrow.

THE SENATE.

Ottawa, Friday, July 29, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

INSURANCE ACT AMENDMENT BILL.

REPORTED FROM COMMITTEE.

Hon. MACKENZIE BOWELL, from the Committee on Banking and Commerce, presented their report as follows:—

The Senate,
Committee Room No. 2,
Friday, 29th July, 1904.

The Committee on Banking and Commerce beg leave to report as follows:—

By Order of your Honourable House, made 8th June, 1904, the Bill (H) then intituled:

'An Act further to amend the Insurance Act,' and subsequently passed by the Senate as 'An Act respecting the Canadian Assessment-policyholders in the Mutual Reserve Life Assurance Company,' was referred to this Committee.

In pursuance of the Order of reference your Committee referred the Bill to a Sub-Committee, with instruction to confer with the Insurance Department, with an actuary to be named by the Canadian Life Insurance Officers' Association, and with an actuary to be named by the Mutual Reserve Fund Life Association of New York.

The Superintendent of Insurance, whose services were placed at the disposal of the Sub-Committee by the Department of Finance, Mr. T. Bradshaw, an actuary representing the Canadian Life Officers' Association, and Mr. George D. Eldridge, an actuary representing the Mutual Reserve Fund Life Association, prepared for the Sub-Committee a redraft of the Bill.

Your Committee recommend that Mr. Bradshaw's travelling expenses incurred in connection with the services rendered by him, amounting to $18.75, be paid him.

All which is respectfully submitted.

MACKENZIE BOWELL,
Acting Chairman.

He said: I move concurrence in the report. The only charge made by the actuary representing the actuarial association of the Dominion is his expenses in coming from Toronto to Ottawa and remaining here and assisting in framing the amendments to Bill (H) which was subsequently submitted to this House and passed. It is a very small amount. Under ordinary circumstances gentlemen who render services of an expert nature are paid a fee, but in this case all he asks is his expenses.

The motion was agreed to.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

9th REPORT OF COMMITTEE PRESENTED.

Hon. Mr. CLORAN—On behalf of the committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York, I beg leave to submit their ninth report. This report includes the copies of the evidence, together with all documents and a copy of the minutes and proceedings of your committee. It has been suggested to me that the chief headings might be read without the references.

Hon. Mr. YOUNG—That would give us no idea of the contents.

The SPEAKER—What motion does the hon. gentleman propose to make with respect to this report?

Hon. Sir MACKENZIE BOWELL.

Hon. Mr. CLORAN—I propose to move that the report be taken into consideration on Monday or Tuesday next. If the report is considered as read, we can take it up on Tuesday. I move that the ninth and final report of this committee be taken into consideration on Tuesday next, and that it be put as the first order of the day.

The SPEAKER—After third readings.

Hon. Mr. SCOTT—I think we cannot give it precedence, because there will be Bills coming down from the other House which must have precedence. However, it will not make any difference.

Hon. Mr. YOUNG—I want to call the attention of the House to the position of this question, and to raise a point of order. If I understand the matter aright, it purports to be a report of a committee meeting held last evening which is now presented to the House. We have also a report of the evidence taken before the committee, circulated in pamphlet form, before the House, known as No. 8 of the 22nd July, a preceding meeting, in which there appears a resolution passed by the committee, and carried, that the committee rise and report the evidence to the House. That was carried; consequently the House had a right to expect that the chairman of that committee would have made that report. In making that motion, apparently, from the circustances which surrounded it, it was the intention and so understood by the committee that it was its final meeting, and inasmuch as the practice appears to bear out that contention, that when a committee rises and reports it terminates its existence by so doing. Apparently there was another meeting held last night for further consideration, and for further procedure in the committee, and the point that I wish to have established by the hon. Speaker is this: whether this meeting last night could be properly held, inasmuch as the committee had risen and reported the evidence and terminated their labours and ceased to exist after the last meeting. I think there can be no question that the order of reference only included the reporting to the House of the evidence. But that is a matter which can be discussed under another point of order. What I wish now to have a decision upon is, whether the committee terminated

its existence upon the meeting of the 22nd. inasmuch as that was the clear intention. It was the clear understanding with the members of the committee that their work was finished, and they were making their final report in view of circumstances which surrounded the meeting on that date, and I think I am within the strict facts when I state, and hon. gentlemen who were in the room at that meeting will bear me out in stating that that was the intention, that was the decision and that was the clear understanding arrived at when that motion was carried, that the work of the committee was finished. Now we have an end of the report, and I ask the ruling of the Speaker on that point.

Hon. Mr. MACDONALD (B.C.)—The committee was a special committee, and was not discharged by this House, and therefore it still stands as a committee.

Hon. Mr. YOUNG—No motion is made for the discharge of a committee.

Hon. Mr. MACDONALD (B.C.)—The functions of this committee have not ceased.

Hon. Mr. YOUNG—A committee ceases to exist when it reports, according to the practice in other Houses. Of course I am not speaking of our standing committees, because our standing committees last as long as the House is in session. I am speaking now of a select committee whose authority and power extend only to hear evidence and report it to the House. The report of the committee, I contend, has not reached the House because, although the chairman was ordered by the committee to report, so far as I have been able to notice he had not carried out that order, and a subsequent meeting was held, the report of which is presented to-day. The other one has not been presented as far as I have been able to observe by the proceedings of the House.

Hon. Mr. CLORAN—Will the hon. gentleman point out where I was ordered to report and did not make a report ? The hon. gentleman should have the records under his eye before making a statement.

Hon. Mr. YOUNG—A chairman presides over a committee, and if the committee pass a resolution ordering him to report to the House it is his duty to carry out the instructions of his committee. He owes that to his committee in the first place. He owes it to the House to place them in possession of whatever matter the committee have decided to report. It is not very often we have such an instance as this, I am glad to say ; still when these instances arise we have to deal with them, and if my hon. friend had done his duty, as in my humble judgment he should have done, he would have made his report to the House as he was ordered by his committee to do, and as it was his plain duty to do. Yesterday there was some suggestion that the record was not correct. I obtained a certified copy of the minutes which, for the benefit of the House, I shall read to show that the statement I have made is correct. It was moved by the Hon. Mr. Landry that 'this committee rise and report the evidence to the House'—not an adjournment but that the committee rise, the usual motion which is made in our Committee of the Whole or any other committee in which they have arrived at a termination of their duties. A committee is bound by its order of reference. Evidently the committee had come to the conclusion that they had completed their work under their order of reference, and Senator Landry moved that the committee rise and report the evidence to the Senate.

Hon. Mr. FERGUSON—Is my hon. friend reading from the official minutes of the committee ?

Hon. Mr. YOUNG—Exactly.

Hon. Mr. FERGUSON—By its clerk ?

Hon. Mr. YOUNG—I am reading a copy of the official minutes of the committee, certified by the clerk. To this motion an amendment was moved by the hon. member from de Salaberry, but his amendment was lost. The main motion was carried, and therefore the report should have been made to the House in accordance with the order of the committee. My hon. friend points out that it may be made now, but they held a subsequent meeting, which is contrary to the rules of procedure. The committee had no more right to hold that meeting than any other group of members.

Hon. Mr. LANDRY—What is the point of order ?

Hon. Mr. YOUNG—I stated it at the beginning.

Hon. Mr. LANDRY—What does the hon. gentleman want to have decided ?

Hon. Mr. YOUNG—I shall state it again. I want the ruling of the chair as to whether this committee was in existence last night ? Having risen and reported and completed their labours on the 22nd of this month they had, therefore, no further duties to perform, they being a select committee within an order of reference of this House, and the order of reference only authorized them to report the evidence. Having done so and completed the taking of the evidence, then their duties ceased. They themselves acknowledged by the discussion before the committee, and by the motions that were carried, that they considered their duties were ended.

The SPEAKER—I wish to catch the exact point which the hon. gentleman from Killarney makes; is it that this document is not the report of the committee, and consequently is not before the House ?

Hon. Mr. LANDRY—I desire to answer the observations made by the hon. member from Killarney. The hon. gentleman wanted the Speaker to first declare that the meeting held yesterday was irregular, and that at the last and final meeting the committee had no right to frame a report and submit it to the House. He says, first it was a select committee, and select committees have no right to report except under the order of reference. Well, what is the order of reference ? It is :

That a select committee of five be appointed to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, with power to send for papers, persons, telegrams, and records, to employ clerical services, and with leave to report from time to time.

Hon. Mr. YOUNG—But not to eternity.

Hon. Mr. LANDRY—No, from time to time. The select committee has power to report from time to time—that is the first point. The hon. gentleman will admit that the rules governing select committees in England are the same as those which govern here; if there is no special rule in this House, the practice of the British House of Lords is to be followed. What is the practice ? I quote from May, page 394 :

Select committees formerly had no power to report either their opinion or the minutes of evidence taken before them without leave given by an order of the House, but by the standing order No. 75, committees empowered to send for persons, papers and records—

That is the case with this committee.

—can report their opinions and observations together with the minutes of evidence to the House, and also a special report of matters which they think fit to bring to the notice of the House.

I think that settles the question entirely.

Hon. Mr. YOUNG—My hon. friend has misunderstood me. The question of the nature of the report I have not raised. I desire to present only one point of order at a time. I think it is more regular to get a decision on that, and then on the other point of order which my hon. friend is discussing now, as to whether the committee have power under the order of reference to present opinions to the House, will be discussed at a later date.

Hon. Mr. LANDRY—I am not discussing that point. I am discussing the point raised by the hon. gentleman; but I want to show what the principles are. We know now by the rules of the House of Lords that a committee which has been empowered to send for persons, papers, and records has the power to express an opinion. We did not go so far. We have the power to report from time to time. With the reference that I have read, empowering the committee to report from time to time, does he claim that one report will be final, and another will not ? It is only the final report of the committee which puts an end to it. It is not a motion to adjourn or to report a certain portion or all of the evidence, it is the final report that puts an end to it. May goes on to say :

If a committee, at the conclusion of their inquiry, make a final report to the House, the sittings of the committee, are assumed to have been closed.

That is, when the final report is presented they are assumed to be closed. The hon. gentleman quoted No. 8 of the evidence. What does it say and what do the minutes say on that point.

The committee divided on the amendment proposed (by my hon. friend from de Salaberry), which was lost on the following division, contents 3, non-contents 7.

And it goes on to say :

The motion to adjourn was carried on the same division reversed.

Hon. Mr. FERGUSON—Is the hon. gentleman reading from the minutes of the proceedings or from the report of the evidence?

Hon. Mr. LANDRY—I am reading from the report of the evidence

Hon. Mr. FERGUSON—The hon. gentleman from Killarney is reading from the minutes of the committee.

Hon. Mr. LANDRY—If the contention of the hon. gentleman is sound, he cannot sustain it by reading from something which he claims is not before the House in a regular way.

Hon. Mr. BEIQUE—I would suggest that the hon. member from Killarney should raise the two points he has mentioned, because they are connected together.

Hon. Mr. LANDRY—There is a new procedure. Let the hon. gentleman go on with the first point; if it is not sustained he can try another afterwards; but to raise the two points at once would throw the first one in the shade. Let the Speaker decide the first point. I say the committee had a right to sit yesterday, because it had not made its final report. If a final report was made where is it? The only one that can be pointed to is the report presented to-day, and, therefore, it cannot be said that the committee ceased to exist until the report presented to-day was made. The committee therefore existed yesterday, and what right would my hon. friend have to claim another point of order on the existence of a report when he took part in the committee himself, proposed motions, and voted last evening. He is called on here to-day, to sustain a point of order which claims that the committee, whose meeting he attended yesterday, was not in existence. If it is decided that there is no report, let the hon. member show us the final report of the committee.

Hon. Mr. CLORAN—As chairman of the committee I should be allowed to put the facts before the House and before the Speaker, whose judgment is invoked, and I think they will come with more force from a member of the committee than from one who is not a member of it, as I was obliged to remain there constantly and am thoroughly conversant with every incident which took place. The minutes, as originally drafted, and the report in No. 8, as printed, as I have stated on two or three occasions, are deemed correct; the statement in No. 8, that is the last number of the printed copy is not correct, according to the stenographer's notes. I made it my business to ask him to read his notes, and he found that they were to this effect, that the Hon. Mr. Landry made a motion to rise and report.

Hon. Mr. YOUNG—And report the evidence.

Hon. Mr. CLORAN—In the printed report the words 'The evidence' are added, but in his shorthand book those words do not appear. There is not the slightest doubt that when the taking of the evidence was finished, the hon. senator from Stadacona rose and moved that this commitee do now rise and report the evidence. That was his motion, and I said immediately 'If you make that motion it will prevent the committee from concluding its labours.'

While this discussion was going on between the chairman and the hon. member from Stadacona the Hon. Mr. Beique rose and proposed an amendment. The amendment was lost by seven to three, I believe. Then the main motion was put by me as follows: 'that this committee do now rise and report' and put so with the consent of the mover. These are the facts and these facts were not related originally in the minutes kept by the clerk, because he had no time to take them down in long hand. The minutes were made up after the committee had adjourned, and these are the facts. Now I am very much surprised that the hon. gentleman from Killarney, an old parliamentarian, a man knowing all the rules of discussion and the forms of procedure, should allege before this House that I was ordered by the committee to make a report. I was not ordered. The committee passed a motion to rise and report. It was in my judgment when to make the report. I could not make the report in a minute. I could not make it within ten hours, and only for the hard work that we have been doing for the past forty-eight hours I would not be able to report to-day, and I cannot understand why the hon. senator from Killarney should call upon the chairman of the committee to report, and hopes it will never happen again on evidence covering a thousand pages. We have

put in a good deal of work in going over all that evidence and getting a report ready within a few days, and I was perfectly within my rights, as chairman of that committee, not to undertake to put before this honourable House any conclusions the committee would come to, or any form that the evidence might be in, or the minutes of that proceeding, without consulting my colleagues, and when the committee, on the 22nd July, moved to rise and report, I thought it was my duty to do so under their surveillance, and after they had considered what was to be the report ; so that the hon. senator from Killarney is asking the Speaker to rule on a point which is against common sense. The point is not well taken. There can be no question as to the existence of that committee until it has made its final report. If the committee became functus officio on the 22nd July, as the hon. gentleman contends ; if the committee then ceased to exist and had no further powers, did not the chairman share the demise of that committee ? Did he not become extinct, and if I became extinct how could I present a report from a committee that was extinct ? It does not stand to reason in the light of argument and justice. This committee has been hard at work for the past two months. We have a pile of evidence before this House that we cannot allow to be thrown out on a technicality, on a quibble, even if the hon. senator was right.

Hon. Mr. YOUNG—I have no desire to throw out the evidence at all. The evidence has been distributed right along.

Hon. Mr. CLORAN—I go further : I say that the country would not stand that this honourable Senate should, on a quibble even if it were technically right—and I do not admit that it is right—allow this committee to disband without producing before this honourable House the results of its work. The report of the committee is on the table of the House to-day, and not a word was said against it by any hon. member of the committee last night. It is true that a formal protest was entered by the hon. gentleman from De Salaberry that the committee had no right to sit. He evidently shares the opinion of the hon. senator from Killarney. Whether the hon. senator from Killarney has changed his ideas or not I do not know, but that is all which was done last night and why the efforts of nineteen members sitting in committee day and night, in the public interests, should be hampered, is really more than I can understand. I have absolutely no personal interest in the matter. We have been standing by the people's rights in this investigation, and the evidence will show that the work of the committee has not been without useful results. The evidence will show that a lesson has been taught to companies of this kind, how to administer the funds and the money, entrusted to them by policy-holders, and under these circumstances I hold that if the hon. Speaker is going to give a decision in the matter, he should take into consideration the facts as they transpired, the work of this committee, and also the fact that the committee is not dead, simply because on Friday night, the 22nd July, an hon. member rose and made a motion to rise and report. The committee will be dead when the report on the table is accepted or rejected by this honourable House.

Hon. Mr. YOUNG—Possibly, inasmuch as both points are being discussed and they cannot seemingly be separated, it may be just as well to bring both points of order before the House and the Speaker will deal with them as in his judgment he sees fit. The additional point of order which I desire to raise is that the committee——

Hon. Mr. MACDONALD (B.C.)—Take one point of order at a time.

Hon. Mr. YOUNG—They are interlaced so that I find it is necessary for the information of the Speaker and the House to raise the other point and the Speaker will decide them in the order he deems best. The other point of order I wish to raise—

Hon. Mr. LANDRY—The hon. gentleman is out of order. The point of order has been raised, and the Speaker's decision should be given before the hon. gentleman deals with a second point.

Hon. Mr. YOUNG—Possibly they may both be included in the one decision.

Hon. Mr. LANDRY—The hon. gentleman forces me to raise another point of order. He has no right to speak twice.

Hon. Mr. YOUNG—I have seen the hon. gentleman raise three or four points of order

in succession, and not one decision given, but in this case the circumstances surrounding the whole matter as so interlaced that it would be seemingly only fair to the House that both points should be explained so that a decision could be arrived at more clearly and fairly. The other point was that, under the order of reference, the committee in question had no other authority than to present the evidence, taken before them under oath to the House without finding of any kind; and without taking up any time more than is necessary I refer to the motion which—

Hon. Mr. LANDRY—I raise another point of order. That attacks the report which is to be considered on Tuesday next. It cannot come up now. It is premature.

Hon. Mr. YOUNG—I shall accept the hon. gentleman's argument right now.

Hon. Mr. DOMVILLE—Can these two motions be made at the same time?

Hon. Mr. YOUNG—They are not motions.

Hon. Mr. DOMVILLE—The hon. gentleman cannot cough all the time. The question has been brought before the chair, and I want the ruling of the chair on the question, whether he can raise two points at once ?

Hon. Mr. YOUNG—I want a ruling, and I want to give the Speaker an opportunity of ruling in as fair and intelligent a manner as possible.

Hon. Mr. CLORAN—If the point of order is well taken, he will decide that way.

Hon. Mr. YOUNG—The order of reference of this committee —

Hon. Mr. LANDRY—The hon. gentleman has no right to raise a point of order on a question that is not before the House at all.

The SPEAKER—Although the course which the hon. gentleman from Killarney is now proposing to take is more convenient ; strictly speaking, I think the hon. gentleman having raised one point of order should let the other wait until that is decided.

Hon. Mr. BEIQUE—I desire to call the attention of the House, not to what passed in the committee, as the hon. member from Victoria Division has stated, because we might not agree in the statement that he makes nor in the statement that I would make, but to call attention to the proceedings of the committee as they have been laid on the table by the hon. member.

Hon. Mr. MACDONALD (B.C.)—The question before the chair is whether this committee is alive or dead.

Hon. Mr. BEIQUE—I am speaking to the point of order.

Hon. Mr. MACDONALD (B.C.)—Never mind the report of the committee.

Hon. Mr. BEIQUE—The point of order was raised by reason of the motion which is made. The motion is that the report be taken into consideration on Tuesday next. The point of order is raised that because this report, which is moved to be taken into consideration on Tuesday next, is a report made by a committee which had no existence yesterday, and therefore had no power to make the report which is now the object of the question of order. To deal intelligently with that question, it is necessary to read the minutes of the previous meeting, the minutes of the 22nd July as they appear from the proceedings which have been placed on the table by the hon. chairman of the committee.

Hon. Mr. LANDRY—If the hon. gentleman reads those minutes, he must admit that the committee is alive. If the committee is dead he has no right to read those minutes.

Hon. Mr. BEIQUE—Of course if it is taken as read, I shall not read it.

Hon. Mr. LANDRY—No, but it is an argument against the hon. gentleman.

Hon. Mr. BEIQUE—The point is not raised that the committee was dead on the 22nd July.

Hon. Mr. CLORAN—That is the motion. That is the point of order raised by the hon. gentleman from Killarney.

Hon. Mr. YOUNG—No, the hon. gentleman misunderstood me altogether. The committee was alive on the 22nd, but was dead last night.

Hon. Mr. CLORAN—That they died when they made the motion ?

Hon. Mr. LANDRY—That report was made last night.

Hon. Mr. BEIQUE—The report which is placed upon the table of the House is a report to which is attached a report of the proceedings of the 22nd July, and it is by reason of the proceedings of the 22nd July that the hon. member raises the point that the committee ceased to exist on the 22nd July, and, therefore, that the report as to its proceedings had last night should not be taken into consideration at all.

Hon. Mr. MACDONALD (B.C.)—Leave it just there now.

Hon. Mr. BEIQUE—I am taking the point of order into consideration, and it is necessary to discuss the point of order to ascertain whether it should be sustained or not, and if the point of order is sustained then it will be held that the proceedings of last night were absolutely null. If, on the other hand, the point of order is overruled, it will be held that the proceedings were legal and therefore that the last report is a report which can be received before the House and considered. Therefore the point of order, as I understand it, is based on the resolution which was passed at the meeting of the 22nd July, and it is this resolution which was moved by the Hon. Mr. Landry that the committee rise and report the evidence to the Senate.

Hon. Mr. DOMVILLE—No.

Hon. Mr. WATSON—Yes.

Hon. Mr. CLORAN—That is all right.

Hon. Mr. LANDRY—For argument sake let him say it.

Hon. Mr. BEIQUE—Am I to understand that the hon. gentleman is denying the proceedings from which I am reading ?

Hon. Mr. CLORAN—That statement is not correct. I was chairman of the committee, and authorized the clerk to correct his clerical errors. The motion made by the hon. gentleman as recorded was that the committee rise and report the evidence, so that that report is not correct, and I told the clerk to correct his clerical error.

Hon. Mr. SCOTT—I appeal to the House not to suppress the discussion, because hon. gentlemen who are listening to the debate desire to know the facts. Every hon. gentleman should be permitted to make his own statement, and it is unseemly to interrupt whoever is speaking.

Hon. Mr. BEIQUE—I say it appears from the minutes—and the minutes are in accordance to the facts—that it was moved by the hon. gentleman from Stadacona that the committee rise and report the evidence to the Senate, and it was moved by the Hon. Senator Béique that before the committee report the evidence Messrs. Cannon and Cameron be heard in reference to the charge published in 'Part 1' of the evidence taken before this committee, the two witnesses being in attendance. The question being put upon the amendment, the committee divided thereon : Yeas, 3 ; Nays, 7. So it was resolved in the negative. The question being put on the main motion of the Hon. Mr. Landry which was on the same division reversed, resolved in the affirmative, and then the clerk has added 'the committee then adjourned.'

Hon. Mr. LANDRY—Hear, hear.

Hon. Mr. BEIQUE—It is no motion at all. It is the equivalent of rising. There was a motion which was carried, the main motion that the committee rise and report the evidence to the Senate, and the point of order which is raised is that it had the effect of dissolving the committee.

Hon. Mr. LANDRY—It cannot have that effect.

Hon. Mr. BEIQUE—I shall cite May at page 394. It is a page to which the hon. gentleman has made reference but it is not the same portion. May is dealing with select committees and he says :—

When the evidence has been concluded, the chairman prepares resolutions, or a draft report, which it is customary to print and circulate among the members, before they are considered. Resolutions are open to discussion and amendment, subject to the same rules as in Committee of the Whole House. No resolution or amendment may be proposed, which is not within the order of reference ;

and the chairman will decline to put it from the chair. When a resolution has been agreed to, the committee are unable to review and amend it.

Hon. Mr. LANDRY—Hear, hear.

Hon. Mr. BEIQUE—The resolution agreed to was that the committee rise and report the evidence. A select committee whether it is a select committee or otherwise, unless there are special rules to the contrary, is to be treated as a committee of the House. There is a special rule which says that in the absence of any other rule, the rules governing the House are to apply. It is an elementary rule that when the House sits as a committee of the whole if a motion is made and a resolution is adopted that the committee rise it dissolves the committee, and to prevent a dissolution of the committee it is necessary that these words be added. 'And ask leave to sit again.' Here we have to deal with a select committee; but applying the same rules which govern a committee of the whole, the moment that the committee decides that the committee rise that dissolves the committee, and to prevent a dissolution of the committee it is necessary that those words be added 'And ask leave to sit again.' Here we have to deal with a select committee; but applying the same rule as the rule which governs a committee of the whole, the moment that the committee decided that they rise and report the evidence, I say it was a finality which was, in the terms of May, not subject to be reviewed impliedly or expressly by the committee. It became a finality and it dissolved the committee. That is the procedure. It is on the page from which the hon. gentleman from Stadacona has read, 295, and reads as follows :—

It is the custom not to report the evidence until the inquiry has been completed, and the report is ready to be presented.

The committee could have made a special report, but it will not be argued that the committee was bound to make a special report. I mean by special report a report containing findings; whether it is a report that contains findings or not it is the report of the committee; and instead of deciding that the report would contain findings the committee decided, on the 22nd, that its report should simply consist in reporting the evidence. That is the resolution which was made by the hon. gentleman from Stadacona; and it is the resolution which was adopted by the committee, and I say, under the authority of May, and under the authority of the general rules of this honourable House that this had the effect of dissolving the committee, and that it was not susceptible of being revived expressly or impliedly, and that the committee had no right to sit again, as the committee attempted to do last night. Therefore, the question of order was well taken when the hon. gentleman moved that the report of the proceedings of last night be taken into consideration, it appearing that the committee sat without any power at all, and without any jurisdiction, the point of order should be maintained.

Hon. Mr. McMULLEN—I am rather surprised at the view taken by my hon. friend from de Salaberry. I must express my amazement, because in all the committees of parliament that I have ever sat on, it is the customary resolution, that the committee rise and report. It is often done. It is usual to do it. Now, is the mere technical expression of the member that moves a resolution going to dissolve the committee ? That committee is a committee of this House, and I hold that that committee is in full possession of the powers conferred upon it until it has finally reported to the House, and the House has adopted or rejected that report, and by so doing relieved the committee from further duty. I think that is a proper view to take ; but, admitting that the contention of my hon. friend is correct, he holds to the words that the committee rise and report the evidence as being the resolution adopted. There was no evidence taken at the subsequent meeting. What was done at the subsequent meeting was simply that a synopsis of the evidence was submitted for the committee's approval, carrying out virtually the command of the previous meeting. The committee was ordered to rise and report the evidence. The clerk of the committee prepared a short, concise synopsis of the evidence presented, and that was presented for the adoption of the committee, and nothing more.

Hon. Mr. WATSON—Does the hon. gentleman say that the clerk prepared the synopsis ?

Hon. Mr. McMULLEN—It was prepared. I do not know who prepared it

Hon. Mr. CLORAN—It would take him two weeks to do it.

Hon. Mr. McMULLEN—That was prepared, and submitted by the chairman for adoption by the committee. That is all. Nobody was put on oath ; no evidence offered on either side. It was simply adopting the report that was prepared. I hold that it would be a very strained opinion to hold that once a committee had passed a resolution to report, that they were precluded from adopting their own report. That is what they met for last night. That was the very object of their meeting—to adopt their own report. It would be a strange thing if a committee, by a simple technical resolution, was precluded from adopting its own report. If they had reopened the whole matter and taken more evidence, after it was understood by the members of the committee that their duties were closed, it would be a different thing ; but it was simply adopting the report that was prepared. No evidence was taken and nothing more was done.

Hon. Mr. WATSON—I, as one member of that committee, took exception to the committee sitting last night, inasmuch as I understood, along with other hon. gentlemen of that committee—and I think I am safe in saying that the chairman of that committee expressed the idea to me, that the proceedings were closed on the 22nd.

Hon. Mr. CLORAN—As far as the evidence was concerned—nothing more.

Hon. Mr. WATSON—I hold in my hand a certified copy of the minutes of the proceedings of that meeting on the 22nd, certified by the clerk, Mr. Young, and I am rather surprised that the chairman of that committee, who has practically placed the same report on the table, repudiates the report and says it is not correct. I have a recollection of how that motion was put, and I have a recollection of asking the secretary if he had that motion down correctly. He picked it up and read it, and we voted on it. The amendment was lost and the motion was carried on the same division, that the committee rise and report the evidence. Now as an evidence that the committee was not expected to make any finding on the evidence, I shall quote what has been said in this House by the chairman, because this matter was discussed in this chamber on a previous occasion, and the chairman, notwithstanding what he says to-day, made use of the following language at page 330 :

> The sole duty of the committee is to ascertain the facts, to ascertain the position of that company in Canada, and find out what they have done with the money paid to them by the Canadian policy-holders. That is our duty in relation to it.

Hon. Mr. CLORAN—Hear, hear.

Hon. Mr. WATSON—The hon. gentleman further says :

> The committee of investigation are simply there to ascertain facts, and when they have ascertained them, they will report to this honourable House, and the Senate will take the course that ought to be taken.

That was the hon. gentleman's opinion.

Hon. Mr. CLORAN—Exactly.

Hon. Mr. WATSON—Then I find the chairman of the committee, at page 352 of the Debates, making the following statement :—

> This committee was appointed for one sole purpose, simply to hear evidence on both sides and report the facts to the Senate. Does the hon. gentleman think, young and inexperienced as I am, that I would undertake to organize or be chairman of a committee called upon to frame a law ? Not at all. But I was quite capable of presiding over a committee appointed to hear evidence and report it. All I want is ears ; I do not want much brains to do that. The committee do not need to be experts or actuaries or presidents of railroads to report evidence. They have simply to sit there and call witnesses, and when the facts are placed before the committee to report them to the House.

Hon. Mr. CLORAN—Report to the House.

Hon. Mr. WATSON—That was the hon. gentleman's idea.

Hon. Mr. LANDRY—What were his words?

Hon. Mr. WATSON—When it was claimed that the committee who had pronounced themselves strongly on one side were not fair judges to hear the evidence, the hon. gentleman from Rothesay said :—

> Hon. Mr. DOMVILLE—Judge of what ? We are to report evidence.

Hon. Mr. LANDRY—Not simply to report.

Hon. Mr. WATSON—I know nothing of how that report was prepared. It seemed

to me, on reading it, and any other gentleman who has an opportunity of reading it will come to the conclusion I did, that it is a report prepared on the evidence of one side, by the prosecuting counsel.

Hon. Mr. LANDRY—I rise to a question of order. The hon. gentleman must confine himself to the point of order.

Hon. Mr. DOMVILLE—It may not be refined language, but it is plain.

Hon. Mr. WATSON—A person should be plain and refined in discussing these questions.

Hon. Mr. DOMVILLE—Under circumstances, I would not expect anything else.

Hon. Mr. WATSON—Under circumstances, I would have expected the hon. gentleman from Rothesay to have been very delicate about bringing this matter before the House, because when the time comes to discuss this evidence, probably we should bring out matters that ought to be worthy of discussion and which were not elicited before that committee and not discussed there, that will show the reasons why this insurance company is in as bad odor in Canada as it is to-day. I am not going to discuss that now.

Hon. Mr. LANDRY—I ask the hon. gentleman to confine himself to the point of order.

Hon. Mr. WATSON—I will. But the hon. gentleman must keep his friend quiet, and not have him interrupting.

Hon. Mr. DOMVILLE—Oh, I am able to take care of myself.

Hon. Mr. WATSON—I consider that while the chairman has a perfect right to move the adoption of the report of the evidence, which he should have done at an earlier date, as directed by the committee, he has no right to say that we should adopt the finding of that committee, on the evidence, as submitted to us now.

Hon. Mr. WILSON—It strikes me that it is hardly reasonable that my hon. friend should talk in the manner in which he did. What are the facts? Were they or were they not cognizant beforehand that that committee had an existence; that its functions had not ceased? And where do we find those hon. gentlemen last night? Not only at the committee, but taking part in the committee, voting upon various matters coming before the committee. If the committee had no existence why were they there? They knew full well that that committee was not dissolved.

Hon. Mr. WATSON—The hon. gentleman knows very well that the Hon. Mr. Béique, the Hon. Sir Alphonse Pelletier and myself protested, and are on record as having protested.

Hon. Mr. LANDRY—And voted.

Hon. Mr. WILSON—They protested against what appeared to them, and what they knew to be the decision of that committee—to report the evidence. The committee have reported the evidence, and that is the report before the House. I contend, therefore, that the hon. gentlemen who attended that meeting last night had no right to speak and vote if they believed the committee was dissolved. By speaking and voting they recognized that the committee had an existence, and I say the report presented to-day is the proper document, that is the report on the evidence taken—and is therefore in order.

Hon. Mr. DOMVILLE—This is a matter of veracity between two hon. gentlemen and the remainder of the committee. I know, and other members of the committee know, that the motion which was made was to rise and report. The words 'the evidence' were not used and were not understood to have been used except by my hon. friend, who has got a certificate from the clerk of the committee to that effect.

Hon. Mr. WATSON—Does the hon. gentleman say that the secretary falsified the report?

Hon. Mr. DOMVILLE—I ask the Speaker to keep the hon. gentleman from interrupting.

Hon. Mr. YOUNG—What about the chairman's report?

Hon. Mr. CLORAN—I have stated on behalf of the committee——

Hon. Mr. WATSON—Order.

Hon. Mr. DOMVILLE—The chairman's report is in now.

Hon. Mr. YOUNG—He says that the report is wrong.

Hon. Mr. CLORAN—There is a mistake in the report, which the clerk was instructed to correct, but he has not done so.

Hon. Mr. DOMVILLE—Why should a technicality have so many people advocating it when the committee is asked to submit its report ? I make every allowance for the hon. gentleman ; he threatens me that the time will come when they will have something to say to me.

Hon. Mr. WATSON—I did not say anything about you.

Hon. Mr. DOMVILLE—The hon. gentleman spoke of the senator from Rothesay.

Hon. Mr. WATSON—Yes. The hon. gentleman introduced a new subject, and I said when the time came to discuss that I would have something to say.

Hon. Mr. DOMVILLE—If the hon. gentleman has anything to say he must have got it from somebody; he did not get it from the committee. I shall be only too pleased to meet anything he brings before the House at the proper time. The hon. gentleman said that I had stated the evidence was wanted ; of course the evidence was wanted. What sane man would go to a committee and take evidence if it was not intended to bring it before the Senate ? Were not the committee to say that they had gone over the evidence and have expressed an opinion? This is one of the fairest reports ever made. It is only an index—a thousand pages boiled down without one word for or against the company, but simply laying the facts before the House. I am bound to believe that every member of this House is impartial, although at times some of them may get excited and convey the idea that they are not ; and I am sure that they will weigh the evidence, which speaks for itself. The chairman, by the direction of the committee, brings in the report. The hon. member from Portage la Prairie must remember that he made two or three speeches at the last meeting of the committee, and still wanted to examine Mr. Cameron and Mr. Cannon.

Hon. Mr. WATSON—When ?

Hon. Mr. DOMVILLE—Last night.

Hon. Mr. WATSON—That is not true.

Hon. Mr. LANDRY—I rise to a point of order. I ask that the words of the hon. gentleman be taken down by the clerk.

Hon. Mr. DOMVILLE—No, do not pay any attention to him.

Hon. Mr. LANDRY—I want a ruling whether such language is parliamentary or not.

Hon. Mr. DOMVILLE—Never mind. I assure my hon. friend that it is a compliment, coming from the hon. member, and I do not want him to take it back.

Hon. Mr. MACDONALD (B.C.)—Withdraw !

Hon. Mr. LANDRY—I move that the Clerk read the words.

The CLERK—The words, as I understood them, are 'That it is not true', applied to a statement made by the Hon. Mr. Domville.

Hon. Mr. LANDRY—Does the hon. member from Portage la Prairie persist in that expression ?

Hon. Mr. WATSON—What expression ?

Hon. Mr. LANDRY—The expression he used referring to a statement made by the hon. member from Rothesay, that it was not true.

Hon. Mr. WATSON—What did he say ?

Hon. Mr. LANDRY—No matter what he said.

Hon. Mr. WATSON—The hon. gentleman stated that I asked to have additional evidence adduced last night before that committee, which I protested was not in existance; I say when he makes that statement it is not a true statement.

Hon. Mr. LANDRY—I ask whether that is parliamentary or not ?

Hon. Mr. SCOTT—It is exceedingly unfortunate that this debate has proceeded in the manner it has. It appears to be purely a matter of veracity.

Hon. Mr. LANDRY—He might say the hon. gentleman is mistaken.

Hon. Mr. SCOTT—Perhaps the language is not as mild as it should be, but the hon.

gentleman seems to be excited. My hon. friend is the one who is creating more trouble than anyone else. He is constantly getting on his feet. I made an appeal to the House that every hon. gentleman should be allowed to make any statement he wished and not be interrupted. That is the only way we can end it, because there is a question of veracity and it cannot be settled here.

Hon. Mr. LANDRY—If the hon. gentleman wants it settled he had better sit down.

The SPEAKER—I think that the words used by the hon. gentleman from Portage la Prairie with respect to the statement made by the hon. gentleman from Rothesay, can hardly be considered as parliamentary. He might have conveyed the same idea in parliamentary language. A direct assertion that a statement made by an hon. member is not true is hardly parliamentary.

Hon. Mr. WATSON—If it is unparliamentary, of course, I have to retract. I wanted the hon. gentleman to understand exactly what I meant.

Hon. Mr. DOMVILLE—I have nothing more to say with regard to the retraction; it is a matter with the House. I want to say, and to say it emphatically that this report is looked for by the public, and it will not be consistent with the dignity of the Senate or the expectations of the people if it be suppressed. With regard to the question of the motion made in committee, I most distinctly say, and it is in the recollection of several hon. gentlemen who hear me, that the motion as printed was never put to the committee, and that the words 'the evidence' crept into the report——

Hon. Mr. WATSON—Order.

Hon. Mr. DOMVILLE—Crept into the report by some mistake. Surely there is nothing out of order in saying that.

Hon. Mr. CLORAN—I wish to make a personal statement.

Hon. Mr. WATSON—Order.

Hon. Mr. CLORAN—I ask the ruling of the Chair, whether I have not a right to make a personal statement.

The SPEAKER—What has the hon. gentleman to explain?

Hon. Mr. CLORAN—I wish to state that when the hon. member quotes from the minutes of the secretary, I gave instructions immediately before I saw it in print to change that motion.

The SPEAKER—This is a somewhat important question, and, although I have an impression as to the proper decision, I think that perhaps it would be more satisfactory to the House if I were to take a little time to decide it. I might be allowed to suggest if this paper, which has been presented as a report—I do not undertake to decide whether it is or not—were allowed to lie on the table until Monday, I should be prepared with a little more confidence to give a decision.

Hon. Mr. LANDRY—Do we understand that the report has been presented?

The SPEAKER—No; I do not now decide the question whether it is a report or not.

Hon. Mr. LANDRY—The question of order came on a motion, not on the presentation. The report was presented and read by the clerk, and the point of order was raised on the motion to fix a date for concurrence.

Hon. Mr. YOUNG—Inasmuch as the Speaker has taken this question of order into consideration, with his permission, I shall submit the other point so that he will have this matter settled once for all at the next meeting of the House.

Hon. Mr. LANDRY—If it is germane to the motion before the Speaker.

Hon. Mr. YOUNG—I am raising a point of order.

The SPEAKER—It is understood that this document will lie on the table until Monday.

Hon. Mr. LANDRY—There is a misunderstanding.

The SPEAKER—The point of order taken by the hon. gentleman from Killarney is that this document is not a report, and if the order is that 'the report' lie on the table, the House is, to a certain extent, deciding that question against the hon. gentleman from Killarney. I suggested that the 'document' lie on the table, because that does not commit the House one way or the other.

Hon. Mr. LANDRY—The question of order was raised on the motion to fix the time for

the consideration of the report. We are willing to wait for the decision of the Speaker before that motion comes up.

Hon. Sir MACKENZIE BOWELL—That can easily be accomplished by a motion that the further consideration of this subject be postponed until Tuesday.

Hon. Mr. LANDRY—We do not need a motion of that kind. It is stopped by the request of the Speaker for time to decide the point of order.

Hon. Mr. FERGUSON—If the Speaker should decide that the point of order is well taken, still the report would be on the table

Hon. Sir MACKENZIE BOWELL—The report, as I understand, has been presented to the House. Then the point of order was raised by the hon. senator from Killarney, that the committee had no right to make a report, it having dissolved itself. Then the Speaker is asked to rule. He requests time to consider the question, and that would leave the matter just as it is. The question is a very important one, and requires a great deal of consideration as to whether the action of the committee dissolved the committee or not. It is only reasonable that the matter should be allowed to remain now just as it is, to be taken up again on Tuesday. Just let it stand as suggested by the Speaker.

Hon. Mr. WILSON—Can we take this up on Tuesday without a motion to that effect?

Hon. Mr. LANDRY—The Speaker has a right to give his decision whenever he wishes.

Hon. Mr. WILSON—Will the report be before the House on Tuesday next? There is no motion that it stand until Tuesday, and no decision.

REPRESENTATION ACT AMENDMENT BILL.

FIRST READING.

A message was received from the House of Commons with Bill (149) An Act to amend the Representation Act, 1903.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the Bill be read the second time on Tuesday next. He said: The Bill refers to the dividing line between two parts of Algoma, that is, the electoral district of Rainy River and the electoral district of Thunder Bay. It is a defining line, slightly different from the line in the statute of last year. The change is very trifling; I shall endeavour to look it up and ascertain exactly what the difference is. Another clause makes it clear that Victoria and Madawaska are included in the one county of Victoria in New Brunswick. The Bill also defines the Yukon Territory a little more clearly than before.

The motion was agreed to.

BANK ACT AMENDMENT BILL.

FIRST READING.

A message was received from the House of Commons with Bill (160) An Act to amend the Bank Act.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the Bill be read the second time on Tuesday next. He said: There are some banks in Canada which have established agencies in the West India Islands, where the currency is in pounds sterling, and not dollars and cents. This authorizes them to issue pound notes, and declares the equivalent to be $4.86\frac{2}{3}$. Under the Bank Act, as it stands, the issues are limited to $5 and upwards, but in those colonies where the decimal currency has not been adopted, they are permitted to issue notes in accordance with the ordinary sterling currency existing.

Hon. Mr. MACDONALD (B.C.)—Bills of exchange or notes?

Hon. Mr. SCOTT—Notes. Instead of issuing $5 bills they would issue one pound notes.

Hon. Mr. McKAY (Truro)—Is it not a fact that they issue such notes now?

Hon. Mr. SCOTT—It may be; I have not heard so. Of course they would have no authority, strictly speaking, under the Bank Act to do so.

Hon. Sir MACKENZIE BOWELL—It simply gives the authority to Canadian banks doing business in the West Indies to issue bills in the currency of the Islands in which they are doing business.

Hon. Mr. SCOTT—Yes, sterling currency.

The motion was agreed to.

DELAYED RETURNS.

Hon. Sir MACKENZIE BOWELL—I should like to ask the hon. Secretary of State if he has made inquiry for that report to which I called his attention yesterday—that is for the correspondence relating to inviting tenders for the ice-breakers ?

Hon. Mr. SCOTT—I have asked for, and sent over for it several times. It has been promised. They say they are inundated with work. All I can do is to inquire again.

Hon. Mr. LANDRY—Will the hon. gentleman be kind enough to inquire about the dismissal of Mr. Painchaud from Crane Island ? I should also like to get the return about the crew of the steamer 'Neptune,' which I asked for at the begining of the session, and also with reference to the 'Gauss.'

Hon. Mr. SCOTT—I have made, as the hon. gentleman knows, a number of inquiries. It was only a few days ago he said he wanted some letter written to Dr. Bryce. I sent to the Department of Agriculture and they said Dr. Bryce was not here. They do not know where he is, and they have no record of the letter there at all.

Hon. Sir MACKENZIE BOWELL—I should like to call attention to the return asked for early last session in reference to appointments and recommendations of appointments of honorary colonels in the militia. In view of the discussion taking place now in another place, we should have that information.

Hon. Mr. FERGUSON—Was it never brought down ?

Hon. Sir MACKENZIE BOWELL—It never was brought down, and no attention was paid to the motion.

Hon. Mr. SCOTT—I shall inquire about it.

Hon. Sir MACKENZIE BOWELL—Will the hon. gentleman ascertain whether we will ever get it ? I must confess I should like to see the principle on which these appointments have been made, and how the recommendations made by commanding officers have been dealt with, particularly those that were refused.

RAILWAY ACT AMENDMENT BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of Bill (132) An Act to amend the Railway Act, 1903. He said : I explained on the introduction of this Bill that the first clause relates to orders of the Railway Committee that had been appealed from before the abolition of the Railway Committee. This continues the right of the Governor in Council to hear any appeal that was filed before the Railway Committee was abolished. Hereafter, of course, the Privy Council will have nothing to say to them. The next clause is that which remits entirely to the provincial authority the power to pass legislation affecting the running of local railways where legislation of that kind was adopted in the province, and to include those particular railways that, for certain purposes, were especially brought under the jurisdiction of the parliament of Canada by the addition of the words 'to the general advantage of Canada'—that those words alone being introduced in the statutes should not preclude a provincial authority from bringing them under the control of the laws of the province in so far as Sunday observance legislation is concerned. Then there is a clause for better defining and ascertaining the earnings of the Grand Trunk Pacific and the Grand Trunk Railway. The last clauses of the Bill provide that a majority of the directors of any company which has heretofore received, or hereafter receives from the government of Canada any railway subsidy shall be British subjects, and it is proposed to supplement that clause in committee, by adding 'Resident in Canada.'

Hon. Mr. MACDONALD (B.C.)—I shall call attention to clause six of the Bill which refers to the prohibition of running of trains on Sundays in provinces where they have Sunday observance legislation to that effect. In all provinces where they have no legislation of that kind, this Act would not apply, of course.

Hon. Mr. SCOTT—Oh, no.

Hon. Mr. MACDONALD (B.C.)—And that is the great danger. In the provinces governments are guided, of course, by the opinion of the electors, and I know in my own province that the legislature have declined, in

the matter of Sunday observance, to pass any Act. I also know, as a fact, that the committee of the Lord's Day Alliance waited upon the Dominion government this year, and the premier and the Minister of Justice both promised that an Act should be introduced dealing with the Sunday observance law ; that the Bill should be read the first time in the House of Commons and then referred to the Supreme Court for an opinion whether it is intra vires or ultra vires, so as not to conflict with the provincial authorities, and this is what they are getting to satisfy the commission that saw the premier. This, of course, is better than nothing. In Ontario they have a Sunday observance law, and this will confirm the legislation of the Ontario legislature and make that law effective ; but I should have liked to have gone further in reference to steamers, because steamers do as much harm on Sunday as railways do, and although this Bill cannot be amended in that way, I hope before another year passes over that if the provinces do not deal with that subject the Dominion will, because the premier gave express promise that a special Act should be brought in this year dealing with that matter and referred to the Supreme Court.

Hon. Sir MACKENZIE BOWELL—This Bill might very properly be called a conglomeration. It deals with half a dozen different subjects, and of a somewhat important character. First, it legalizes what may have been done or what has been done by the Railway Committee of the Privy Council. I should like to ask the hon. gentleman whether any decisions have been arrived at by the Board of the Railway Commission which would be in contravention of the decisions which have been come to by the Railway Committee of the Privy Council ? If my recollection serves me rightly, some decision was come to by the Railway Commission in reference to a matter affecting the street railway in Toronto. The Railway Board of the Privy Council had given a decision which was set aside by the Railway Commission after its formation, and the Governor in Council subsequently reversed the decision of the Railway Commission and reaffirmed the decision which had been come to by the Railway Committee of the Privy Council. Has the matter been finally settled, and which decision rules at the present time ?

Hon. Mr. MACDONALD (B.C.)

Hon. Mr. SCOTT—I think this Bill will give the power. As the law stands there was no power ; after the Railway Committee was abolished, all powers were conferred on the Commission. There was a gap between the two——

Hon. Sir MACKENZIE BOWELL—The right of appeal existed ?

Hon. Mr. SCOTT—Yes ; and this is to legalize any appeal that might have been standing. The Railway Commission cannot deal with it, as the law stood at the time the decision was given by the Railway Commitee of the Privy Council. The appeal was to the Privy Council. Before any appeal was made the Railway Commission was brought into existence, and there was no provision for an appeal from the Railway Committee to the Railway Commission, because the Railway Committee disappeared. It could only affect one or two cases. I do not know what cases, but quite likely the case to which the hon. gentleman refers may be one particular case. I do not suppose there would be more than a couple of them.

Hon. Mr. DeBOUCHERVILLE—It seems to me that it is an extraordinary clause. It reads as follows :—

1. Notwithstanding anything contained in the Railway Act, 1903, the Governor in Council shall have, and shall be deemed to have had since the date upon which the said Act came into force, power, authority and jurisdiction to sanction, confirm, rescind, change or vary, or to take other action upon, any report, order or decision of the Railway Committee of the Privy Council.

How can we decide that he had that power ? This clause has a retroactive effect, and it is dangerous to pass a retroactive law unless the hon. gentleman tells us it will not affect any pending case.

Hon. Mr. SCOTT—Oh no. Before the Railway Commission was formed, there was a board known as the Railway Committee of the Privy Council. From that board there was an appeal to the Privy Council. When the Railway Commission was appointed the Railway Committee ceased to exist, but there was a considerable gap between the time the Act came into operation and the hearing of certain appeals that ought to have gone at once to the Privy Council. The Privy Council did not hear them at the time they should have heard them. For illustration, say a decision was

given by the Railway Committee on the fifth of January, and the parties took exception to that decision and appealed to the Privy Council. The Privy Council did not hear the appeal, perhaps were not ready, and, in the meantime, a few weeks after the Railway Commission came into existence under proclamation of the Governor in Council. Hon. gentlemen can quite understand that there were one or two cases —I do not know if there are any more. I think the only case is the one to which the hon. leader of the opposition has alluded. I think that is probably a case which the Governor General would have no power to hear, nor could any other power hear it, because the Railway Commission was not in existence, and there was this hiatus or gap of a few weeks in which the power was taken from the Appellate Court. The Appellate Court is the Railway Commission which deals with all these questions. So that this Act is simply giving power to the Governor in Council to hear any appeals that might have been made between the time the Railway Commission ceased to exist and the formation of the Railway Commission.

Hon. Sir MACKENZIE BOWELL—I am not going to make many remarks at the present time, because we can discuss these questions better when we get into committee of the whole. The second clause is certainly somewhat of a peculiar character. While there is a doubt as to the power of the province to legislate in a certain direction on the question of Sunday observance, there is also a doubt as to how far the provinces can legislate to impose a penalty on a railway incorporated under a Dominion charter for an infraction of a provincial law. A decision has been arrived at by the Law Lords of the Privy Council in England declaring that the Act passed by the Ontario legislature, providing for a better observance of the Sabbath, or what is understood to be the Lord's Day, was ultra vires, because it imposed a penalty, while the Confederation Act relegates to the Dominion parliament alone, the right to impose penalties for breaches of the law. If I am not correct in that, I hope the Secretary of State will put me right. But that is my recollection. If I understand this clause, it validates the Acts of the different provinces and makes them intra vires, though they may have violated that provision of the Confederation Act for the imposition of penalties. Then it goes further, and legalizes the Acts of the provincial legislatures, including those provisions which they have a right to legislate upon, or, in other words, we are delegating powers to the local authorities which they have themselves now under the constitution. How far have we the right to declare in an Act of the Dominion parliament that a provincial Act is intra vires, in other words, how far are we justified in introducing a Bill legalizing and giving effect to an Act which the provincial legislature has the right to pass, because portions of these Acts are intra vires so far as they are dealt with by the provinces, while in other cases they are ultra vires, such as the case to which I have called attention, where the province of Ontario exceded its powers in imposing penalties for an infraction of the law by a railway holding a Dominion charter. This question is now before the Supreme Court, is it not ?

Hon. Mr. SCOTT—I do not think so.

Hon. Sir MACKENZIE BOWELL—That is my recollection. I may be in error in that. Then that second clause requires to be considered very closely. That is the second subsection of clause two, and what we have to consider is how far these laws which are upon the statute-book in the provinces will affect the general trade of the country. In the second clause, there is a provision to legalize the local laws affecting tramways, when such tramways and railways are wholly and solely within the limits of the province. Then there is a provision that might be interpreted as not interfering with local roads that have been leased to a main line, the Canadian Pacific Railway for instance, though they may be of a purely local character, which would prevent the through traffic being continued on a Sunday. What struck me at first on reading the law was, that an exclusively local railway would be brought within the power and authority of the local legislature and would be governed by the local laws so far as they affect running and doing business on a Sunday. The moment such a railway becomes leased to the Grand Trunk Railway or any other general trunk line, how

far would that affect the traffic between another province and the province of Ontario in which they had passed a law preventing the running of these roads on Sunday ? Could they continue to their ultimate destination ? For instance, take a road in a county like the county of my hon. friend from Victoria, where the railways are purely local lines. There is a connection made at Lindsay, at Bobcageon, and still further north. Whether this portion of the clause would affect that railway or not I am not prepared to say at the present moment, but I throw out the suggestion that hon. gentlemen can consider it when the Bill is in committee. Then there is a saving clause, which places the whole matter within the power of the government. After detailing what powers are relegated to the local legislature, it winds up with this provision :—

2. The Governor in Council may at any time and from time to time by proclamation confirm, for the purposes of this section, any Act of the legislature of any province passed after the passing of this Act.

So that if the difficulties to which I have called attention should arise, the Governor in Council, under this clause, would have the power to declare that that railway would not come within the provisions of this Act.

Hon. Mr. MACDONALD (B.C.)—There is another proviso about through lines.

Hon. Sir MACKENZIE BOWELL—Then the third clause deals with the Transcontinental Railway and it also deals with the Grand Trunk Railway.

Hon. Mr. SCOTT—The divisions and the traffic ?

Hon. Sir MACKENZIE BOWELL—Yes, and gives power to determine any question as to the apportionment of any through rate or rates between the Canadian Pacific Railway and the other railways.

Hon. Mr. SCOTT—The Railway Commission has that control.

Hon. Sir MACKENZIE BOWELL—That is a point, if my recollection serves me rightly, that was discussed very fully in the House of Commons, when the question was brought up by some of the members of the opposition, but was rejected at that time. Now the government find it necessary to amend the law so as to settle the question. However, that is a point we will discuss more conveniently when we get into committee. The fourth section, as the hon. gentleman has indicated, is one declaring that the majority of the directors of any company which heretofore received or hereafter receives government aid shall be British subjects. The hon. gentleman intimated his intention to declare that the whole, or a majority. I think I understood him to say, of these directors should be not only British subjects but residents of Canada. What has suggested itself to my mind is this—and I throw out the suggestion to the hon. Secretary of State—how far will that affect investments by the people who live out of the country and particularly by British subjects living in Europe ? If it be provided that all directors must be residents of Canada, let me ask the question again, how far will that affect financial men and capitalists who are willing to invest their money in these enterprises, who are not residents of Canada ? The hon. Secretary of State suggested that amendment, and while, on the face of it it seems feasible, I had grave doubts as to the propriety of inserting a clause of that kind which may materially affect capitalists who are willing to invest their money in enterprises in Canada, if it is provided that they shall not be directors of a board for the carrying on of the enterprise. We go the length of saying that the majority of the directors shall be British subjects. I am not opposed to that. On the contrary I remember that was discussed a great many times, in the Commons years and years ago, and on a great many occasions it was rejected on the ground that capitalists living in the United States or Germany, Belgium or Holland, where a large proportion of the capital has been obtained to carry on an enterprise in this and in other countries, and it was always rejected. Now we have advanced to the position of saying that they shall be British subjects. The proposition is that they shall be residents of Canada as well. I doubt very much the propriety of a clause of that kind. I may just as well admit while I am on this subject, that great difficulties have arisen in the management of the Grand Trunk whose board is in London. Many difficulties have

arisen in the management of that road. But if this provision had existed when British capital was invested in that road, the grave question is whether they would ever have got money to build it. I throw out these hints ; they are my own impressions, and I hope the Secretary of State will consider them before he consents to add that amendment to the Bill.

Hon. Mr. BERNIER—When the hon. leader of the opposition rose to address the House, I was about to call the attention of hon. gentlemen to the first part of clause 2 which reads as follows :—

2. The Governor in Council may at any time and from time to time by proclamation confirm, for the purposes of this section, any Act of the legislature of any province passed after the passing of this Act.

It seems to me this legislation is of a very awkward and doubtful character. Either the province has a right to legislate, in which case our confirmation of such law is not necessary at all, or it has no right to legislate, and then we have not the right to confer on the Governor in Council the power of making good a law which is ultra vires. It seems to me it would be substituting the Governor in Council as a legislative agent for the provinces themselves. I contend that we have not the right to confer upon the Governor in Council the power of legislating for the provinces. This would be unconstitutional to my mind, and, if it were not, it seems to me the policy should not be adopted. I respectfully submit this consideration to the government and to the hon. members of the Senate. It seems to me a very important one. It is an invasion of the rights of provinces ; it is assuming a power that we have not.

Hon. Mr. SCOTT—No ; on the contrary it is sustaining the principle. The idea is that when any province introduces Sunday legislation affecting a local railway, the Governor in Council may have power to confirm it under this Act. It is leaving to the province the control of the Sunday law. In each province the feeling is different. What is suited for one province is not suited for another. It depends on the public feeling in the province, and the idea is to carry out whatever the feeling in the province may be.

Hon. Mr. WILSON—I desire to ascertain from the hon. Secretary of State in reference to a case which has been taken before the Railway Committee of the Privy Council, and they made a finding upon the case as presented to them but before the term upon which they began giving their decision the Railway Committee of the Privy Council ceased to exist and the Railway Commission was appointed, I should like to know in what position those who made the application would be, whether they would be able to go on under the decision that was given, although they had not carried it into effect before the Railway Commission was formed, or whether they will have to commence a new proceeding as if no decision had been given by the Railway Committee of the Privy Council. In other words, is this Bill retroactive in empowering the Governor in Council to give a decision which would apply to a case of that description ?

Hon. Mr WATSON—I wish to say a word with regard to clause 4. There might be something weak in the opinion given by the hon. leader of the opposition, but it will be observed that this clause is dealing with companies that have received aid from the Dominion of Canada, because it says :

4. The majority of the directors of any company which has heretofore received, or hereafter receives, from the government of Canada, under any Act of the parliament of Canada, aid towards the construction of its railway or undertaking, or any part thereof, shall be British subjects : Provided that this section shall not, until the thirty-first day of January, one thousand nine hundred and five, apply to any company the majority of whose directors are not British subjects when this Act comes into force.

It appears to me that with the experience the people of Canada have had with the management of the Grand Trunk Railway Company, the company who have undertaken to build the Grand Trunk Pacific, will have a large undertaking in Canada. They are getting a large guarantee for the purpose of constructing that road, and it would be well, in the interests of the people of Canada, that the majority of that board should be residents of Canada and not have to deal with a board in London. I can remember years ago, when the management of the Grand Trunk in Canada decided that they should build a branch railway, the matter having been referred to the board in London, to men who had no practical knowledge of the country where the proposed

line was to be built, refused to sanction it, and I have no doubt that the line would have been completed if the board were residents of Canada and had some practical knowledge of the requirements of the country. It appears to me that with the large amount of railway that must be constructed in Canada in the future, and the importance of those to be built and operated in different localities, that we ought to have the board meetings of all companies receiving assistance from the Dominion of Canada in Canada; and for that reason I am very strongly in favour of the suggestion which has been made for the addition of the provision that the majority of the directors shall be residents in Canada. I think we have ten directors of the Grand Trunk Pacific Company in Canada and five in England. It was organized with that understanding, I believe, and that being the case, no misunderstanding can arise by placing in this Bill, a provision that on all railways which receive large aid from the Dominion of Canada the majority of directors shall de residents of Canada, so that the meetings of the directors shall be held in Canada.

Hon. Sir MACKENZIE BOWELL—Of course it would apply to all railroads, because they all receive public aid.

Hon. Mr. KERR (Toronto)—With reference to the second clause of the Bill, I desire to say that I am quite in sympathy with the object to be attained; but I do not wish to be understood as being committed to this method of carrying out that object. I wish to make this statement now, so that on any future occasion I shall not feel estopped by permitting this legislation to go forward without saying that I have some doubts as to its being within the jurisdiction of parliament—at all events as to its being a sound system of legislation. I think where provinces have exclusive jurisdiction, they should exercise it without the sanction of parliament, and this parliament should exercise its full powers wherever the provinces have not exclusive jurisdiction.

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

THE MILITIA ACT AMENDMENT BILL.

INQUIRY.

Hon. Mr. LANDRY—Has the hon. gentleman any information to give us as to when the Militia Bill will be brought down?

Hon. Mr. WATSON.

Hon. Mr. SCOTT—I have made inquiries. We shall not be able to get it until Monday, if we get it then. I have been asking to have it hurried up as much as possible, but I do not see any prospect of its passing the House of Commons until Monday.

Hon. Sir MACKENZIE BOWELL—Has it been read the third time?

Hon. Mr. SCOTT—No, it is still in committee.

The Senate adjourned until Monday at Eight o'clock p.m.

THE SENATE.

Ottawa, Monday, August 1, 1904.

The SPEAKER took the Chair at Eight o'clock.

Prayers and routine proceedings.

SUPERVISION OF CONSTRUCTION OF GRAND TRUNK PACIFIC RAILWAY.

Hon. Mr. PERLEY rose to :—

Ask how many commissioners are the government going to appoint to supervise the construction of the Grand Trunk Pacific Railway?
Who are they likely to be?
Have they had any experience in railway building?
What is their present occupation or business, and how much salary are they to receive?

Hon. Mr. SCOTT—The number authorized by the present statute is four. I cannot say what their experience is.

Hon. Mr. PERLEY—Can the hon. gentleman give us an idea how much salary they will receive?

Hon. Mr. MACDONALD (B.C.)—Ten thousand dollars each.

Hon. Mr. SCOTT—I do not know.

PULLING DOWN OF QUEBEC CITY WALLS.

INQUIRY.

Hon. Mr. LANDRY inquired :—

Is it the intention of the government to allow the pulling down of any portion of the Quebec city walls to permit of a street being opened through the Cove Fields, parallel to Grande Allée, from the avenue 'intra muros' called Ste. Geneviève out west to the limits of the city?

Hon. Mr. SCOTT—No.

REPORT OF J. L. P. O'HANLY RE LACHINE CANAL BRIDGE.

MOTION.

Hon. Mr. CLORAN moved :—

That the clerk be instructed to return to J. L. P. O'Hanly, Esq., of Ottawa, his report on the railway bridge over the Lachine canal at Wellington street, Montreal, laid upon the table by the Honourable Mr. Scott on the 6th June, 1900.

Hon. Mr. FERGUSON—Is this document a paper belonging to parliament ?

Hon. Mr. SCOTT—Yes.

Hon. Mr. FERGUSON—Would it not be proper that a copy should be retained ? If the document is given away, there will be no record.

Hon. Mr. SCOTT—It never was used. It was asked for in the usual way, by the late Hon. Mr. O'Donohoe, and after being laid on the table, and referred to the Committee on Printing, they declined to print it, as not having value, for information hereafter. I have recently learned that the object of pursuing this course, was that it might be printed at the public expense.

Hon. Mr. FERGUSON—Was Mr. O'Hanly employed by the government to make this report to the government ?

Hon. Mr. SCOTT—I really could not tell whether that is so or not. I do not think he was, but I could not say.

Hon. Sir MACKENZIE BOWELL—There can be no objection, I suppose, to having it returned to Mr. O'Hanly ?

Hon. Mr. SCOTT—I do not see any.

Hon. Sir MACKENZIE BOWELL—I know he has been trying for the last two or three years to have it returned. I tried myself for some time, and the decision was, that it was a paper belonging to parliament, and therefore could not be returned.

Hon. Mr. SCOTT—That is the answer I gave.

Hon. Sir MACKENZIE BOWELL—But if the motion is carried, then it can be given back to the gentleman, by the authority of parliament ?

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—There is no objection, I suppose, to having the report returned ?

Hon. Mr. SCOTT—I do not think so.

The motion was agreed to.

TRANSFER OF BAGGAGE FROM FERRY BOATS TO INTERCOLONIAL RAILWAY.

INQUIRY POSTPONED.

The Order of the Day being called :

By the Hon. Mr. Landry—

That he will inquire of the government—

Is there a contract between the government and the person who actually transfers baggage from the Quebec and Lévis ferry-boats to the trains of the Intercolonial Railway, or from the trains of the Intercolonial Railway to the said ferry-boats ?

If there is a contract, what is the amount of it, its duration and who obtained it ?

If there is no contract, who at present makes this transfer, and on what conditions does he make it ?

In the latter case why have tenders not been asked for ?

Hon. Mr. SCOTT—That information is not available here. They have to send to Moncton for it, and we will not receive it for some days. It had better be postponed till Thursday.

TRANSFER OF BAGGAGE TO INTERCOLONIAL RAILWAY.

INQUIRY POSTPONED.

The Order of the Day being called :—

By the Hon. Mr. Landry—

That he will inquire of the government—

Did a person named Rouleau, of Lévis, once have the contract for the transfer of baggage from the trains of the Intercolonial Railway to the ferry-boats between Quebec and Lévis, and vice versa ?

Did the government afterwards give the contract to Messrs Halé & Marceau ?

In what year, and for what reasons, was this contract taken away from Mr. Rouleau ?

Have Messrs Halé & Marceau relinquished their contract to the government ?

Why ?—

Was it on the expiration or before the expiration of the said contract ?

Who succeeded Messrs. Halé & Marceau, and who is now doing the work for the execution of which they had the contract ?

Hon. Mr. SCOTT—Let it stand until Thursday.

REPAIRS OF MILITARY FORTS AT LEVIS.

INQUIRY.

Hon. Mr. LANDRY rose to inquire of the government :—

Does the government intend to ask tenders for the repairs which it may make to different military forts at Lévis, and to the cattle quarantine at the same place ?

Hon. Mr. SCOTT—No, it is not the intention.

REPLACING OF F. X. BEAULIEU.

Hon. Mr. LANDRY rose to inquire of the government :—

Has the government replaced in the Department of the Interior, outside service, immigration branch, a person named F. X. Beaulieu, a keeper, who died in the service ?
What is the name of the successor ?

Hon. Mr. SCOTT—The answer to the first is, yes. The name of the successor is John C. Blouin.

MUTUAL RESERVE LIFE FUND ASSOCIATION OF NEW YORK.

SPEAKER'S DECISION.

The SPEAKER—I am prepared to submit my decision on the point of order raised by the hon. member from Killarney on Friday last.

When the document, purporting to be the ninth and final report of the select committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York, presented by the hon. chairman of the committee on Friday the twenty-ninth day of July last, was read by the clerk, objection was taken by the hon. gentleman from Killarney (Hon. Mr. Young) to its being further dealt with by the Senate, on the ground that the select committee, having at their meeting of the 22nd of July adopted a resolution that the committee rise and report the evidence, were precluded from further dealing with the matter referred to them, and that the said alleged ninth report was consequently a nullity and could not be considered by the House.

The question thus raised being an important one and one for the decision of which no precedent was as far as I knew to be found in the records of the Senate, I asked for time to consider my decision; and the House was pleased to comply with my request.

The facts of the case, as far as they seem necessary to be considered with a view to dealing with the objection taken by the hon. gentleman from Killarney, are as follows.

On Thursday the nineteenth of May last the Senate resolved, on motion of the Hon. Mr. Domville, 'That a select committee of five be appointed to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, with power to send for papers, persons, telegrams and records, to employ clerical services, and with leave to report from time to time, the committee to be composed of the Hon. Messrs. Legris, Baker, Cloran, Landry and the mover.'

The membership of the committee was afterwards increased by the Senate to nineteen.

The committee held many meetings, examined several witnesses and reported from time to time. Their reports included the evidence taken and, in some cases the minutes of the meetings of the committee. In the minutes submitted as part of the final report, as printed, is to be found the following record of the proceedings at the close of the meeting held on the twenty-second of July :

Hon. Mr. LANDRY—I move that the committee rise and report the evidence.

Hon. Mr. BEIQUE—I move in amendment, that Messrs. Cannon and Cameron be heard before this committee, in reference to the charge published in part one of the evidence taken herein, the two witnesses being in attendance.

The committee divided on amendment, which was lost on the following division :—

Contents, 3.
Non-contents, 7.

The motion to adjourn was carried on the same division reversed.

A reference to the original minutes made by the clerk of the committee shows that there are two errors in this record, which is made from the stenographer's notes, namely, that the words 'to the Senate' are omitted after 'evidence' in the motion of the hon. gentleman from Stadacona and that the motion carried is described as 'the motion to adjourn' instead of 'the main motion.'

The record made by the clerk of the committee, who is the Clerk of Routine and Proceedings of the Senate, is prima facie correct, and after due inquiry I am satisfied that it is absolutely so.

The question, then, which I am called upon to decide is whether or not the adoption of the motion that the committee rise and report the evidence to the Senate finally exhausted the powers of the select committee and

precluded their meeting again without the intervention of the House.

It is a well recognized principle of parliamentary law that, unless where otherwise expressly provided, the procedure in a committee follows that of the appointing body.

Bourinot, 3rd Edn., p. 539, sqq.

May, 10th Edn., 361, 366, 388.

Palgrave's 'Chairman's Handbook,' 7th Edn., p. 90.

Cushing's Law and Practice of Legislative Assemblies. Edn. of 1856, S. 1908.

The last mentioned authority, using language almost identical with that of Bourinot, gives the rule as follows :—'Committees are regarded as portions of the House, limited in their inquiries by the extent of the authority given them ; but governed in their proceedings by the same rules which prevail in the House, and which continue in full operation in every select committee.'

A motion that 'the chairman do now leave the chair' or that 'the committee rise,' if put and carried, ends the life of the committee.

Bourinot, page 523, sq. At page 524, Bourinot speaks of this motion as being equivalent in its effect to a motion for the adjournment of the House, which puts an end to the business before the chair.

Bourinot, 446, 334.

May, 369, 391, 395, 267-8, 786, 250-51.

Cushing, Ss., 1896, 2008, 1625, 2496.

The motion made and carried in this case is equivalent to the motion made in Committee of the Whole, that the committee rise and report the Bill or whatever other document may have been referred to that committee, which when adopted terminates the existence of the committee.

My opinion is that according to the practice which governs select committees the adoption of the motion of the hon. gentleman from Stadacona that the committee should rise and report the evidence, put an end to the existence of the committee and to the powers of the chairman, who could do nothing beyond reporting the evidence to the Senate as directed at the meeting of the twenty-second of July. Had the motion been, as the hon. chairman at one time alleged that it was, that the committee rise and report, the effect would, in my judgment, have been the same. Had the committee merely adjourned without day, it could not re-assemble without a special order of the House, which was not given. Clearly, then, the meeting held on Thursday, the twenty-eighth of July was not a meeting of the select committee, and the document presented to the Senate on Friday last, purporting to give the committee's finding on the evidence, was not a report of that committee.

I, therefore, decide that the point of order of the hon. gentleman from Killarney is well taken, and that, while the evidence reported on the 29th July in pursuance of the committee's resolution of the 22nd, is before the Senate, the document purporting to give the committee's finding is not, and should not appear in the Journals of the House.

The House will perhaps allow me to add a few observations, which while not absolutely necessary to the decision of the question which I have been called upon to answer may not be deemed irrelevant.

One is that the motion made in the committee, by the hon. gentleman from Stadacona and voted for by the majority of the members present, does not appear to have been passed, as has been suggested, under a misapprehension. The hon. mover of the resolution is an experienced and astute parliamentarian and is to be presumed to have clearly understood the effect of his motion. I have gone over the minutes of the committee and have found that in all cases but that of the twenty-second of July the committee adjourned to some fixed time.

At the time the motion was carried there were, as has been stated in the Senate without contradiction, two witnesses in attendance, whom the House had directed the committee to examine.

Hon. Mr. LANDRY—I rise to a point of order. The question of order has been decided, and this is another question which the Speaker is bringing before the House.

Some hon. GENTLEMEN—Order, order.

Hon. Mr. LANDRY—I want to state my point of order.

Hon. Mr. SCOTT—The Speaker must finish his decision first.

Hon. Mr. LANDRY—He gave us his decision. He is proceeding now to give a few observations——

Some hon. GENTLEMEN—Order, order.

Hon. Mr. LANDRY—I protest against that——

The SPEAKER—This is relevant to the question.

Hon. Mr. LANDRY—We had never any occasion to discuss that question.

The SPEAKER—Had the committee not supposed that their functions ceased upon their rising, they would naturally have made arrangements for an early meeting so that the order of the Senate should be obeyed and the witnesses examined with the least practicable delay. As a matter of fact, the witnesses in question, the representatives of the insurance company and the principal counsel for the company all left Ottawa under the impression, that the proceedings of the committee had closed; and it was only after the lapse of six days that the members were again called together. I venture to mention these facts for the purpose of removing any impression which might exist in the mind of any hon. gentleman that advantage was being taken of an accidental mistake in technical procedure to thwart the committee and to defeat the ends of substantial justice.

Another observation is that the impression, which seems to exist in the minds of some hon. gentlemen, that the committee are bound to make a finding, is not well founded. The order of reference does not call for any report beyond the evidence. I do not mean that the committee could not have reported their views as to the effect of the evidence, but that there was no necessity for their doing so. In the case of the Cook charges investigated during the session of 1901, the language of the reference to the committee was, as to reporting, the same as in the present case; but the committee charged with the inquiry refrained from reporting their opinion on the evidence, on the ground that they had not been directed to make a finding.

The document which I have felt obliged to regard as not being a report, is a kind of *precis* of the evidence, made from the point of view of one of the parties contending in this case; and as the document is printed in our minutes, hon. gentlemen will not be seriously inconvenienced by my decision, even though they do not care to read the evidence at length for themselves, which in my humble judgment is the best way to appreciate it correctly. The ruling out of the committee's finding does not prevent this House from expressing any opinion it may entertain as to the Mutual Reserve Life Association of New York.

Hon. Mr. SULLIVAN—I should like to ask are there precedents for this decision?

Hon. Mr. LANDRY—I appeal from the decision of the Speaker to this House.

The SPEAKER—There can be no discussion on my decision.

Hon. Mr. LANDRY—No, but I can appeal. I am not discussing it at all.

Hon. Mr. DeBOUCHERVILLE—Is there nothing to be said?

Hon. Mr. LANDRY—No, we cannot discuss an appeal.

Hon. Mr. DeBOUCHERVILLE—What is the appeal from?

The SPEAKER—The appeal is from the decision I have just rendered.

Hon. Mr. DeBOUCHERVILLE—We are to vote on the decision only?

Hon. Mr. LANDRY—Yes, on the decision.

Hon. Sir MACKENZIE BOWELL—There is one point of the decision which I do not thoroughly understand. I understood the Speaker to decide that a motion to rise and report the evidence killed the committee.

Hon. Mr. LANDRY—Comparing that to a motion in Committee of the Whole to rise, a totally different thing.

Hon. Mr. SULLIVAN—I understood the words were 'rise and report.'

The SPEAKER—The hon. member from Stadacona has appealed from the decision of the chair. Those who are in favour of the appeal will please rise.

The Senate divided on the question, which was resolved in the negative by the following vote.

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MUTUAL RESERVE FUND LIFE ASSOCIATION COMMITTEE.

SEVENTH REPORT DEBATED.

The Order of the Day being called :

Consideration of the seventh report of the Select Committee appointed to investigate the position of the Mutual Reserve Fund Life Association of New York.—(Hon. Mr. Cloran.)

Hon. Mr. CLORAN—Before discussing this question, it might be important to find out whether the committee has any further functions to perform towards this honourable House.

Hon. Mr. BEIQUE—I desire to remind the hon. gentleman, that it was understood that this would stand until the final report was taken into consideration.

Hon. Mr. CLORAN—I do not think there is any question of a final report. The final report is dead.

Hon. Sir MACKENZIE BOWELL—There is also report No. 8, but the committee, according to the decision of the chair, which has been supported by this honourable House is dead. On the 22nd July, the committee ceased to have any existence.

Hon. Mr. CLORAN—I pointed out at the last meeting of this Honourable House that if the committee died on the 22nd July, the chairman shared the demise of the committee and died with it.

Hon. Sir MACKENZIE BOWELL—The hon. chairman is dead as a mackerel.

Hon. Mr. CLORAN—As a committee have been buried by a first-class funeral just now, so that really I am in a quandary to know what to do under the circumstances. The Senate has put itself in a very awkward position with regard to this matter. Here is a committee which was appointed by this honourable House some three months ago, and to-day one-third of the House does not know where the committee stands. Two-thirds of the House tell us it is dead. There is the position, yet the hon. gentleman from de Salaberry has just mentioned to me that this report was to be taken into consideration with the final report. I have to say to the hon. gentleman that when that arrangement was made, it was not made to have it taken into joint consideration with the final report, but with the eighth report. This seventh report was made on the 14th of July. We had no idea at that time, when the committee would adjourn. I really do not know whether to proceed with the consideration of this report. It has been on the minutes and on the Orders of the Day for nearly three weeks, two weeks at least, and it was a very important matter to have been decided by this honourable House. The hon. gentleman from de Salaberry objected to strong evidence against the management of the company going into the record. The decision was given against him, and the hon. gentleman appealed from the decision of the chairman to the committee, and the decision of the chairman was there upheld by a majority.

Hon. Mr. POIRIER—I rise to a point of order. We are here in this Senate a living body. We have no voice from the other side of the bar, and no defunct voice has a right to be heard here. If that committee is dead, we should not hear its voice speaking among the living. I therefore call upon the chair to kindly decide that the hon. gentleman is out of order, the committee being a defunct body, and having no existence in fact. The committee is non est, because they have to all intents and purposes passed to the other side; can their spirits be heard in this chamber ?

The SPEAKER—Although the committee is dead, the chairman is not dead, and the chairman was instructed by the committee, not exactly in their last will and testament, to report certain things to the House, and as he is here alive, as a member of the House, he is quite capable of reporting.

Hon. Mr. WILSON—If the committee is dead, I do not see where the chairman can be. He certainly must have a sort of double existence, if he can now address the House. We are told that the committee

is dissolved; that the committee is dead. Yet we materialize the chairman and say that he can come here and make a report.

Hon. Mr. FERGUSON—The chairman would remain as the executor of the committee, and he would have a right to carry out their last will and testament.

Hon. Mr. WILSON—He had authority from the committee before it expired, but as it became functus officio before he was clothed with that authority, he cannot come here now and exercise that authority.

Hon. Mr. DANDURAND—If I am not mistaken, the report that is now on the order paper is the last report of the committee. It is not the report which was declared to be out of order. The eighth report was declared out of order, but the seventh report is all right.

Hon. Mr. LANDRY—The hon. gentleman is mistaken.

Hon. Mr. DANDURAND—The hon. gentleman is discussing a report which is still quite alive.

Hon. Mr. YOUNG—Permit me to explain what I consider to be the position of this question now. The chairman of the committee reported on the 18th of July, this seventh report, and also the eighth report.

Hon. Mr. KERR (Toronto)—No, on the 19th, they made the 8th report.

Hon. Mr. YOUNG—These reports were taken possession of by the House, and the House decided that they would be set down for consideration at certain dates. Afterwards it was understood by the House that all the reports could be taken into consideration with the final report, but that is not what I wish to explain. It is the fact that whether the committee is dead or alive, the House being in possession of the reports have the right to deal with them as they see fit. As to the final report of the committee, according to the ruling of the Speaker, sustained by the House, it is the report which was ordered to be made on the 22nd, and that was, that the committee rise and report the evidence. That report should be and is, in the possession of the House. We have very frequently this experience. The committee may be dead, but the actions which arise from the result of its work being in possession of the House, the House deals with it as it thinks fit.

Hon. Mr. SULLIVAN—Perhaps the hon. gentleman wants to kill that report too.

Hon. Mr. CLORAN—In answer to the point of order raised by the hon. gentleman from Acadie, the hon. Speaker stated that although the committee was defunct, the chairman was still alive, because the committee had instructed him to report the evidence. As chairman of that committee, I am obliged to state that when the motion was put by the chair on the 22nd of July, notwithstanding the incorrect report of the stenographer——

Hon. Mr. KERR (Toronto)—I rise to a point of order. I should like to ask the hon. Speaker what is before the Senate?

Hon. Mr. CLORAN—I am discussing the point of order. I am leading up to the subject.

Hon. Mr. KERR (Toronto)—I know of no point of order raised.

Hon. Mr. CLORAN—The point of order raised by the hon. gentleman from Acadie (Hon. Mr. Poirier).

Hon. Mr. DANDURAND—And decided.

Hon. Mr. CLORAN—And it has been decided.

Hon. Mr. KERR (Toronto)—There is no room for discussion.

Hon. Mr. LANDRY—The motion is, the consideration of the 7th report of the committee.

Hon. Mr. CLORAN—If the hon. gentleman from Toronto will take it easy, he will have a full explanation of the matter. The hon. Speaker stated in answer to the point of order raised by the hon. gentleman from Acadie, that although the committee was dead, the chairman was still alive, because the committee has instructed him to report the evidence to this House. Now, as a question of fact, the motion put to the committee, instructing the chairman to make the report, was that the committee do now rise and report. The hon. Speaker in his very careful and elaborate study of the point of order, said this to justify his opinion, because he could not pass an opinion upon this subject without going into the facts,

and ascertaining the facts as they existed. The hon. Speaker said that 'after inquiry I find the report of the clerk of the committee absolutely correct.' Now that is a question of fact. Where was the inquiry made. Was it made among the majority of the senators who composed that committee ?

Hon. Mr. BEIQUE—I rise to a point of order. The hon. gentleman is reflecting on the decision of the chair, and I hold he has no right to do that.

Hon. Mr. MACDONALD (B.C.)—There is no reflection.

Hon. Mr. CLORAN—On the contrary I have eulogized the Speaker on his elaborate discussion of the matter.

Hon. Mr. BEIQUE—He has no right to comment on the decision.

Hon. Mr. POIRIER—This is not a living person who is speaking, but it is one from the other world, and when such persons take the trouble to come back to the other world, they should have privileges which are not accorded to those who are living.

Hon. Mr. FERGUSON—There is a great deal of reverence due to a corpse.

Hon. Mr. CLORAN—I should like to get through with this matter. I have been bothered with points of order and objections of all kinds.

Hon. Mr. WATSON—Order, order.

Hon. Mr. CLORAN—I am quite prepared to close the matter. It it no pleasure to me to have to deal with it.

Hon. Mr. WATSON—Order, order.

Hon. Mr. CLORAN—And in discussing this 7th report of the committee——

Hon. Mr. WATSON—Order, order.

Hon. Mr. CLORAN—What is the order ?

Hon. Mr. WATSON—The point of order has been raised, that the hon. gentleman has no right to discuss the decision of the Speaker.

Hon. Mr. CLORAN—The hon. senator has not kept his ears open.

Hon. Mr. WATSON—I have.

Hon. Mr. CLORAN—I have abandoned that matter, out of courtesy to the hon. member from de Salaberry, and if the hon. gentleman from Portage la Prairie had listened, instead of filling his ears with points of order, he would have heard it.

As chairman of that committee, I say the committee has been hampered largely by objections. One of the most serious objections was to evidence necessary for the full comprehension of the merits of the company, and of the claims of the policy-holders, and that objection was raised by the hon. gentleman from de Salaberry. He made a fierce protest against allowing that evidence to go in. No doubt he thought he was doing right, but the majority of the committee thought otherwise. I decided against the objection and my decision was sustained by the majority of the committee, and from that decision he has appealed to this House. What is this House going to do in the matter ? Have they the information necessary to enable them to give their best judgment on the action taken by the committee? This honourable House entrusted a very grave duty to that committee. and, notwithstanding the taunts and flaunts thrown at them, they have performed their duty fairly, fearlessly and honestly. We have been met with all kinds of legal talent from Toronto to New York. The best legal talent that Canada and United States can produce was put up against the single attorney of the committee, to prevent evidence damaging to the company from going on record. This seventh report deals specially with one of these great efforts made by the attorneys on that committee, who did not want the evidence to go in. I do not say that they were the attorneys of the company on these occasions, but, as a matter of fact, the best legal talent on that committee put obstructions at all times, in the way of technicalities, against admitting some of the evidence, just as if the majority of that committee were not as capable of judging as any individual member of the committee, what evidence should be taken. The majority did not want evidence that could be considered calumnious. We admitted evidence that would tend to show how the affairs of the company were administered. No man was standing there on trial for his life. I held before the committee, and have held here, the testimoney of credible witnesses should have been admitted. We know how difficult it is to get at the affairs

of a company if you are to be blocked by legal technicalities. We could not get one line out of their books, because the man who entered the items in the book would not be there. Another clerk would be brought and asked if these items were in the book, and he would reply yes. Then the friends of the company would ask immediately 'did you write them yourself,' and on his replying in the negative, they would object to his evidence. If obstructions of that kind are to be thrown in the way of taking evidence there is no use in making an investigation. The members of the committee were quite capable of weighing and gauging evidence submitted to them. We could tell when a man was lying or not lying, and to interpose legal technicalities was to pervert the object for which the committee was appointed. No doubt it was the right of the hon. gentleman from de Salaberry to object as he did, but when a majority of the committee decided against him, it was not proper on his part to appeal to this House against that decision, when the House is not in possession of all the details and points necessary to come to a conclusion. On these grounds, I ask that this seventh report be adopted as it is, and that the decision of the committee in regard to that branch of the evidence be maintained by this House.

Hon. Mr. BEIQUE—The seventh report, which is now before the House has reference to a motion which was made by myself before the committee, that the resolution passed by this honourable Senate be carried out, to wit, that two witnesses, one Cameron and one Cannon be examined by the committee.

Hon. Mr. CLORAN—That is not the question at all.

Hon. Mr. FERGUSON—The evidence in part five is referred to.

Hon. Sir MACKENZIE BOWELL—What is there in report number seven on that subject ?

Hon. Mr. BEIQUE—I was in error.

Hon. Sir MACKENZIE BOWELL—The motion before the Senate is for the adoption of the seventh report. I want to know what there is in number seven that we have to adopt ? The question the hon. gentleman is discussing is not referred to in this report at all.

Hon. Mr. FERGUSON—Report number seven covers part five of the evidence. The objection that was taken, and the appeal is against receiving evidence to be found on pages 30 and 31, of part five.

Hon. Mr. LANDRY—That was not the appeal at all.

Hon. Mr. FERGUSON—The point for which number seven of the evidence was held over was to consider whether the evidence objected to in part five should be received or not.

Hon. Mr. LANDRY—The appeal from the committee is against a decision of the chairman on an objection that my motion in the committee was not in order. The chairman decided that it was in order.

Hon. Mr. BEIQUE—I should like to refer to page 772 of the Debates, where it will be found that when this matter came up, to wit, my appeal from the decision of the committee, I asked that it be allowed to stand until the report of the committee was taken up, and there ensued some discussion on my motion. On page 774 it will be found that the motion was agreed to, and therefore it was decided by the House that this question would be considered only when the matter of the final report was considered, that is when the evidence would be taken up, because it is connected with the evidence.

Hon. Mr. CLORAN—Where does the hon. gentleman find the word 'final' ?

Hon. Mr. BEIQUE—I ask that this motion be allowed to stand until the report of the committee was taken up.

Hon. Mr. CLORAN—The hon. gentleman did not say the final report. There might be ten reports.

Hon. Mr. BEIQUE—I think I would have to refer to another page which I cannot put my hands on at this moment, but I am perfectly sure the matter came up on a subsequent occasion, and on the suggestion of both the Secretary of State and the leader of the opposition the matter was deferred until the final report was taken up, and I hope both the Secretary of State and the leader of the opposition will bear me out in my statement.

Hon. Mr. SCOTT—I made the statement.

Hon. Sir MACKENZIE BOWELL—According to the decision of the Speaker, the eighth report, which was presented the other day, was the last legal report printed. That is the one on which is to be discussed, not the seventh.

Hon. Mr. BEIQUE—I thought if the point of order was maintained that it would entail another report from the chairman of the committee.

Hon. Mr. LANDRY—Oh, no.

Hon. Mr. BEIQUE—That the chairman of the committee would have to report the evidence pursuant to the motion of the 22nd of July, but I understand that the ruling of the chair is that all that was rejected was the finding in the report of the 28th; but as the report of the 28th brought in the proceedings of the 22nd, that these proceedings would remain on the table, and therefore it amounts to a report of the proceedings of the 22nd.

Hon. Mr. CLORAN—Oh, no, I did not think that.

Hon. Mr. BEIQUE—I should like to be corrected by the chair if my understanding is not correct?

Hon. Mr. CLORAN—I would certainly decline to bring in a report prepared by any one outside of the committee.

Hon. Mr. BEIQUE—If I am in error, we would have to wait until the chairman of the committee formally reports, in accordance with the motion of the hon. member from Stadacona, to wit, that the evidence be reported to this honourable House; but, anyway, in one case as in the other, it is premature to take this seventh report into consideration, because it was agreed unanimously by this House that it was to be taken into consideration only when the evidence is taken up.

Hon. Mr. WILSON—The hon. gentleman from de Salaberry says that the chairman of the committee is to bring in a final report, and he is waiting until that final report is handed in. The hon. gentleman further says that with the exception of the chairman, the committee is dead. Will he explain to me on what authority the chairman remains a member of that committee? He says the chairman is to frame a report. In my simplicity, I understood that the chairman was to prepare a report, but that it must be submitted to the committee, and the committee should decide whether it was a report which should be brought before the Senate. How can the chairman do that? The chairman has no power any longer to call the committee together; therefore he cannot submit a report to the House. You may move a resolution or take a vote on the seventh report, but what you call the final report is an impossibility under existing circumstances. When we ceased to exist as a committee, the chairman no longer had power to prepare a report. I contend, therefore, that the course taken by the hon. gentleman is illogical, and I do not think on mature consideration he will continue to follow it any longer.

Hon. Mr. BEIQUE—The hon. gentleman——

Hon. Mr. LANDRY—The hon. gentleman has spoken already.

Hon. Mr. BEIQUE—The hon. gentleman has put a question, and I wish to answer it.

Hon. Mr. LANDRY—The hon. gentleman has already spoken.

Hon. Mr. YOUNG—In answer to the question of the hon. senator from St. Thomas (Hon. Mr. Wilson) as to how the chairman of the committee can make a report, permit me to point out that the report that was ordered to be presented by the chairman is the evidence, and if the committee could meet they surely would not deal with the evidence otherwise than to report it in its entirety to the House. That is the report which the House will have to deal with—the whole of the evidence unimpaired presented to the House by the chairman, in obedience to the order of the committee of 22nd of July. There is no complication whatever, so far as I can see.

Hon. Mr. CLORAN—As a matter of fact, as long as the seventh report is up for consideration, logically neither the committee, nor the chairman of the committee can present a final report. Suppose the House sustains the objection of the hon. gentleman from de Salabery and strikes out the evidence referred to, how can I bring in a report? The action to-night is illogical and uncalled for. Here is, as a matter of fact, the seventh report, and no committee can

bring in their final report when it is still in the power of the House to order that a portion of the report be struck out.

Hon. Mr. YOUNG—The hon. gentleman is not logical. Any report of a committee may be amended. The House has full power to amend.

Hon. Mr. CLORAN—Suppose the House order the committee to strike out the evidence, the report would have to be referred back to the committee with instructions to that effect.

Hon. Mr. YOUNG—Not at all.

Hon. Mr. LANDRY—To understand the question before the House, we had better see what is the last report of the committee which is struck out by the Speaker's decision. You will see it contains two things. The report is dated the 28th July and is as follows :

The Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York, beg leave to make their ninth and final report, as follows :—

1. In obedience to the order of your honourable House made on the 19th May, 1904. your committee have investigated the position in Canada of the Mutual Reserve Fund Life Association of New York.

2. Your committee find the following irregularities in the management of the affairs of the company :—

3. Fictitious payments of renewal and commuted commissions in sworn reports to Insurance Departments.

J. T. Paterson, No. 5, pp. 62, 63, 64, 65. Exhibit No. 42, No. 5, p. 59.

The only conclusion which can be drawn from Exhibit No. 42 (No. 5, p. 59), which is nowhere explained or contradicted in the evidence, is that from 1897 to 1903, both inclusive, renewal commissions alleged to have been paid, amounting to over $200,000, were fictitious.

The company also claim to have paid during the same years $311,166.67 in commuted commissions. Payment of commuted commissions should reduce the renewal commissions ; here, notwithstanding the large payment of commuted commissions the renewal commissions were increased, with a much smaller amount of insurance in force.

Hon. Mr. YOUNG—I rise to a point of order. This document which the hon. gentleman is reading from is no longer a report. By the ruling of the Speaker and the action of the House in sustaining that ruling. I submit it is no longer before the House and should not be read.

Hon. Mr. LANDRY—I never said it was before the House. I wanted to point out in reading the report, that it contains two suggestions quite different, and that we are discussing questions here which would be better discussed if we knew what the report was.

Hon. Mr. YOUNG—It has no reference to the report at all.

Hon. Mr. LANDRY—It has. Let me read from the report. It says :

4. Allowing one Moton D. Moss and other agents to misappropriate the funds of the company.

Hon. Mr. YOUNG—I rise to a point of order.

The SPEAKER—I do not think the hon. gentleman from Stadacona reads this as a report. He reads it as a document which was read in the House. I think the hon. gentleman is within his rights. He makes it part of his speech.

Hon. Mr. LANDRY—This document proceeds :

J. M. Stevenson, No. 2, pp. 13, 14.

J. D. Wells, No. 4, pp. 72, 73, 74. (contracts pp. 75, 78). (No. 4, p. 80, Moss poor). (No. 5, pp. 80, 81. no vouchers). ($250,000 due by Moss, No. 4. p. 81, N.Y. Superintendent of Insurace report, 1899, p. 20, 'nominal value only'). (N. Y. report, pp. 18, 19, 20, is found in No. 8, pp. 25-27). (Moss rich, No. 4, p. 84). (Vrooman letter, No. 2, pp. 51, &c.) (Hoffecker letters, No. 4, pp. 87, 88, 89). ($82,000 more to Moss, No. 4, p. 101). ($4,600 to Joseph. No. 4, p. 101). $6,000 to Moss) No. 4, pp. 104, 105).

Brockway, hotel-keeper, on pay-roll for $300 per week for $6,000 loaned Burnham by him, No. 4, pp. 99, 100.

No. 8, p. 26 (p. 20, Payn's Report, 1899). Chief examiner says : 'from 1881 to time when Moss contract was executed, in sixteen years, total agents' balances created amounted to $529,-459.93.'

In eighteen months during Moss contract, from January, 1897, to July, 1898, agents' balances of nominal value only were created amounting to $244,954.07.

Geo. D. Eldridge, No. 3, pp. 30, 31, Merriam, $211,000. ($482,421.50 agents' balances of no value, No. 3, pp. 31, 32, 33). (No. 4, pp. 41, 43. $50,000 profit on Moss). (No. 5, p. 134, assets decreased up to December 31st, 1901, $999,422.70). No. 5, pp. 132-134, total written off in six years, $1,-048,367.37. Brockway on pay-roll, No. 8, pp. 44, 45.

5. When serious charges were made against officers of company—making large payments out of company's funds rather than go into the charges.

(On General Tracy charges, $15,000 paid, No. 4, pp. 109, 110).

(J. D. Wells arrested for libel by company, No. 4, pp. 115, 116, all cost paid by company and suits discontinued).

J. T. Paterson, No. 5, p. 21. (Paterson arrested for libel by company and was paid $5.000, No.

5, p. 32). (Alleged libel, No. 5, p. 29, &c.) Geo. D. Eldridge, No. 3, p. 5.

6. Extravagance and overstating commissions paid agents.

Inter alia Geo. D. Eldridge, vice-president, reported that $500,000 per annum could be saved, but such savings were not made, No. 4, p. 97.

J. T. Paterson, No. 5, p. 51, increase in expenses with less business. (No. 5, pp. 52 to 58. Cost of new business in Mutual Reserve and comparative statements).

(No. 5, p. 59, exhibit 42. In 1899 and 1898, during Moss regime, $259,231 more paid in commissions, &c., than in the two previous years, while business written was $44,502,945 less, and insurance in force decreased $55,000,000). (Alleged payment of renewal commissions an impossibility, No. 5, pp. 62, 63, 64).

Geo. D. Eldridge, No. 3, p. 5. ($50,400 rent, No. 3, p. 9). No. 3, p. 25. (No. 3, p. 74, ex. by Hon. Mr. McMullen). Also No. 3, p. 80. ($60,000 salary to Burnham not excessive. No. 4, p. 50).

7. Contradictory statements.

J. M. Stevenson, No. 20, p. 6; E. Pendleton, No. 5, p. 110; both contradict Geo. D. Eldridge, who says he did not ask Stevenson to remain with company, nor agree to continue his salary while away. No. 3, p. 61.

(Statement to Senate, p. 12: 'Absolutely untrue as charged that the late president willed any proxies to Burnham'). (No. 2, p. 49, 'Harper will' assigns all proxies to Burnham).

J. T. Paterson.—Difference in sworn reports filed in Canada and in New York with Insurance Departments. (No. 5, pp. 39-42). By statute they should be alike, No. 5, p. 38. Scaled down claims all left out of Canadian report, 1901.

8. Overstatement of assets, &c., in sworn reports to Insurance Department and in circulars.

J. T. Paterson, No. 5, pp. 23-24, exhibit No. 34. Invested assets overstated by $13,150,124.23; insurance in force overstated by $35,732,626; new business overstated by $11,570,171, in circulars, as compared with reports to Insurance Department. Deferred premiums, No. 5, p. 80; Geo. D. Eldridge, No. 3, p. 57, $506,000 excess of liabilities Mutual Reserve Building, $483,000 of this, No. 3, p. 20. Deferred premiums and liens called assets as well, and are also very doubtful.

9. Overstating insurance in force in sworn reports to Insurance Departments—improperly ignoring liens on policies.

J. M. Stevenson, No. 2, p. 5. No. 2, pp. 7, 8, 9, 10.

J. D. Wells, No. 4, p. 71.

J. T. Paterson, No. 5, pp. 23, 24, 25.

Geo. D. Eldridge, No. 2, p. 60. No. 3, pp. 13, 14. case referred by Geo. D. Eldridge affords no support whatever to his contention). (No. 3, p. 15. No. 3, p. 72. Dennis vs. Mass., Benefit, 120 N.Y. vide No. 4, p. 69, &c.) No. 4, pp. 11, 12, 13, 15. (No. 4, p. 19, telegram sent by Eldridge months before he knew of the transaction to which it relates).

10 Mortuary funds improperly used for expenses.

'The Insurance Act, sec. 39, ss. 5, is as follows:—

'5. No portion of any moneys received from assessments for death claims shall be used for any expense whatever.'

J. M. Stevenson, No. 2, pp. 4, 5, 11, 12, 13, 14, 15, 33, 34.

J. D. Wells, No. 4, p. 104.

J. T. Paterson, No. 5, p. 52. Exhibit No 39, $4,658,555.62 of mortuary funds used for expenses.

Geo. D. Eldridge, No. 4, pp. 10, 11.

11. Liens placed on policies and called assets in sworn reports to Insurance Departments, when they were not assets.

J. T. Paterson, No. 5, pp. 44, 45. If liens paid in cash, company insolvent). Liens only bookkeeping, No. 5, p. 49. Notes referred to not negotiatable and not a liability of insured, No. 5, p. 48.

Geo. D. Eldridge, No. 2, pp. 60, 61, 62. ($2,500,000 without consent of assured, No. 2, p. 63). No. 5, pp. 126, 127.

12. Unfair treatment of fifteen-year class.

Hon. Mr. DANDURAND—Dispense! Dispense!

Hon. Mr. LANDRY—I am arriving at the crucial point. The document proceeds:

J. T. Paterson, No. 5, pp. 16, 17, separate classes made with increased cost to fifteen-year members). No new business added to fifteen-year class after 1890, No. 5, p. 19). (And by selection against the company, No. 5, p. 69, cost of insurance to this class abnormally increased).

Edmund Pendleton, No. 5, pp. 107, 108, 109.

Geo. D. Eldridge, No. 5, p. 124. Not in separate class. By the table of rates of the Mutual Reserve now in force adopted 1889, the members of the fifteen-year class are now paying on an average 30 per cent more (Geo. D. Eldridge, No. 8, p. 39) than the rates provided for in Bill (H), sec. 3, ss. (c), which the company admit is sufficient to carry all classes.

'(c.) The holder of any such assessment policy shall have the right to continue his said policy for the full amount thereof as a yearly renewable term policy upon which the premiums shall not exceed the net yearly natural premiunms for the attained age of the insured calculated upon the basis of the mortality table and rate of interest aforesaid with a loading of 5 per cent for expenses.'

13. Change in Moss contract by Burnham. Neither explained nor contradicted in evidence.

J. D. Wells, No. 4, pp. 81, 82, 83.

The contract in 1897, referred to, must, under the constitution and by-laws of the association, be executed by the executive committee, and could not be made by the president alone. Any secret material change or modification of that contract after its execution by the proper officers of the association, as made by the substitution of the middle sheet of that contract, would amount to the crime of forgery committed by all parties participating in the fraudulent substitution of such sheet.

14. Payments to President Burnham of commissions under Harper contract and contingent fund.

J. M. Stevenson, No. 2, p. 15.

Geo. D. Eldridge, No. 2, p. 45, &c., (No. 4, p. 50, $60,000 salary to Burnham). (No. 4, p. 52, $200 per week paid extra).

15. Refusal to state salaries and other remuneration of officers and office employees in detail and misstating same.

Gross salaries in sworn reports every year. (Refusal to show chairman of the executive committee pay-rolls. No. 4, p. 5. No. 4, p. 144. Although it was the executive committee's duty

to fix salaries). (No. 5, p. 50, actuarial expenses increased from $14,227, in 1896, to $31,449, in 1903, and not included in salaries to officers or employees).

Geo. D. Eldridge, No. 2, p. 67 ; No. 3, p. 3 ; Geo. D. Eldridge examined by Hon. Mr. Landry, No. 5, p. 60. (G. D. E., No. 4, p. 50, $60,000 per annum paid to Burnham not excessive). (No. 4, p. 68. No other compensation to officers and office employees). (No. 5, p. 129, actuarial expenses, No. 5, p. 130).

16. Transfers from class to class put in sworn report as new business, and full commissions paid twice.

J. M. Stevenson, No. 2, p. 5.

Geo. D. Eldridge, No. 4, p. 9.

17. Made a contract for purchase of Provincial Provident Institution, and after transfer made escaped payment of upwards of $100,000 by claiming that contract was illegal.

$12,000 paid on account. Geo. D. Eldridge, No. 8, p. 46 ; No. 3, pp. 50, 51, 52 ; No. 3, pp. 29, 30 ; No. 3, pp. 23, 24.

18. Rates charged amply sufficient with proper management.

J. T. Paterson, No. 5, p. 12. (Bankers' Life with less cost to insured had admitted assets in 1902 of $4,798,333.14. They were organized 1879, twenty-five years ago). (No. 5, p. 66, Mutual Reserve in 1901, only $2,611,790.19 admitted assets, with much higher cost). (No liens in Bankers' Life, No. 5, p. 13). (Low expenses in Bankers' Life, No. 5, pp. 12, 71). Geo. D. Eldridge, No. 2, p. 58 ; No. 5, p. 141. Attempt to explain low expenses Bankers' Life).

Thos. Bradshaw, No. 8, p. 47, &c., actuary Imperial Life ; John Culbert, No. 8, p. 58, manager Mutual Life of New York at Ottawa, both prove that the best old line companies furnish insurance at less cost than the Mutual Reserve charged in 1889.

19. Claims compromised or scaled down.

(J. T. Paterson, No. 5, pp. 72, 73, 1901. 324 polices about 50 per cent paid). Not included in Canadian report as by law required, No. 5, p. 73. (No. 5, p. 76. Reasons).

Geo. D. Eldridge, No. 4, p. 40 ; No. 5, pp. 136, 139. Canadian claims scaled down ; no names or numbers of policies given as promised, therefore exhibit is of no value.

20. Evidence uncontradicted of payments made to obtain the modification of a report of the Insurance Department of the state of New York.

($40,000, borrowed, No. 4, p. 107). (Brockway on pay-roll for $300 per week. No. 4, pp. 99, 100).

J. D. Wells lent $5,570, No. 4, p. 107.

21 Resignations of officers, &c., and reasons for same.

Hon. Mr. DANDURAND—Dispense. The hon. gentleman is reading a report which has been declared out of order, and which is subsequent to the report that is now under discussion. By virtue of what rule can the hon. gentleman read a report which has been rejected by this House, as a part of the argument on the preceding report ? If it is simply for the purpose of having it appear in the debates, it seems to me that is out of order.

Hon. Mr. LANDRY.

Hon. Mr. LANDRY—I tell the hon. gentleman it is not out of order at all, because I am just coming to that portion of the report, which strikes at the objection made by the hon. gentleman who spoke before me.

Hon. Mr. YOUNG—The hon. gentleman has been coming to that point so often, that we are getting impatient. The question before the House is, the seventh report of the Select Committee that refers especially and specifically to a certain question, and I submit that the hon. gentleman in reading this charge, or whatever you like to call it—it is not a report of any committee, because that has been decided upon, and declared to be something else than a report, therefore he is reading extraneous matter, outside of the question before the House, and, at this hour of the night, I think it is only fair and reasonable that he should come to the question directly before the chair, that is the seventh report of the Mutual Reserve Committee. In all reason, our procedure here should be guided, to some extent, by the procedure which governs a deliberative body, and he should confine himself to the subject-matter of the seventh report of that committee, and that only, and I submit, Mr. Sepaker, the point of order is well taken.

Hon. Mr. LANDRY—The point raised is, that I cannot read this document because it is not germane to the discussion now proceeding. It was asserted here that the seventh report of the committee should be taken into consideration only when the final report would be taken into consideration. I am reading the final report to show——

Hon. Mr. YOUNG—No.

Hon. Mr. WATSON—No.

Hon. Mr. LANDRY—The hon. gentlemen do not know what I am going to say, and they say 'no.'

Hon. Mr. YOUNG—The hon. gentleman says it is the final report.

Hon. Mr. LANDRY—I said I was reading the final report.

Hon. Mr. YOUNG—No, the hon. gentleman was not. The House decidedly pronounced upon that.

Hon. Mr. LANDRY—Well, this document was read in this House. It was read at

the table of the House the other day, and we have it in our minutes.

Hon. Mr. YOUNG—It is expunged.

Hon. Mr. MACDONALD (B.C.)—It was received by the House.

Hon. Mr. LANDRY—The report proceeds :

J. T. Paterson, 1896, No. 5, p. 21. (Resignation.)
J. M. Stevenson, No. 2, pp. 1, 6, 15. (Burnham agreed to resign ; J. D. Wells, No. 4, pp. 90, 91, 110, 111). Letter J. D. Wells to Burnham, No. 4 p. 92, &c. (No. 4, p. 108, four resignations). (Wells' resignation, No. 4, p. 112.
(J. T. Paterson asked by President to make false statements, No. 5 p. 20).
Geo. D. Eldridge, No. 2, pp. 51, 52, 53, 54, 55. (Vrooman letter, No. 2, p. 66). Vrooman letter proved. No. 5 p. 3.
22. The notice to produce served on the company was not complied with.

Your committee submit herewith copies of the evidence.

Then the final clause of the report reads as follows :—

Your committee submit herewith copies of the evidence of each of the witnesses examined on oath before them, together with all documents and papers produced before your committee, and a copy of the minutes of the proceedings of your committee.
All of which is respectfully submitted.
H. J. CLORAN,
Chairman.

By the last clause of the report the chairman of the committee, in the report that has been ruled out of order——

Hon. Mr. YOUNG—That is not before the House now.

Hon. Mr. LANDRY—On the point of order, it has been rejected ; but it is that report which was rejected, which contains the evidence.

Hon. Mr. YOUNG—No.

Hon. Mr. LANDRY—The report says :—

The committee submit herewith copies of the evidence.

It is that report that was brought in with the part which I read that submitted also the evidence.

Hon. Mr. YOUNG—My hon. friend will surely be reasonable. The discussion which is now raised in the House may be proper when the evidence is being discussed. I do not say that it is, but it would certainly be more proper then than now. We have only now before us the specific report made on a subject-matter which occurred in the committee, in which the committee came to the House and asked for a direction, and the report, by unanimous consent—at least by understanding—was to be taken into consideration with the final report, when the evidence was being considered by the House and the verdict of the House was to be given on the evidence.

Hon. Mr. LANDRY—The evidence is in.

Hon. Mr. YOUNG—Therefore this report which was ruled out and never received by the House, is not here.

Hon. Mr. LANDRY—Does the hon. gentleman say that the evidence is not before this House ?

Hon. Mr. YOUNG—No, I do not say that at all. It is not on the order paper for discussion.

Hon. Mr. LANDRY—But it was this informal report that brought in the evidence, and this informal report was ruled out of order. Either we have the evidence here in the regular way or we have not. If we have the evidence here in an irregular way, it is time for us to discuss the seventh report because there was an understanding. By virtue of this understanding we were to discuss the seventh report when the evidence would be brought in, and an objection was made, asking me to delay the discussion another day, because, it was stated, it would come in properly at the final report. What is the final report ?

Hon. Mr. YOUNG—My hon. friend is too old a parliamentarian not to know that the House would have to set the time when the evidence would be considered. The House has not, so far as I have been able to observe the procedure, set down any time for a discussion of the evidence. If both my hon. friends will agree with me, that before the evidence could be discussed, a motion would have to be made that the House consider the matter, after due notice, and that is not before us to-day.

Hon. Mr. CLORAN—Yes.

Hon. Mr. LANDRY—When does the hon. gentleman want to discuss that question ?

Hon. Mr. BEIQUE—It is set down for tomorrow. The hon. gentleman is anticipating.

Hon. Mr. CLORAN—I find it is not set down.

Hon. Mr. LANDRY—It might be set down now.

Hon. Mr. BEIQUE—The motion was made on Friday that it be set down for Tuesday.

Hon. Mr. CLORAN—It is not on the order paper.

Hon. Mr. BEIQUE—If it is the desire of the House to take up the question now, I am going to move an amendment to the motion of the hon. gentleman, but I thought it my duty to call the attention of the House to the understanding arrived at the other day, and I am in the hands of the House. I drew attention to the fact that it was understood the other day that this seventh report would be taken up when the evidence was taken up, but if it is the desire to dispose of this matter at once I am ready to move an amendment to the motion which has been offered by the hon. gentleman from Victoria division, so that we may proceed at once with the matter, and dispose of it.

Hon. Mr. FERGUSON—I think it is very desirable that we should for the credit of the House, try and complete this matter in some shape or form. My view is—taking into consideration the decision of the chair—that when that committee rose on the 22nd, and instructed the chairman to report the evidence to the House, that the chairman had that duty to discharge, and I find that he has discharged that duty, and also that he has done a good deal more than that, which he was not authorized to do, and my view is that that document—I think we must call it a document at present—has not been declared out of order. It is simply the findings in that document that have been declared to be out of order.

Hon. Mr. LANDRY—The hon. gentleman is changing the decision.

Hon. Mr. FERGUSON—That is my view of it. I do not know whether it will be sustained by the House or by the Speaker, but my view is that this report after the word 'New York,' on page 622, is all right, and it would read in this way :

The Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York, beg leave to make their ninth and final report, as follows :—

1. In obedience to the order of your honourable House made on 19th May, 1904, your committee have investigated the position in Canada of the Mutual Reserve Fund Life Association of New York.

Up to that point the report is carrying out the instructions to the committee. The chairman was not instructed to report upon all those findings, and they are expunged, under the ruling of the chair. Then page 625, after the line which reads :

The notice to produce served on the company.

The last paragraph is all right. It reads as follows :—

Your committee submit herewith copies of the evidence of each of the witnesses examined on oath before them, together with all documents and papers produced before your committee, and a copy of the minutes of the proceedings of your committee.

All of which is respectfully submitted.

H. J. CLORAN,
Chairman.

But the chairman has done something more than was proper, and it has been ruled out of order. That which I have read to the House should appear, and the rest of the report should be expunged.

Hon. Mr. LANDRY—The Speaker decided that the whole of the report should be struck out.

The SPEAKER—The conclusion I reached reads as follows :—

I therefore decide that the point of order of the hon. gentleman from Killarney is well taken, and that, while the evidence reported on the 29th July, in pursuance of the committee's resolution of the 22nd, is before the Senate, the document purporting to give the committee's finding is not, and should not appear in the journals of the House.

Hon. Mr. YOUNG—That is clear.

Hon. Mr. BEIQUE—I understand that it is the desire of this honourable House to dispose of this incident which is referred to in the seventh report of the Select Committee, and I have a few remarks to offer in support of a motion in amendment which I propose to make to the motion which was made a moment ago by the hon. gentleman from Victoria. The amendment reads as follows :—

That all the words after the word 'that' be struck out, and that the following words be substituted therefor :—'That the document exhibit No. 36 mentioned in said 7th report, is not admissible as evidence of any statement therein contained, and should be expunged from the evidence.

Hon. Mr. LANDRY—Too late.

Hon. Mr. BEIQUE—I hope the hon. gentleman will allow me to address this honourable House. The document in question will be found in Part 5, page 29 to page 37 of the printed report of the evidence. This was produced when a witness named J. T. Paterson was examined. It is a libel which was published in 1900 by the witness against——

Hon. Mr. LANDRY—I rise to a point of order. The hon. gentleman has already spoken once.

Hon. Mr. BEIQUE—No.

Hon. Mr. LANDRY—He did, and when I made the objection just now, he sat down, because he had already spoken once.

Hon. Mr. BEIQUE—Let me explain. I got up merely to call the attention of the House to the fact that this matter was to be taken up only when the evidence was being considered. I did not speak to the motion at all. I merely rose for that purpose.

Hon. Mr. LANDRY—That is speaking, and I ask the ruling of the chair.

The SPEAKER—I do not think that should be considered as speaking.

Hon. Mr. LANDRY—We shall show the hon. Speaker to the contrary to-morrow. If a man rises and seconds a motion it is speaking.

Hon. Mr. SCOTT—Is it conducive to the dignity of this honourable body to have hon. gentlemen make such assertions? It seems to me we should abide by the standing rules.

Hon. Mr. BEIQUE—J. T. Paterson was being examined, and he was asked by the counsel of the committee to offer in evidence the document which is printed on pages 29 to 37 of part five of the evidence before the House. This document was published in the 'Counselor' in 1900, an insurance paper which he then published in the city of New York, and the witness being under examination, it would have been proper for the committee, or the counsel of the committee, to prove all the charges that the witness was in a position to prove. If there was in that document any charge which he was in a position to prove, we have a right to expect that the counsel of the committee, or members of the committee, would have questioned the witness, and made him say that such and such things, such irregularity or such act of mismanagement had been committed by the officers of the company. If hon. gentlemen will refer to the evidence, I challenge any member of the committee to point to any portion of it where there was any attempt on the part of that witness to substantiate any part of that document. It was merely brought in because it had appeared in a paper published by that very witness, in the city of New York, and, surely, it cannot be treated as evidence. It is no evidence at all. If a document of that kind was allowed to be produced as evidence, any document could be produced as evidence, and surely it would be unbecoming on the part of this honourable House to allow anything of the kind to be done. We are part of the first legislative body of this country, and I think that when we make an investigation it is incumbent upon us, it is incumbent upon the committee to act, I do not say strictly according to the rules of evidence, but with some decorum, and with some sense of the responsibility of this honourable House, and of the committees appointed by this honourable House, and I say that the committee had no right to allow this document to be put on its minutes, and it would be unbecoming on the part of the Senate to countenance any document of the kind being placed on its minutes. Suppose that, instead of us having to deal with this company, we had to deal with any other company—take the Canada Life, the Sun Life Insurance Company, or any other company—suppose to-morrow I would rise in my place and move that an investigation be held against that company, would it be pretended that it would be open to me or to any member of the committee to place before the committee as evidence any newspaper article which had been published, possibly for the purpose of levying blackmail against the company. Surely not. The committee or the counsel of the committee was at liberty to prove the charges that he intended to prove, but he could not prove charges by merely filing a document of that kind without asking any questions to confirm the charges. I therefore move that this document, Exhibit 36, referred to in the seventh

report, be not accepted as evidence of any statement therein contained, and that it should be expunged from the evidence.

Hon. Mr. LANDRY—I rise to a point of order. The hon. gentleman has given a notice of motion, that when that question comes before this House, he would move such and such an amendment. Now he is making a flank movement. He is abandoning the position he took, and he is trying to take us by surprise, bringing in a new motion without any notice at all. I claim that this is not in order. The hon. gentleman having given a notice of motion must abide by the notice he gave, and not abandon it and come in with a new motion.

Hon. Mr. BEIQUE—I submit the point of order is badly taken for two reasons: because this matter has been taken up by unanimous consent of the House, contrary to the understanding arrived at on a previous day, and my motion was allowed to stand because I expected that this matter would come up to-morrow as was intended, according to the motion which was made on Friday. While this is a reason which to my mind is sufficient, still there is a better reason than that. My notice of motion had merely reference to an appeal from the decision of the hon. member who acted as chairman of that committee.

Hon. Mr. LANDRY—Which is the subject of this report.

Hon. Mr. BEIQUE—It is an appeal. The notice of motion has reference merely to a motion made by the hon. gentleman from Stadacona, which I contend was not in order but has no reference to the matter now under consideration. Even if my appeal was sustained, it would not reject this Bill of complaints at all. The effect of the appeal of which I gave notice would not cause the document to be rejected. But we are not dealing with that appeal at all. We are dealing merely with the merits of the report. The subject matter is the report which the hon. member for Victoria has moved—the motion that the seventh report be adopted, and surely it is open to any hon. member of this House to move an amendment when such a motion is made that such and such a document, the document being the one referred to, be rejected from the evidence.

Hon. Mr. BEIQUE.

Hon. Mr. LANDRY—That is anticipating a debate.

Hon. Sir MACKENZIE BOWELL—It is only a matter of ascertaining what position we are in. Is this an amendment to the motion which has been made by the hon. senator from Victoria? I understand his motion is for the adoption of the seventh report. The motion made by the hon. gentleman who has just spoken deals altogether with the fifth report.

Hon. Mr. SCOTT—No, it is germane to the seventh report.

Hon. Sir MACKENZIE BOWELL—Does the seventh report refer to that document?

Hon. Mr. SCOTT—Yes.

Hon. Mr. CLORAN—Page 524 of the minutes of proceedings.

Hon. Sir MACKENZIE BOWELL—I am merely rising to ask for information, and I am interrupted first by the Secretary of State and then by the hon. gentleman from Victoria, and then somebody at this end of the chamber interrupts, so that we are really getting into such a disorderly state that we do not know what we are doing. What I want to know is this: the motion by the hon. senator from Victoria (Hon. Mr. Cloran) is for the adoption of the seventh report—am I correct?

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—The amendment of the hon. gentleman from de Salaberry (Hon. Mr. Béique) is to strike out a portion of the fifth part of the evidence. Is the amendment relevant to the motion to adopt the report?

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—If so, the amendment may be moved. Was this evidence, to which exception is taken, given before the committtee, and was it accepted as evidence? If so, then it is a part of the record of that committee, whether it is right or wrong. I can understand my hon. friend from de Salaberry taking objection to evidence before a court which would not be inadmissable if taken in a committee. If he will take the trouble to consult parliamentary authority he will find it laid down distinctly and positively that a committee

of investigation appointed by parliament is not to be guided by the technicalities which govern the taking of evidence before a court of law. Let me give my hon. friend an illustration of what I mean. I had the honour of being one of a committee composed of the Hon. Edward Blake, Hon. Mr. Masson, Mr. Jones, of Halifax, and Sir Donald Smith, now Lord Strathcona, to investigate the causes of the rebellion in Manitoba and the North-west Territories. To my surprise, a question was put to a servant of Sir George Cartier as to what took place in his private bedroom between himself and a clergyman named Richot, who had been stationed at St. Norbert during the rebellion. I objected to that as being a sort of inquisitorial investigation. I thought it was carrying the investigation altogether too far. Mr. Blake rather sided with me at that time, but the next day he came to the committee, and, after investigating paraliamentary authority and practice, he told us distinctly that they had a right to pry into the secrets of every one connected with that rebellion in order to ascertain the facts, and the question was put to this servant who had stood at the door of Sir George Cartier's bedroom, and he answered by repeating the conversation he had heard between this reverend gentleman and the then Minister of Militia. I give that as an illustration of how far a parliamentary committee is justified in taking steps which they consider necessary to ascertain facts connected with the subject they are investigating. Whether the portion of the report which my hon. friend moves to strike out be relevant or irrelevant, I am not prepared to say, but by his admissison it is a part of the proceedings of the committee, and, consequently, should remain part of the record. The hon. gentleman has put his views on this question on record, and with that he ought to be satisfied. I give my own impressions as to the duty of the committee, and what may take place at an investigation, without passing any opinion whatever on the correctness of this evidence, or whether it should have been admitted or not.

Hon. Mr. CLORAN—I have just one word to say in regard to the very serious charge made by the hon. member from de Salaberry. I do not care to criticize the way in which he has put this very serious matter before the House. I believe he is one of the brilliant lights of the bar of the province of Quebec, and if he would remember what transpired in the committee, he would scarcely ask the Senate to pass judgment on what I consider an incomplete, to say the least, statement of the facts. It only bears out what I said about an hour ago, that it is not fair on the part of the hon. senator, unless he has very great reason to do so, to ask this House to reverse the decision of the committee, especially in regard to things which, to be appreciated, must be heard and seen. Fortunately, it is not necessary for this House to be in that position to judge this question. The statement made by the hon. member for de Salaberry is this, that the committee admitted as evidence an article published in a New York paper called the 'Counselor,' the article having been written by one Paterson, who was then a witness before the committee, and that the committee wished to allow, and did as a matter of fact allow, that extremely libellous criminal article, one of the worst I have ever read, to form part of the record. The hon. gentleman says we wished that article to go in as evidence. I take issue very flatly with the hon. gentleman on that statement. If that had been our object we would certainly be beneath the contempt of parliament, and I would certainly voice his views with regard to that matter; but the hon. gentleman is well aware of this fact, that when that question was before the committee, it was not as to the value of the article or as to the truth of the charges in that article. We were all prepared to admit that the article was a criminal libel if the charges contained in it could not be disproved; but it was not our duty to prove or substantiate the charges against the administration of the company. The company had the man who wrote that article, and who was a witness before the committee, arrested on a charge of criminal libel, and dragged him from court to court, and they sued him for $50,000 damages. If the charges were not true, it was the duty of the company to send that man to Sing Sing, and the power of the law of New York to do so is as great in that respect or greater than the law of Canada. Either Mr. Paterson was guilty of criminal libel or the

company was guilty of what was charged against them. They kept the matter dragging for two years in the courts of the state of New York, and then came to Mr. Paterson and said, 'You have actions against us, and we have actions against you; we will give you $5,000 if you will let the actions drop.' This offer was made to a man who had been a faithful employee of the company, an old Canadian in whom I had great confidence, a man who left the company because he believed his officers were guilty of maladministration, a man who makes his $150 a day as actuary, and in whom the community had confidence. That man made the charges against the company, and they went to him and said: 'Let us cry quits, and here is $5,000.' Mr. Paterson is a canny, solid Scotchman, and he told us: 'I did not have faith in the company, so I had the cheque by which I was paid photographed,' and the cheque and the photograph were produced before the committee. Mr. Paterson was asked why he had the cheque photographed, and he said: 'For the very simple reason that I could not trust the members of the board. They would probably say the day after that they had never paid me $5,000, and I wanted to be able to produce a photograph of it.' Now, what was the object of the committee? The witness Paterson gave a statement of the charges, which was unsatisfactory. We asked the witness what the company paid him $5,000 for. We wanted to see if the company had paid that amount for an article that was not libellous at all, that might have been a laudatory article. We wanted to find out the contents of the article, not to prove or substantiate what it contains. We would be sitting there until next year to do that; we would have to call officials of the state of New York and of the company to undertake such a task. What we wanted was to see what the article really was; what it contained that warranted the company in paying $5,000 to Mr. Paterson. If the hon. gentleman from de Salaberry cannot see that distinction and make that difference, I am glad that my judgment does not run in the same groove with his. It is on these grounds the committee accepted this evidence, not as proof of the charges contained in it, but as proof of the villany of the company that was prepared to pay $5,000 to a man who called them thieves.

Hon. Mr. MACDONALD (B.C.)—Did Mr. Paterson put that in as part of his evidence?

Hon. Mr. CLORAN—No; but as evidence of what they paid $5,000 for.

Hon. Mr. MACDONALD (B.C.)—Did Mr. Paterson put it in as part of his evidence?

Hon. Mr. CLORAN—Not until we forced him to put it in.

Hon. Mr. MACDONALD (B.C.)—Did he swear it was his article?

Hon. Mr. CLORAN—Certainly he swore that it was his.

Hon. Mr. YOUNG—Did he swear to the contents of the article?

Hon. Mr. CLORAN—No, that he published the article, and that is the distinction which all hon. senators ought to make.

Hon. Mr. DOMVILLE—I hardly like the expression that dropped from the hon. gentleman from de Salaberry that this is black-mail. I do not think he should have allowed himself——

Hon. Mr. BEIQUE—The hon. gentleman misunderstood me; I did not say anything of the kind. I asked, by way of argument, whether it would be open for members of a committee to put in a newspaper article which might be of that character. For the sake of illustration I specified the Sun Life, and said would it be open to any member of the committee to offer as evidence a document which might have been written merely for the purposes of black-mail?

Hon. Mr. DOMVILLE—If I understood my hon. friend, he was putting up a man of straw to knock him down. When Captain Cuttle was asked where the ship 'Sally Smith' was, he said, if she be in the 49th latitude, she is there, and if she be not in the 49th latitude, she is not there. That is the sort of argument the hon. gentleman advances. I take exception to the hon. gentleman saying that this evidence would not be admissible in any court. I have taken the trouble to ask legal gentlemen of high standing for an opinion on that point. I am not prepared to accept the hon. gentleman's legal opinion as higher than any other legal

opinion in Canada. I am willing to take it as far as it goes, but I am advised that this evidence would be received in any court of law in the world, and that before any jury the evidence that we took would be conclusive. The policy-holders have some rights. It would almost appear as if they had in this committee been persecuting the hon. member from de Salaberry, for he has been objecting all the time, he has been showing anxiety that this, that and the other be kept out of the record. Could there be any harm in the policy-holders reading what was offered in this investigation ? As the hon. leader of the opposition has said, the committee was not there to try people and convict them, but to find out what foundation there was for the complaints against this company, and to report just what they learned with the expectation that the Senate would pay them at least the courtesy of allowing them to submit all the evidence that was offered. I can readily understand that the course now taken might prevent the public from knowing the facts, and if hon. gentlemen succeed, what will the company say ? They will say the Senate of Canada would not receive this document. Read what the hon. gentleman says about it. Read what the Secretary of State said. Here is our justification. The policy-holders have suffered, and are suffering, from the mismanagement of this company, and yet they are not to be given an opportunity to know what is going on. They ask us for bread and we give them a stone. Was it a matter of courtesy to bring in a Bill dealing with this matter before the evidence was taken ? That Bill has not passed the House of Commons yet. If it happens, from circumstances which we cannot control, that the Bill passes as it stands, I shall offer an amendment which I thought was in the Bill, but which is not in the Bill as it stands to-day.

The hon. member from de Salaberry takes exception to a portion of the evidence contained in part No. 5, pages 29 to 37. If the document on the table, which has been ruled out by the decision of the Speaker, had been accepted it would have shown that the notice to produce which was served on the company was not complied with. Had the hon. member from de Salaberry been anxious to maintain the rights of the House and of the policy-holders, would he not have insisted on those papers being produced? Why should they not appear ? Mr. Burnham, the president of the company, was charged with all the offences contained in this indictment. Why did he not come here and answer for himself ? No, he went to England and allowed this evidence to remain uncontradicted by himself, and not disproved by any document that he might have produced, and which had been asked for. Nothing was produced in the way of rebuttal, nothing but long-winded speeches from Mr. Eldridge. Now, what is this article which contained libellous charges against the company ? The company instituted proceedings that will be seen by the following documents which are printed in part 5 of the evidence :

AFFIDAVIT FOR ORDER OF ARREST.

New York Supreme Court,
State of New York, County of New York.
The Mutual Reserve Fund Life Asociation,
Against
John Thomson Paterson, whose first name to the Plaintiff is unknown and who is herein designated by the fictitious name of John.
City and County of New York ss :
Camp
being duly sworn says, that he is the secretary of the plaintiff corporation which is a corporation organized and carrying on business under the laws of the State of New York, for the purposes of insuring the lives of persons.

That in a newspaper, published monthly and circulated in the city of New York, known as 'The Counselor', in its issue of January, 1900, there appeared the following articles :—

Fol. 2. A TERRIBLE ARRAIGNMENT.

THE MUTUAL RESERVE FUND LIFE ASSOCIATION.

That said articles contained false and defamatory words and matter concerning the plaintiff, and the officers of the plaintiff, and falsely and maliciously charged the officers of the plaintiff with the commission of crimes and offences, with dishonest, fraudulent acts and falsely and maliciously imputed and insinuated that the plaintiff was about to become bankrupt.

Fol. 3.—That the defendant above named, composed, or caused to be composed, and published or caused to be published, the said articles, all of which are contained in the subjoined verified complaint, which forms part of his affidavit, to which reference is made.

Fol. 4.—That all of said statements are false. This action has been brought to recover the sum of dollars damages incurred by the plaintiff for the said tortious acts of the defendant, annd the summons herein has been duly issued and is intended to be served herewith upon the defendant upon the day of March,

1900. Said defendant has not appeared or answered herein.

Fol. 5.—That no previous application for the arrest of the said defendant has been made in this action.

Sworn to before me this day of March, 1900.

SUMMONS.

New York Supreme Court,
State of New York, County of New York.
The Mutual Reserve Fund Life Association,
Plaintiff.

Against

John Thomas Paterson, whose first name to Plaintiff is unknown and who is herein designated by the fictitious name of John,
Defendant.

To the above named Defendant:

You are Hereby Summoned to answer the complaint in this action and to serve a copy of your answer on the plaintiff's attorneys within twenty days after the service of this summons, exclusive of the day of service, and in case of your failure to appear, or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated, New York, March , 1900.

JAMES, SCHELL & ELKUS,
Attorneys for Plaintiff.

Office and post office address, 56 Pine Street, Borough of Manhattan, New York City.

Now, if these pages from 29 to 37 are to be cut out, I desire to read it clause by clause in order that the House may know the nature of it; but as I do not wish to trespass on the time of hon. gentlemen, if they will consider these pages as read, I shall not read them.

Hon. Mr. LANDRY—Go on, they will not give you that permission.

Hon. Mr. DOMVILLE—Then I must read them.

Hon. Mr. LANDRY—We must know what they want to strike out.

Hon. Mr. DOMVILLE—That is what I am about to show.

Fol. 1.

New York Supreme Court,
State of New York,
County of New York,
The Mutual Reserve Fund Life Association,

Against

John Thompson Paterson, whose first name to the plaintiff is unknown and who is herein designated by the fictitious name of John.

The plaintiff for its complaint, by James, Schell & Elkus, its attorneys, alleges:

1. That it is a domestic corporation, organized and doing business under the laws of the state of New York for the purpose of insuring the lives of persons and at the times hereinafter mentioned and for about twenty (20) years last past, has been and is now carrying on said business in said state and elsewhere.

Fol. 2.—11. That on or about the first day of January, 1900, the defendant maliciously composed and published concerning the plaintiff and the officers of the plaintiff, in a newspaper called 'The Counselor,' at the Borough of Manhattan, in the city of New York, the following false and defamatory statement, to wit:

A TERRIBLE ARRAIGNMENT.

Fol. 3.—Attention is called to our arraignment of the president and management of the Mutual Reserve Fund Life Association, in this issue, our object in writing it being to impress upon the policy-holders of the association the pressing importance of a united effort to save it from bankruptcy by the removal of the present management. Policy-holders and others who are actuated by the same motive as we are, can have all the copies of this article in pamphlet form which they want, at actual cost, viz.: 100 copies, $1.25; 500, $6; 1,000 copies or over, one cent per copy or $10 per 1,000. Sample copy, 4 cents.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

Fol. 4.—Having devoted the best years of our life in advocating the advantages of the system of life insurance upon which the Mutual Reserve Fund Life Association was originally conducted and being conscious of the duty which we owe to its policy-holders, it is with deep regret that we express the opinion that unless a change of management can, in the near future, be effected, a bankruptcy must inevitably result.

Fol. 5.—That no financial enterprise, however sound in principle, can long continue to prosper which is conducted by men who have little or no regard for truth and are honest only in so far as the law compels them to be so, is proved by the failure of scores of life insurance companies, building and loan associations, banks and other financial institutions, through which millions of dollars of the people's money have been lost, squandered or stolen by those who betrayed the confidence reposed in them by a confiding public.

Fol. 6.—That the president of the Mutual Reserve Fund Life Association, and those who are immediately associated with him have not a high regard for truth and that integrity of purpose essential to the well-being and success of a large financial institution, is evident from the following facts:

First.—That president Burnham and his associates have made misleading statements to policy-holders and their committees, and have, by making false entries in the books of the company, concealed from policy-holders and the examiners of insurance departments the real purpose for which money has been expended.

Second.—President Burnham being sued for the payment of a debt, filed a demurrer to the complaint which demurrer was not allowed, the court practically holding that the discharge of debt had been obtained by fraud.

Fol. 7.—The following are the exact words used by Judge Scott, in special terms, Part III., June, 1899, in the case of Moton D. Moss vs. Frederick A. Burnham, in an action brought by the said Moss to recover the sum of $36,000:

Fol. 8.—Where a person effects a compromise of a debt admittedly due by him, by fraudulent representations and procures a discharge by paying another a part of the amount due, and an action is brought to recover the balance, and void the discharge by reason of fraud, it is necessary, as a preliminary to the right of recovery that the plaintiff repay the amount received, for, in such a case the plaintiff is entitled whether he succeed or not, to the amount he has paid. This precise case is presented here. The demurrer admits the orginal indebtedness of defendant to plaintiff for a much larger sum than he has paid.'

Fol. 9.—Third, a committee of policy-holders from Pittsburg, Pa., spent three days in the offices of the Mutual Reserve Fund Life Association, and to this committee, we being present, president Burnham and vice-president Eldridge showed what they represented to be the original contract made with the late E. B. Harper, by which he was allowed renewal commission 20 cents on each $1,000 of insurance in force on the 31st of December of each year, and positively stated that the contract was binding upon the association, it having been made prior to Mr. Harper's election as a director and president. As an evidence that what we state is correct we herewith produce the following from the report of the committee :

Fol. 10.—President Burnham answered the queries of the committee with a fulness and alacrity that we scarcely expected. He seemed to be glad of the opportunity to give to the policy-holders a statement of facts relative to the business of the company, and showed to them a true account of his stewardship of their interests. He gave a copy of the Harper will and showed the committee a contract of commissions made with Mr. Harper by the company, whereby he and his heirs were to receive 20 cents per $1,000 for all insurance written from that date.

Fol. 12.—This contract was made with the company prior to his becoming president of the association, and continued during his life, and by the terms of contract to continue during the continuance of the association, on the margin of which was written by Mr. Harper, the limitation of the terms of commission to all business done during his lifetime. He also gave releases each year for one-third of the amount accruing from such commission. Whatever responsibility attaches to the contract made has not been incurred by any officer of the company. Whenever such policies expire the commission ceases, but so long as the policies or renewals of the same remain in force the commission accrues to his legatees.

Fol. 13.—The report of the Pittsburg committee was published in President Burnham's annual report, and was signed by 'Alexander Demster, chairman, Cadwallader, Evans and by Howard Morton, committee.' The report was mailed to policy-holders in February, 1896.

Shortly after the death of the late E. B. Harper, in an effort to obtain a settlement with his legatees, Mr. Burnham, according to announcements in the daily press, caused a 'friendly suit' to be brought by them in the Supreme Court of New York, the Mutual Reserve being the defendant, and in its answer, which is now a part of the court record, among other things, alleging as follows :—

Fol. 14.—Alleges on information and behalf that pursuant to said constitution as so amended the said Edward D. Harper was elected president for one year, and was thereafter annually elected such president until July, 1895, but at all of said times respectively the term of his office was one year only, and no longer, and his salary was each year duly fixed by the executive committee of the defendant association in accordance with its constitution and by-laws, and was duly paid him in full.

Fol. 15.—Alleges on information and belief that the said Edward D. Harper was a member of the defendant association and had no right to make the agreement alleged, or intended to be alleged, in the complaint, by the performance of which agreement a portion of the annual dues would be diverted from their proper use for his benefits. Denies upon information and belief that any board of directors, or any officers of the defendant association ever at any time had any right or authority to dispose of the future earnings or income of said association in the manner and for the purposes in said complaint alleged, or to make the agreement alleged, or intended to be alleged in the complaint herein.

Fol. 16.—Alleges on information and belief that said defendant has fully paid and discharged and performed and settled for every sum or sums of money due to the said E. B. Harper or his legal representatives, now or at any time or times any and every obligation now or at any time existing against it, which he or any of his legal representatives otherwise would or could have or had against it, and denies that it is indebted to the plaintiffs in any sum whatever.'

Fol. 17.—To all of these allegations, made only a short time after this statement to the Pittsburg committee, president Burnham caused the following affidavit to be made by Chas. W. Camp, secretary of the Mutual Reserve Fund Life Association :

Fol. 18.—Chas. W. Camp, being duly sworn, says : That he is the secretary of the Mutual Reserve Fund Life Association, the defendant above named ; that he has read the foregoing answer and knows the contents thereof ; and that the same is true to his own knowledge except as to the matters therein stated to be alleged on information and belief, and as to those matters he believes it to be true.

Fol. 19.—The above allegations and affidavit seems to prove that when President Burnham stated to the committee of policy-holders that the Mutual Reserve was legally bound to pay 20 cents on each thousand dollars of insurance in force under the Harper contract he stated that which was not true, and what is still more serious, Mr. Burnham at the time, as shortly before the above allegations and affidavits were made, received, in addition to his salary, large sums of money claimed to be due under the contract, and used it without accounting for it, and still continues to pay out the funds of the association to others, which amounts so paid are charged as commissions, accruing under the contract, one payment alone being for $38,000. The total claims to have been paid to one person already exceeds $130,000.

Fol. 20.—Second Vice-President Wells, the treasurer, the Hon. John W. Vrooman and others, having protested against so large an amount being appropriated by the president in addition to his salary, Mr. Burnham caused the following resolution to be adopted by the board of directors :

'Resolved, That all payments heretofore made to the president from the contingent fund es-

tablished by resolution of the board, dated February 19, 1896, and the expenditures and disposition thereof be and are hereby in all respects approved, confirmed and adopted.'

Fol. 21.—' As the above resolution was adopted August 10, 1898, it appears perfectly clear that President Burnham continued to draw moneys under the Harper contract. For at least fourteen months after he caused the allegations and affidavits to be made to the Supreme Court, which allegations and affidavits show that no moneys whatever could legally be paid under the Harper contract.

Fol. 22.—The fact that Mr. F. A. Burnham was the attorney who drew up the will of the late E. B. Harper, and which provided that in the event of his not being elected president, one-third of the renewal commission due annually under the Harper contract was to be paid him, should not be overlooked, and it seems to show that he must have known all the particulars relating to it. Those of us who still revere the name and memory of the late E. B. Harper remember with horror the unseemly haste in the election of his successor ; the facts being that in the afternoon of the same day Mr. Harper died, Mr. Burnham being chairman of the executive committee, called a special meeting of the directors and had himself elected president.

Fol. 23.—Realizing that the amount which under any pretext could be handed over to him under the contracts is rapidly growing smaller by reason of this discontinuance of the policies written prior to the death of the late E. B. Harper, and being anxious to have his income remain at as large a figure as possible, Mr. Burnham caused the following resolution to be passed by the board of directors :—

Fol. 24.—Resolved, that no further payments be made from the said contingent funds, and in lieu thereof the executive committee be and is hereby instructed to place upon the pay-roll of the association the sum of $200 weekly, to be drawn and receipted for by the president, in addition to the salaries from time to time fixed and established and paid to him, which weekly sum of $200 shall constitute a contingent fund to be used and expended by him without accounting therefor, and in his sole discretion, and to that end, that the sum, as well as the amount heretofore drawn, be regarded as an addition to his compensation.

We call the attention of the policy-holders of the Mutual Reserve to one or two facts indicated by the above resolutions, viz.:

Fol. 25.—(a.)That it clearly shows that the board of directors, being selected and elected by President Burnham, he holding the proxies, are directed by him and always do as he directs. This is the only explanation which can be given of a transaction so outrageously illegal and unjust to policy-holders.

(b.) That in passing the above resolution an attempt was made to legalize the sums illegally appropriated by Mr. Burnham under the so-called Harper contract.

Fol. 26.—Fourth, That President Burnham, finding it necessary to explain to policy-holders why ex-Postmaster General James, Treasurer Hon. John W. Vrooman, Vice-President and Chairman of the Executive Committee J. D. Wells, Assistant Secretary J. M. Stevenson, Auditor J. F. Hoffecker and John Maclay, editor of the ' Insurance Economist,' are not now connected with the association, has caused the statement to be circulated that they were dismissed from the services of the Mutual Reserve ; and this in the face of the fact that all of these officials severed their connection by resignation and refused to allow their names to be longer associated with the present management, which resignations have been published in the daily press.

Fol. 27.—Fifth, Under the direction of President Burnham or some other officers or employee, blank forms for a special call, numbered 106, and dated September 1, 1899, were printed and a large number of them filled up and entries made upon the assessment registers in red ink, marked ' Special Call 106,' the amount due on the assessments being filled in, and yet in the face of all this, President Burnham, in a letter addressed to us, made the following statement :

Fol. 28.—' I will thank you to furnish me with the source of your misinformation. The directors and board of executive committee of the association fix the times and amounts of the assessments, and neither body has directed that a special call be made on September 1, as you say you are informed, or even considered such action.'

Fol. 29.—The above was in answer to a letter which we addressed to President Burnham remonstrating against this special call being sent out, and also against the enormous sum of $179,392.91, having been expended in cost of adjusting death claims, cost incurred in collecting assessments, &c., in the six months previous to September, 1899.

If the statements made in the above quotation from President Burnham's letter are correct, it is easy to see that he, and not the board of directors or executive committee, is the management.

Fol. 30.—That a special call was intended to be made on the 1st of September is either true or the Mutual Reserve is managed by a set of lunatics ; otherwise how can we account for the blank forms having been printed, filled up, ready for mailing, and the entries made upon the assessment registers ?

Fol. 31.—In addition to having denied, in the letter referred to, that a special call was to be made on September 1, President Burnham has allowed the positive statement to be made in the ' Insurance Economist,' the official organ of the Mutual Reserve, and in other insurance journals, and by a member of the agency committee over his signature, that ' there never was any intention of making a special call.' In every paper and letter where it is denied that it was the intention of the management of the Mutual Reserve to make a special call, a false statement is made, and known to be so by President Burnham.

Fol. 32.—Sixth In the year 1896, several months after the first reapportionment of the rates was made, Mr. F. A. Burnham called us into his office and requested us to attend a meeting of dissatisfied policy-holders which was to be held in the Equitable Building, instructing us that if objection was made to our presence we should state that we had been dismissed from the service of the company, and if we succeeded in getting in, to make an effort to influence the meeting and, if possible, get it to endorse the increase of rates as being absolutely necessary. It is needless to say that, notwithstanding the fact that Mr. Burnham argued that it was the duty of the officer or employee to lie, if the interests of the association required it, we refused to comply with his request, believing as we do that

the man who deliberately lies is worse than a thief.

Fol. 33.—It is a matter of history that President Burnham succeeded in getting an agent of the association not only to lie himself into the meeting referred to, but also to have himself elected chairman of a committee of the same dissatisfied policy-holders, and a few days afterwards went through the farce of waiting on the president for an explanation of the increase in rates, &c. In the report made by this committee, as might have been expected, the management of the Mutual Reserve was not only endorsed, but highly commended for having increased the rates. The gentleman who so faithfully served President Burnham in this connection was Mr. E. Randolph Taylor, who in this particular case passed off as E. Randolph, and a representative of one of the daily papers.

Fol. 34.—No one endowed with even ordinary intelligence can read the report of the Superintendent and Examiner of the Insurance Department of the State of New York in the recent examination of the Mutual Reserve Fund Life Association without being convinced that it is in a most critical condition, and that the management has laid itself open to criminal prosecution.

Fol. 35.—Thousands of dollars of the funds of the Mutual Reserve have been expended in an effort to counteract the evil effects of this report. Two prominent lawyers, Colonel Jas. and Edward Lauterbach were each paid a retaining fee of $5,000, and both went to Albany to urge the superintendent to modify his report. In almost every insurance journal carrying the advertisement of the association there appeared editorials commending the management and abusing the Insurance Department, which have been paid for either in the way of ordering special copies or as extra advertising.

Fol. 36.—We are sorry to be forced to say that in our opinion the superintendent has compromised himself and to a greater or less extent detracted from the dignity of his department by failing to do his whole duty in this case.

Referring to the charges made against the management, he makes the following statements:—

Fol. 37.—The examiner was commissioned to make an examination of the association's affairs. He confined his report to matters relating to its condition and did not go into the matter of the charges referred to, but derived the information embraced in his report from the books and records of the association.'

The charges referred to in the above extract were made and sworn to at the request of the superintendent by two trustworthy and respectable men, whose reputation for veracity was established beyond question long before President Burnham was connected with the Mutual Reserve, viz.: by ex-President and Chairman of the Executive Committee J. D. Wells and ex-Assistant Secretary J. M. Stevenson.

Fol. 38.—If the charges are false, it follows that both Mr. Wells and Mr. Stevenson are guilty of perjury, and yet the Superintendent of Insurance, who is suposed to be the guardian of the policy-holders of life insurance companies doing business in the state of New York, says that he 'did not go into the matter of the charges referred to.'

Fol. 39.—In order that policy-holders may know to what extent the superintendent did his duty in this examination, we herewith enumerate the principal charges made and sworn to by Vice-President Wells and Assistant-Secretary J. M. Stevenson, and which are still standing and not proved to be untrue, they are as follows:—

That President Burnham has illegally diverted to his own personal use and benefit the funds of the association;

That he illegally and fraudulently paid large sums of money to Moton D. Moss;

Fol. 40.—That he illegally and fraudulently released the said Moton D. Moss of indebtedness amounting to $150,000;

That he illegally credited the said Moton D. Moss with over $93,000 under the false pretense that it was due him;

That he has fraudulently diverted hundreds of thousands of dollars from the mortuary fund of the association;

Fol. 41.—That he borrowed from officers and directors of the association sums aggregating from $20,000 to $40,000, a part of which he paid back illegally out of the funds of the association;

That he illegally paid large sums of money out of the funds of the association to numerous lawyers for rendering him personal services;

That he swore to annual reports which were false and untrue;

That he fraudulently altered or caused to be altered the terms of certain contracts between the association and Moton D. Moss, by which the association suffered serious financial loss;

Fol. 42.—That he fraudulently used the payrolls of the association for his own purposes and to cover questionable transactions and to misappropriate the funds of the association;

That he holds the proxies of the members of the association and uses them for his own personal ends to appoint all directors and officers, and in this way he makes himself the embodiment of the management of the association.

Fol. 43.—If the superintendent did not go into these charges in the examination which he made, for what purpose, we ask, did he make the examination? If the charges were false, why did he not say so? If they were true, why did he not say so, and place facts before the Attorney General and urge him to take action?

If the Insurance Department does not exist for the protection of policy-holders, what is the use of annually expending hundreds of thousands of dollars for its maintenance?

Fol. 45.—If an official examination was made and questionable transactions and the dishonesty of the management was concealed, the department, instead of protecting the policy-holders, is lending its influence for the encouragement of such dishonest management, and in this way places the company or association so managed in a much worse condition than was the poor man who, on his way from Jerusalem to Jericho, fell among thieves, because instead of, like the good Samaritan, caring for the wounded man, it practically protects those by whom he was despoiled. This, in the case of the Mutual Reserve, seems to be literally true, the Levite and the priest—the superintendent and the Attorney General have both passed by on the other side, and the vice-president, Wells, has been put to the expense of defending a suit for libel, Mr. Burnham having taken this means of making it appear that the charges are false.

We believe that every one of the allegations made in the charges with the Insurance Department at the request of the superintendent should have been investigated, and a statement of the facts given to the members of the association.

Fol. 46.—It must be admitted that President Burnham and those associated with him in the management, in taking advantage of every means possible to delay the trial of the so-called libel suit against Vice-President Wells, do not act like men who court investigation. Despite every effort which Mr. Wells and his counsel, ex-Governor Black, have been able to make, it has been found impossible to bring the case before the courts.

Fol. 47.—If policy-holders combine as they should do, not only to use their influence, but also to furnish the means necessary to remove the present management, the association can yet be saved ; otherwise they are sure to lose all that they have paid, as, in my opinion, failure is inevitable under the present management. It is our intention in the next issue to expose the dishonest tactics adopted by the Mutual Reserve to force the fifteen-year policy-holders either to give up their insurance altogether or accept the new policy ; suffice it to say that a policy-holder insuring contributes $11.82 to the mortuary fund on each $1,000 insurance, i.e., ten cents per the mortuary fund of the association than a person insured at the same age and for the same amount on the so-called five-year level premium plan, and yet the person insured on the fifteen-year plan has had his premium increased three different times, and is now paying the amount indicated by the table of rates at age attained, instead of at age of entry.

Fol. 49.—A person insured in 1889, on the fifteen-year plan, for $1,000, aged 35, commenced by paying $11.93 each year to the mortuary fund, and is now called upon to pay $14.94, being an increase of $3.01, being the amount indicated in the table of rates at age attained. A person insured at age 35 on the five-year plan only contributes $11.82 to the mortuary fund on each $1,000 insurance, i.e., ten cents per $1,000 less than a fifteen-year policy-holder at the same year the first year, and yet the actuary of the Mutual Reserve, Mr. George D. Eldridge, under the heading, 'Five Year Combination Option Plan,' page 86 of the 'Agents' Manual,' makes the following statement :—

Fol. 50.—This plan is offered to meet the needs of those who desire to purchase insurance at a rate, payable from the start, practically ample to provide for the increasing cost due to increasing age by accumulation, thus rendering payments uniform throughout the life of the policy. . . . . The central or principal point is, however, the sufficiency of the rates to secure the payment of every claim throughout life. Questions of dividends incidental in character may be regulated to the results of experience, provided only the policy-holder is satisfied of the ample provision made for death claim payment, that being the central object of a life insurance policy.'

Fol. 51.—Following this is a series of figures, it being assumed that a company starts with $10,000,000 of insurance in force at the rate charged for the 'Five-year Combination Option Policy,' and that no new business be written, the whole $10,000,000 being considered by itself. At the end of the first ten years Mr. Eldridge makes out that there would be a balance to the credit of the company of $490,304 ; that at the end of the second ten years there would be a balance of $850,413 ; that at the end of the third ten years there would be a balance of $955,897 ; that at the end of the fourth term of ten yers there would be a balance of $815,191; and he concludes the demonstration as follows :

Fol. 52.—Thus the association has in hand resources sufficient to meet every dollar of outstanding insurance as it shall mature, no further lapse or discontinuance, otherwise than by death, being taken into the calculation.'

Fol. 53.—Be it remembered that these calculations were made by Mr. Eldridge, actuary of the Mutual Reserve Fund Life Association, after the reapportionment of experience of its whole history, and therefore he surely was in a position to know the rates had been made and when he had before him, or should have had, the mortality amount likely to be required for the payment of every death claim in full.

Fol. 54.—If this is true, how can the management justify its action in increasing the rate on the fifteen-year policy-holders and forcing them to pay all the way from twenty-five per cent to fifty per cent more than the amount called for by the experience table of mortality ?

We shall deal with this subject more at length in a future issue.

III. That the prosperity, usefulness, permanency and progress of the plaintiff, are dependent not only on the honesty and skill of the management, but also in the confidence of the members and the public therein, and in the officers who conduct the same ; that the money to pay death claims are voluntarily paid by the members when called for in assessments ; and the faith and credit due to said plaintiff in its said business, and the safety, stability and character of the said plaintiff, are and were at all times in the complaint mentioned known by the public and all said persons, to be dependent upon the honesty and skill in the conduct of the said business and in the management thereof.

Fol. 56.—IV. That the said article, matter and words aforesaid, in so far as they state or insinuate that the officers of this corporation have been or were guilty of any crime, offence or improper conduct in carrying on the plaintiff's business, were and are false, malicious and defamatory.

Fol. 57.—V. That the said article, matter and words aforesaid, in so far as they state or insinuate that the plaintiff is, or is about to become insolvent, bankrupt, or that it is unable to meet its just dues and obligations, or that the rights of its shareholders, members or creditors are about to be imperilled, were and are false, malicious and defamatory.

Fol. 58.—VI. That by reason of the printing and publishing of the said article, matters and words aforesaid, plaintiff has become injured in its business, its credit in the commercial and insurance world has been impaired, and its good name and reputation has been brought into public scandal, infamy and disgrace to its damage in the sum of fifty thousand dollars.

Hon. Mr. CLORAN—Is that what they paid Mr. Paterson, $5,000 for ?

Hon. Mr. DOMVILLE—Yes, they paid him $5,000 for injuring the business, the

good name, and reputation of the company. The document concludes as follows :—

Wherefore the plaintiff demands judgment against the defendant for the sum of fifty thousand dollars ($50,000), together with the cost of this action.

JAMES, SCHELL & ELKUS,
Attorneys for Plaintiff.

Office and post office address,
56 Pine Street, Borough of Manhattan,
New York City.

This is the document that the Senate is asked to cut out of the report. See what follows. I have read what it is proposed to cut out; now let us see what evidence would have to go with it, because if the report is to be emasculated by striking out this document, the evidence will have no meaning. We must discuss this report thoroughly, and I shall now read the evidence which has that document for its foundation :

By the Hon. Mr. Lougheed :

Q. You state that you received $5,000 for the purpose of allowing this case to drop ; is that it ?—A. That is as I understand it.

Q. Surely the plaintiffs could have discontinued a civil action against you if they chose ?—A. I would have had them arrested the next morning if they did.

Q. For discontinuing ?—A. Yes.

Q. Arresting a plaintiff for discontinuing a civil action ?—A. Yes, certainly.

Q. It is an extraordinary system of legal jurisprudence if that is so. This was a civil action, I understand ?—A. Yes.

Q. Am I to understand that you still labour under the impression that you received $5,000 for permitting the plaintiffs in this case to discontinue a civil action against you ?—A. Yes.

By the Hon. Mr. McSweeney :

Q. You got the money, anyhow ?—A. Yes.

How would they know what the money was for without the document which described it ? The document shows why the action was brought, and, that, without establishing either the truth or the falsity of the statements contained in the document, the company paid the man they charged with libelling them a sum of $5,000 to drop the action. Why exclude that from the report ? I cannot understand. It is what is called hair-splitting. The report continues :

By the Hon. Mr. Lougheed :

Q. That is your understanding ?—A. Yes.

Q. So that when it comes to cross-examination or an explanation afterwards there will be no misunderstanding ?—A. Oh, no.

By the Hon. Mr. Béique :

Q. Do you claim that under the law of New York that a party who takes a civil action for damages cannot discontinue the action by paying the costs ?—A. Had they discontinued the action they would not have paid the costs. The only way they could have discontinued the action was by abandoning.

Q. Do you claim that under the law of New York it is not open to the party suing for damages to abandon the suit and discontinue —do you claim it is not open to do that ?—A. I do not claim that.

Q. It is not open to every suitor, the plaintiff in the suit, to abandon it, and then the result is that the defendant recovers cost against him ?—A. Yes.

Q. And then it left your right to sue for false arrest open—your right in damages against them for false arrest—it left that right open to you ?—A. Yes.

Q. And therefore it would not have affected your own suit against them. You had taken a suit for false arrest ?—A. Yes.

Q. And you would have the right to continue that suit ?—A. I would.

Q. And the conditions of things being such, through your lawyers and theirs they arrived at a settlement whereby both suits were to be abandoned, and they were to pay you $5,000 ?—A. Yes.

By the Hon. Mr. Lougheed :

Q. Then there was a separate action or proceeding taken against you on the criminal side of the court ?—A. There was.

Q. But not this action ?—A. Not this action.

Q. We are dealing with the civil proceeding ?—A. Yes, that is right.

Q. And there was a criminal proceeding taken under which you were arrested ?—A. Yes.

Q. It would be in satisfaction of that you took the money ?—A. I was arrested under the civil suit and put under bail to the extent of about $10,000, and about a year afterwards I was arrested, I was charged with criminal libel and arrested, and I demanded a hearing before the magistrate and was discharged, and immediately on being discharged I entered suit against the association and President Burnham for $50,000.

By the Chairman :

Q. Tell the committee what was the nature of your libel against the company ? What did they arrest you for ?—A. The criminal libel.

Now it is necessary for the public to see the whole story and not judge by the views of the hon. member from de Salaberry or any one else. I do not hesitate to say that when the report goes into the hands of the public they will pass some very serious comments on it. The company bluffed this man in every way they could, and when they could trample on him no longer, in order to save their own skins, they paid him $5,000 to drop the suit. The report continues :

By the Hon. Mr. Béique :

Q. What was the date of the civil suit ?—A. January, 1900.

Q. At what date were you arrested on the criminal charge for libel ?—A. Sometime in the year 1901.

Q. Beginning of 1901 ?—A. Yes, about the beginning of 1901.

Q. Were you arrested on the criminal charge before the settlement took place ?—A. I was.

Q. So the settlement was the last thing ?—A. Yes.

Hon. Mr. Béique.—I object to this bill of complaint going on the record, and I move that this document be simply marked for identification.

The motion was declared lost.

Hon. Mr. Béique.—I ask that the names be taken—the yeas and nays.

The Chairman.—There is nothing before the chair, and I think the names cannot now be taken.

By Mr. Coster, K.C., Counsel for the Committee :

Q. I would ask you to read section 20 of the Dominion Insurance Act, chapter 20 of the Revised Statutes of Canada ?—A. Section 20 reads as follows :—

'Every company incorporated or legally formed elsewhere than in Canada, and at present licensed or hereafter licensed under this Act, and every company which is subject to the provisions of this Act, shall make annual statements of its conditions and affairs at the balancing day of the company in each year, and the form and manner of making such statements shall as to the Canadian business of such company be the same as far as applicable and as is required of Canadian companies, and as to its general business shall be in such form as such company is required by law to furnish to the government of the country in which its head office is situated.'

Q. Have you made a comparison between the sworn statements furnished by the Mutual Reserve Fund Life Association to the Department of New York and also Canada ?—A. I have.

Q. Would you look at those papers now produced to you, and say if those are correct extracts from the report ?—A. They are.

Q. These are from the report submitted to the Insurance Department of the state of New York of this company, and also to the Insurance Department of the Dominion of Canada ?—A. Yes.

I probably had better go back to the beginning of this part to show what these documents are. The report begins in this way :

Ottawa, July 12, 1904.

The committee appointed to inquire into the position in Canada of the Mutual Reserve Fund Life Association of New York, resumed at 10 a.m.

Mr. Geoffrion, counsel for the Mutual Reserve, made application to the committee for permission to reopen the cross-examination of Mr. Wells.

J. D. Wells recalled.

By Mr. Coster, counsel for the committee :

Q. I wish you to identify this letter, Exhibit No. 9. See if you know what that is ?—A. That is a copy of a letter written June 25, 1898, by the Hon. J. W. Vrooman, treasurer of the Mutual Reserve Fund Life Association, to Mr. F. A. Burnham, president.

Hon. Mr. KERR (Toronto)—I rise to a point of order. What is being read now has nothing whatever to do with the point before the House, which is the admissibility of a certain document as evidence.

Hon. Mr. DOMVILLE.

The other evidence that the hon. gentleman has been reading for some time relates to alleged facts, but the question we are confining ourselves to on this amendment before the House is whether the document is or is not admissible. If it should be admitted, there can be no further discussion ; if it is not admissible, all this is aside from the question. It may be very pertinent to another question, and may all be entered into, but in the meantime the point of order is that all this discussion is entirely aside from the question of the admissibility of that document.

Hon. Mr. CLORAN—To the point of order raised by the hon. gentleman from Toronto, I have to say that I fail to see the point. I think I am entitled to discuss the point of order raised by the hon. gentleman, and my eyesight is not too bad even at this late hour of the night. The hon. gentleman from Rothesay is now producing evidence before this House to show why the amendment of the hon. gentleman from de Salaberry should not pass. He is producing the best evidence that has ever been given before a court, and he is producing stronger evidence than was ever given before the Senate. The hon. senator is reading from documents which tend to show that the decision of the committee—that is, the chairman of the committee backed up by the vote of the committee—is perfectly legal. He is proving from the evidence submitted to the committee, that the document is entitled to be entered, and is entered, on our records, and there is no power now that remains with this Senate to strike it out. We are like the giant fighting against the wind. The evidence is in the record, and there is no power in this body or outside of it that can strike the evidence out. It has been accepted and circulated by this honourable body. The evidence is printed to the extent of 750 copies. Now, the hon. gentleman from de Salaberry is forcing the members of the committee, who are in the majority, and who know more fully the merits of the case than he does——

Hon. Mr. KERR (Toronto)—Will the hon. gentleman permit me to say that this has nothing to do with the point of order.

Hon. Mr. CLORAN—I am speaking to the hon. gentleman's point of order, and

I most respectfully submit to this House that the Senate is not in a position to judge that question the same as the committee was. I submit that point to the hon. senator from Toronto, and he will know, as an able exponent of the law, what that means. Now, as to the point of order raised, that what the hon. senator from Rothesay is laying before the Senate is not relevant to the amendment moved by the hon. gentleman from de Salaberry: That is a matter of opinion. The hon. Speaker may decide with the hon. senator from Toronto in that regard, but before a decision of that kind can be rendered, it is within the privilege and right of hon. gentlemen of this House to put on record their protest, because my experience is that once the hon. Speaker of this House has rendered his decision, we have no right to discuss a matter, although it may be a matter of fact. I would understand, if the hon. Speaker of this House rendered a decision on a question of principle that there should be no discussion of that principle, but when a decision is rendered on a question of fact, then it is a question of who has seen best and who has heard best.

Hon. Mr. KERR (Toronto)—Will the hon. gentleman allow me——

Hon. Sir MACKENZIE BOWELL—The hon. gentleman has no right to interrupt.

Hon. Mr. KERR (Toronto)—Has this anything to do with the point of order?

Hon. Mr. CLORAN—The point of order is raised by the hon. gentleman from Toronto that what the hon. senator from Rothesay is laying before this Senate is not relevant to the question at issue, and has nothing to do with the amendment of the hon. gentleman from de Salaberry. That is the hon. gentleman's contention, and I respect it. I admit the hon. senator has the right to put his view before this House, and ask the Speaker to pass upon that view, but I claim for myself, and I claim for the hon. members of this House, and especially of that committee, the right to put before this House and the country other views than those put by the hon. senator from de Salaberry, with which the hon. Speaker may agree or may not agree. So that on that point I am perfectly in order, and I hold that no matter what the hon. senator may say with regard to that, the evidence of Paterson vs. The Mutual Reserve Fund Life Association of New York is completely in order, even if the hon. gentleman from Rothesay had to go through one thousand pages of the evidence, because it is an essential point of this investigation that the evidence which the committee tried to adduce before it for the enlightenment of the Senate and for the protection of the policy-holders should go upon the records, notwithstanding the desperate efforts that were made to block and hamper that committee in having that evidence adduced.

Hon. Mr. WATSON—Hear, hear.

Hon. Mr. CLORAN—And if those desperate efforts are continued now to prevent the country from knowing what the management of that company is, as chairman of that committee I take the responsibility of the words I utter——

Hon. Mr. DANDURAND—As ex-chairman.

Hon. Mr. CLORAN—Not ex-chairman yet, as the hon. Speaker has decided that I am still alive, and I want the honourable House and especially the policy-holders of this company, to understand that this committee has been working in their best interests. That may be a point of order. I say that if the committee admitted that evidence illegally and against the honour of this House, as the hon. gentleman from de Salaberry has stated on two or three occasions before the committee and before the House, we would be degrading the highest institution of the country by admitting evidence which would not be allowed in any court of justice. The hon. gentleman has made that statement three or four times, and it shall not go on the records of our country that a committee composed of nineteen senators were guilty of an act that would throw discredit on this chamber. As chairman of the committee, I say to the hon. gentleman that all the actions taken and decisions arrived at by that committee were supported by a majority of that committee, and when he comes before the House and asks to have this evidence struck out, he is challenging the honour of the majority of that committee. He is asking this honourable House to chastise that committee;

to say that the committeee did not know what they were doing; to say to that committee that they are dishonouring and disgracing the House, as he says——

The SPEAKER—I would ask the hon. gentleman to what is he now addressing himself? I think there are times when the Speaker must depart from the usual method. The hon. gentleman from Rothesay, making a speeech, was interrupted by a question of order. Now, I do not think the hon. gentleman from Victoria should take the floor from the hon. gentleman from Rothesay.

Hon. Mr. CLORAN—I have not taken the floor from him.

The SPEAKER—The hon. gentleman from Victoria has not been speaking to the question.

Hon. Mr. CLORAN—I have taken the floor on the question of order.

The SPEAKER—The hon. gentleman is not discussing the point of order; if he were I should not object, but I think there should be some regard to the rules of order.

Hon. Mr. CLORAN—Do I understand that the hon. Speaker is not aware of the fact that the hon. gentleman from Toronto has raised a question of order?

The SPEAKER—I am quite aware of it, and if the hon. gentleman will keep to that question he will be in order. I would not think of interrupting, but I do not think it is fair to the hon. gentleman from Rothesay or to the House, to discuss things which have no connection with the point of order.

Hon. Mr. FERGUSON—The hon. gentleman should speak to the point of order, and we should reach a decision on it.

The SPEAKER—I have no right to interfere, perhaps, but as a member of the House, I should object to the course taken.

Hon. Mr. WILSON—It does strike me that unless we can have better evidence than the hon. gentleman from Toronto offers us, that the hon. gentleman from Rothesay was perfectly in order.

Hon. Mr. CLORAN—Hear, hear.

Hon. Mr. WILSON—He was showing definitely and reasonably, perhaps tediously to some hon. members of the House, the necessity of leaving that portion of the evidence taken before the committee in the record, and therefore he was justly within his right. He was justly within his rights in every respect, and should not have been interrupted by the hon. gentleman from Toronto.

Hon. Mr. McMULLEN—The hour is getting late, and I move the adjournment of the debate.

Hon. Mr. FERGUSON—The Speaker should give his decision on the point of order.

Hon. Mr. MACDONALD (B.C.)—There is no point of order.

Hon. Mr. FERGUSON—Yes, there is.

Hon. Mr. MACDONALD (B.C.)—It is not worth while considering.

The SPEAKER—Strictly speaking the hon. gentleman from Rothesay is not speaking altogether to the point, in some of the observations he made recently, but it has never been the practice in this House to hold hon. gentlemen very strictly to the rule, and perhaps it would not be fair to surprise the hon. gentleman from Rothesay by enforcing the rules against him. I think the better way will be to let the hon. gentleman proceed.

Hon. Mr. MACDONALD (B.C.)—I think every member of this House has the right to read the whole of that evidence on the two questions before the House, if he desires to do so.

Hon. Mr. DOMVILLE—I have no desire to bore this House, and I ask that the evidence be taken as read?

Hon. Mr. KERR (Toronto)—We like it.

Hon. Mr. DOMVILLE—The hon. gentleman from Toronto says 'we.' Why does he not speak for himself. The hon. gentleman is weak.

Hon. Mr. DANDURAND—The hon. gentleman wanted to return to the facts that preceded or led up to the introduction of that document when he was interrupted.

Hon. Mr. DOMVILLE—That is just what I am trying to do now.

Hon. Mr. DANDURAND—I thought the hon. gentleman intended returning to the beginning of the deposition or testimony of Paterson. If he will tell us that that deposition or testimony of Mr. Wells bears at all upon the incident that we are discussing I withdraw the point of order that I raised, and I should like the hon. gentleman to declare that, if he does not want me to raise the question.

Hon. Mr. DOMVILLE—My hon. friend was absent from the committee a great deal, and perhaps was not able to go through the evidence, and we who have followed the evidence a little closer, will be able to see the point. The question is on the adoption of the seventh report, and my hon. friend from de Salaberry has moved that a certain part be struck out. I fancy I would have the right to speak to the whole report, as well as to take up the point that they have no right to cut out a certain part. The whole report is before the House.

Hon. Mr. DANDURAND—But does the hon. gentleman contend that the deposition of Mr. Wells, which he was reading from, does not bear upon the admissibility directly or indirectly of that document which the hon. gentleman from de Salaberry desires should be struck out?

Hon. Mr. DOMVILLE—Why should my hon. friend ask me to admit anything? He wanted me to admit a Bill before it was brought in, and now he wants me to admit something before I read it.

Hon. Mr. DANDURAND—The hon. gentleman should know whether it bears on the question before he reads it?

Hon. Mr. DOMVILLE—I have half a dozen documents to read, and I cannot make a selection at once. This is a large question before the country, though not so much here, because it is prejudicated and therefore it is necessary with considerable difficulty to myself and the House, that this question, before it finally leaves the Senate, should go before the forty-eight millions of the fifty-six millions of the policy-holders who have been put out of the association. The other eight millions are left, watching the course of the hon. member from de Lorimier, and the course taken by other hon. gentlemen, and I would not have it said that I have been brow-beaten, nor should I like to have them think there had been any attempt to brow-beat that committee, and that there were only two or three members on that committee whose knowledge of law, or whose knowledge of proceedings was limited, or who had their whole interest at heart. I should like them to think that the other sixteen also had some intimate knowledge of what was going on, and that they would like to place before the people of this country the facts in their entirety. It is not as if this had come up on a snap-shot question. It is not as if it had gone through a day or a couple of days, or a half an hour or had been passed by in silence; it has occupied the Senate for a long while. There has been a struggle before that committee, such a struggle I do not hesitate to say as I have never before seen, from my first experience of public life. I did not come here yesterday. I did not drop into the Senate by the will of God or the Queen's enemies. I have been in the strife of politics for thirty-two years. I was not dropped in here in a hurry. I have always been a fighting man in an election, not as a senator, because as a senator I would not interfere. An hon. senator who can take up his record of thirty-two years, and stand before the people who have some influence is of some use in the country. An hon. member of the House of Peers in England—I won't say here—but an hon. member pitchforked into the House of Peers in England—of what value is he? None, except he brings some influence, not by the right of birth, not by the right of heredity, but by his own strong hand, or the influence he has in the country families in England, or his influence, in trade, commerce or shipping. I venture to say that the public knowing me all over Canada, in my course of thirty-two years, will give me credit from the Atlantic to the Pacific for being consistent, not endeavouring to annoy this House or to bring up extraneous matter but standing in my place, wrestling against all adversaries, in the interests of those policy-holders who have suffered, and who will suffer hereafter. I have no ill-will in this matter, but when we meet next session, hon. members will admit that my course has the endorsement

of the public. and will say that my point was well taken, notwithstanding all the influences that I have had to fight against, with the help of hon. gentlemen in this House, not confined to the Conservative or the Liberal side—no politics in it whatever—hon. members have done their utmost and they have to be thanked for writing the history of this company on the records of Canada, which history will stand there, and cannot be expunged by any clipping of the report, so asked for by the hon. gentleman from de Salaberry. Cut it out of the committee report, but it will be on the debates for ever. I will read its history there, and there it will remain as long as grass grows and water flows. It cannot be hustled into the archives or thrown into the basket where old paper goes, but these charges shall remain on the debates of this House, and will remain unanswered and uncontradicted. The representatives of the company came here, but they failed to put the president of the company on the stand, the man against whom all these charges were made. Had he held that position with honour ; had he regard for the policy-holders of Canada, would he not have come up and said, 'I am here with clean hands ; ask me what you want ; demand from me what you require. Here are my books ; examine them.' But what did he do ?. I have seen lobbying all around this chamber, big lawyers and little lawyers, the big shad running up the stream and the little shad following them. We have had all that to contend against, and I think the company is not entitled to any great respect from this House, even although they receive it. I read in a New York paper the other day an article with reference to this matter. It was a leading article headed, 'Eldridge on top.' What was he on top of ?

Hon. Mr. CLORAN—On top of the Senate.

Hon. Mr. DOMVILLE—On top of the Senate, my hon. friend says. On top of the hon. gentleman from de Salaberry ; on top of the hon. gentleman from Stadacona ; on top of everybody.

Hon. Mr. LANDRY—And on top of the government.

Hon. Mr. DOMVILLE—I would not say the government, because that would be uncomplimentary. I now move the adjournment of the debate.

Hon. Sir MACKENZIE BOWELL—No, no.

Hon. Mr. DOMVILLE—Then we will commence. I was just stating that Eldridge was on top of the Senate. A proud day for him to be able to go into committee and draw a Bill, get his name on the back of a public Bill, be able to get a public Bill passed, a brand new Bill—a proud day for him when he reads the debate here, where it was arranged that certain provisions were to be included in the Bill, and when the Bill is reprinted the provisions do not appear. We have no more chance at that Bill. The only way is to follow that Bill in the Commons, where it will be looked after.

Hon. Mr. CLORAN—Do I understand the hon. gentleman to make the statement that amendments made to the Bill in this House were not embodied in the Bill when it was sent to the Commons ? It is a serious charge.

Hon. Mr. DOMVILLE—It is a serious charge. I do not make it as a charge. I make it as a statement. An hon. gentleman asked me a question and I must answer it. I state it was a proud day when the hon. member from Wellington said that if his amendment was adopted it was all right. I said I was satisfied if mine was. The Debates show that the hon. member from de Salaberry said so, and I hold the Bill in my hand and the amendment is not in it. I am only stating a fact that the resolution is not embodied in the Bill.

Hon. Mr. DANDURAND—Is that germane to the point of order

Hon. Mr. BEIQUE—Question, question. We are dealing with one subject and the hon. gentleman is dealing with another.

Hon. Mr. DOMVILLE—We will take it up another time. If it is more convenient to my hon. friend or to the House we can take it up after we have had a vote on this. I think I got down to that part of the evidence where Mr. Wells was asked, on July 22 :—

Q. You know that to be a copy of the letter ?—A. I do.

By Mr. Geoffrion, Counsel for the Mutual Reserve :

Q. Please look at these two cablegrams marked for identification, and tell me whether these are copies of cablegrams sent by you to Mr. Burnham, the president, as they purport to be ?—A. I do not remember the sending of these cablegrams.

By the Chairman :

Q. What is the date of them ?—A. 1896.

By Mr. Coster, Counsel for the Committee :

Q. July 22, 1896, one of them appears to be ?—A. Yes, I think this is July. It looks like July 20, 1896.

By the Chairman :

Q. Where was that sent from ?—A. I think it is from New York to Paris.

By the Hon. Mr. Wilson :

Q. You do not remember sending them ?—A. No, I do not remember the sending of them.

By Mr. Geoffrion, Counsel for the Mutual Reserve :

Q. You do not remember it ?—A. No.

Q. Do you deny having sent them ?—A. I do not.

Q. These documents have been referred to, and I should like to put them in. Please look at these four letters which purport to bear your signature, one July 20, 1896, addressed to Mr. Burnham, one July 31, 1896, addressed to Mr. Burnham, and one of July 6, addressed to Mr. Burnham, and one of September 8, 1896, addressed to Mr. Burnham ?—A. Yes, these bear my signature.

Q. I wish simply to identify them. They bear your signature ?—A. Yes. They all bear my signature.

(Four letters marked for identification).

Q. Please look at two letters purporting to be written by Mr. Burnham to you on June 20, and on July 6, 1896, and please tell me whether those letters are not written by Mr. Burnham ? They are corresponding with those other letters. Tell us whether those letters were not written to you by Mr. Burnham and received by you ?—A. I cannot remember them.

Hon. Mr. DANDURAND—Bearing on this question?

Hon. Mr. DOMVILLE—They are all. The question is the charge made against the Mutual Reserve Association, and which, on their being published, certain things took place. If the hon. gentleman does not understand I shall go back and read it again. This is a portion of part 5 of the evidence reported by the Select Committee, and my hon. friend will see that I am leading up to where the document was produced which the hon. gentleman desires to cut out of the report. He proposes to cut away the centre and leave the head at one end and the tail at the other. I am pointing out that you cannot divide the animal into three pieces, that they are all parts of a whole and pertinent to one another. The report continues :—

By Mr. Coster, Counsel for the Committee :

Q. Perhaps you have the original letter ?—A. Possibly I have. I cannot remember whether those are actually the original letters. I acknowledge one of July 6, but I certainly cannot remember the purport.

Q. Look over them and see if you had notice of all the facts contained in them ?—A. I had considerable correspondence with Mr. Burnham.

By Mr. Geoffrion, Counsel for the Mutual Reserve :

Q. Have you any doubt those are the letters ?—A. I do not know, but I have no objection to them going in as letters having been received by me at all. I have a number of letters from Mr. Burnham.

Q. You stated that you knew the writing of Mr. Hoffecker ?—A. Yes.

Q. Please look at this letter dated New York, May 13th, 1898, signed by Mr. Hoffecker, and addressed to you, and tell us whether this is a letter of his written to you ?—A. That is the handwriting of Mr. Hoffecker, the auditor—yes, I recognize his handwriting.

Now, who was Hoffecker ? Hoffecker was the auditor, a man who, as the witness shows, would not stay with the company. The report continues :

Q. The letter was sent to you, no doubt ?—A. Addressed to me on May 15, 1898. I do not know whether I received this letter, or not. I recognize the handwriting.

Q. You admit having received it ?—A. I do not know whether I received it or not, on my return from Europe.

Q. You would not say you did not receive it, of course ?—A. I do not say I did not receive it.

Q. Look at this letter sent by the same Hoffecker, May 20, 1898, addressed to you, with a note in your handwriting, and initialled by you, 'Handed to me by Mr. Hoffecker about half an hour ago' and tell us whether that letter is in the handwriting of Mr. Hoffecker, and received by you ?—A. Yes, this is in his handwriting. This would indicate it was handed to me by Mr. Hoffecker, about half an hour before. This is May 20, 1898.

Q. Will you look at the third letter of May 24, 1898, signed by Mr. Hoffecker, addressed to you as chairman of the committee, and the note under your initials and in your handwriting 'Dear Mr. Burnham : This letter is the outcome of Mr. Hoffecker's suggestion that I should see him and get from him the lowest amount he would take.'—A. Yes, that is Hoffecker's also.

Q. This letter is dated New York, May 13, 1898, and is addressed to J. D. Wells, Esq., chairman of the executive committee, and is as follows,—

The hon. gentleman will see that I am not endeavouring to bring anything before this honourable body that would be a surprise to them.

Hon. Mr. DANDURAND—I would suggest to the hon. gentleman, that as it is now

after midnight it would be better to adjourn the debate.

Hon. Mr. DOMVILLE—I move that the debate be adjourned.

The motion was agreed to.

Hon. Mr. TEMPLEMAN moved that the House do not adjourn.

Hon. Mr. CLORAN—Before the adjournment of the House, I should like to know what action is to be taken with the ninth and final report of the committee ? I made a motion on Friday afternoon that the ninth and final report be taken into consideration on Tuesday. I find there is no mention of that motion on the Orders of the Day. What is to be done ?

Hon. Mr. BEIQUE—It will be on for to-morrow.

Hon. Mr. CLORAN—Will it be on to-morrow ?

Hon. Mr. THIBAUDEAU (Rigaud)—Certainly.

The Senate adjourned until 3 p.m.

THE SENATE.

Ottawa, Tuesday, August 2, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

TRANSPORTATION COMMISSIONERS REPORT.

INQUIRY.

Hon. Mr. PERLEY rose to

Ask the government if the transportation commissioners have made any report of their doings, and if so, will the report be distributed, and who have been benefited by it ?

Hon. Mr. SCOTT—From all the information I can gather, they have not sent in any report. I have inquired at the office of the Department of Trade and Commerce and at my own department, and I am not aware that any report has yet been received from them.

Hon. Mr. PERLEY—There is not much use in the commission if they cannot make a report by this time. They have been nearly a year in operation.

Hon. Mr. SCOTT—No, appointed only a few months ago.

RAILWAY COMMISSION.

INQUIRY.

Hon. Mr. PERLEY rose to

Ask the government what cases have the railway commissioners adjusted, and who have benefited by their investigations ?

Hon. Mr. SCOTT—The answer I got from the Department of Railways and Canals is that it would be altogether too voluminous to give the answer, and if the hon. gentlemen will move for the papers they will be brought down.

Hon. Mr. LANDRY—When ?

Hon. Mr. SCOTT—I do not know. Whenever the work can be done.

Hon. Mr. PERLEY—Too late in the session for it now.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

NOTICE OF MOTION.

Hon. Mr. CLORAN—As chairman of the select committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York, I beg to say that the Clerk of this honourable House is in doubt as to his power to pay the accounts for clerical services, witnesses, experts and counsel who have been summoned and employed and in attendance on the meetings of the select committee.

The SPEAKER—I presume the hon. gentleman is giving notice of motion.

Hon. Mr. CLORAN—I will move it now if I am permitted.

Hon. Mr. SCOTT—Notice must be given. It is too important a matter to be dealt with off hand.

Hon. Mr. CLORAN—I have been advised by some of the oldest parliamentarians in the House to take the step I am taking. Of course if the hon. Secretary of State insists on having notice I must put this motion on the paper as a notice of motion.

Hon. Mr. SCOTT—The House cannot accept this without notice. It is a matter of too much importance.

Hon. Mr. FERGUSON—This is not a report of the committee.

Hon. Mr. SCOTT—I understand, it is some account that is to be paid.

Hon. Mr. CLORAN—As far as I personally am concerned, and from my knowledge of parliamentary law and legal responsibility, no motion of the kind is necessary; but the officer who has the authority to deal with these matters has some doubt as to his authority. To my mind there can be no doubt whatever, because when this committee was appointed it was instructed to employ clerical services, summon witnesses, &c., for the investigation. That carried with it to my mind, the right to compensation. There is no question as to that.

Hon. Mr. SCOTT—Will the hon. gentleman state what he is going to do ? I understand there are accounts he wants some authority to pay ?

Hon. Mr. CLORAN—The committee to my mind, has full power to pay them, but owing to representations made to me by very old parliamentarians and by the Clerk of the Senate, who is in doubt as to his authority to pay these accounts, I beg to give notice that I will move that the Senate give instructions and authority to the Clerk of the Senate to pay the accounts of the official reporters, clerical services, witnesses, experts and counsel who have been in attendance on the select committee appointed to investigate into the position in Canada of the Mutual Reserve Fund Life Association of New York.

Hon. Mr. SCOTT—The hon. gentleman says it is not an account ; it is an account and I presume for a very considerable sum. What does it all total ?

Hon. Mr. CLORAN—All the accounts are not yet in. It was surmised that it would cost $15,000, but I doubt if it will be half that.

Hon. Mr. SCOTT—Even half that is more than the Senate should have to pay. Let the motion stand as a notice.

REPRESENTATION ACT AMENDMENT BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of Bill (149) An Act to amend the Representation Act, 1903. He said : This Bill refers to a number of the provinces. The first clause of it is to change the western limit of West Algoma from eighty-five degrees west to eighty-five degrees and twenty minutes. It is a mere technical point to make it conform to the municipal boundaries. The next clause refers to the boundaries of certain electoral districts in the province of Quebec. It is to correct an error that crept into the statute last year, and to bring it into conformity with the divisions of the counties under the statute of the province. The next paragraph refers to New Brunswick. As the law now stands on the statutes, New Brunswick would have fourteen members, whereas parliament only intended the province to have thirteen. After naming a number of counties specially, for instance the city and county of St. John, it states without naming the rest that all the other counties shall each be entitled to one member. That would give Victoria a member and Madawaska a member, which was never intended. The two counties are now united, and have been united for many years. It was a clerical error. Then in reference to the Yukon Territory, I was surprised to find that it was dropped out altogether from the electoral districts in the Act of last session.

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

BANK ACT AMENDMENT BILL.

SECOND AND THIRD READINGS.

Hon. Mr. SCOTT moved the second reading of Bill (160) An Act to amend the Bank Act. He said : As I explained on the introduction of this Bill, it is for the purpose of enabling at least one bank in the maritime provinces—I do not know of any other—to establish a branch in Trinidad, and to enable the bank to issue bills in conformity with the currency law of that particular island.

Hon. Mr. McMILLAN—Do I understand the hon. Secretary of State to say that this applies only to one bank ?

Hon. Mr. SCOTT—No, it applies to all banks; but I said that I understood that there was one particular bank. I think it was one of the maritime province banks, which has established or is about to establish an office in Trinidad.

Hon. Mr. DOMVILLE—The Bank of Nova Scotia.

Hon. Mr. SCOTT—And this is to enable any Canadian bank to establish offices in any of the British colonies, the West Indies particularly. And in doing so they are at liberty to depart from the rules laid down in the Bank Act in Canada and to issue bills in conformity with the law of that island. As hon. gentlemen will remember, in the West Indian Islands the British currency still prevails, the standard being the sovereign and the pound sterling. It is for the purpose of fixing the value. Instead of issuing bills for five dollars, as we do in Canada, they would issue a bill for the pound sterling which would be equal to $4.86\frac{2}{3}$.

Hon. Mr. McMILLAN—Is that bill for circulation in the islands only?

Hon. Mr. SCOTT—Oh, of course.

Hon. Mr. McMILLAN—It is redeemable there, but if the bank withdraws its office from the islands the liability would still continue to redeem it at the head office in Canada.

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

The House resolved itself into Committee of the Whole on the Bill.

(In the Committee.)

On the first clause,

Hon. Sir MACKENZIE BOWELL—Subsection 2 of clause 1, I understand to confine the circulation of these new bills to the colony or possession in which they are issued?

Hon. Mr. SCOTT—Yes, but if the bank withdraws from the colony, then their bills must be redeemed here, otherwise they are redeemed there.

Hon. Sir MACKENZIE BOWELL—Would they be circulated in this country?

Hon. Mr. SCOTT—They would not be legal tender.

Hon. Sir MACKENZIE BOWELL—I suppose they could be refused as not being legal tender?

Hon. Mr. SCOTT—Oh, yes.

Hon. Mr. McMULLEN—I should like to know on what condition any Canadian bank is allowed to establish a bank in any colony. Is it by a mere decision of the board, or is it sanctioned by the stockholders?

Hon. Mr. SCOTT—I presume that is a matter for the bank shareholders and the bank directors. I could not answer of course. I presume the application comes in the ordinary way with a formal report from those who represent the bank, and I can only suppose that the president and directors who make the application have behind them the shareholders. We could not go behind them.

Hon. Mr. FERGUSON—My impression is that the Bank of Nova Scotia got its Act amended, enabling it to extend its business to the West Indies.

Hon. Mr. SCOTT—They got their authority from parliament.

The clause was adopted.

Hon. Mr. CASGRAIN, from the committee, reported the Bill without amendment.

The Bill was then read a third time and passed, under a suspension of the rules.

COMPANIES ACT AMENDMENT BILL.

SECOND AND THIRD READINGS.

Hon. Mr. SCOTT moved the second reading of Bill (N) an Act to amend the Companies Act, 1902. He said: Hon. gentlemen will recollect that last session this chamber gave a great deal of time and attention to some improvements in regard to the Companies Act that we had carried the year before. In one or two instances clauses have been accidently omitted from the consolidation after the Act in 1902, and it was quite desirable to have them reinstated. The Bill, after it was thoroughly discussed, went down to the House of Commons, and I never could get the Bill carried there. There was always pressure, and it was put off and dropped. This session

a member of the House af Commons introduced a Bill which covered one or two clauses that were in the Bill of 1902 to which attention had been called, owing to decisions of the courts, and finding that with the pressure of government business it was quite impossible to get the Bill through there. Mr. Cowan had a motion carried to strike the order from the paper in the House of Commons and so I introduced the Bill here, adding two of the clauses that were in the Bill as we passed it in 1903. It has, therefore, been fully considered in this chamber, and I hope we will be able to pass it here in time to have it considered by the House, as I have been assured by members of the government that it would be taken up and dealt with. It is quite impossible, in one sense, owing to the decision of one of the judges in Ontario, who held that a company of contractors doing general contract work could not undertake to build any part of a railway or any part of a telephone or telegraph line, which was certainly not the intention of parliament or of this chamber when it passed the Bill. It was that the Department of State should not be authorized to charter telegraph or telephone companies, but the word 'constructing' happened to be in the Act, and the courts construed it in the strictest sense so the companies that were formed for the purpose of doing public work, found they were unable to take contracts. There was a formal amendment in the charters issued in French. The word 'Limited' which was required to be attached to all names of companies with limited liability was in French expressed by the words 'à responsabilité limitée', and it was thought to be unnecessarily long, and it was agreed last session that the word 'limited' should be added to the name of the company as expressing the powers of the company. Hon. gentlemen will remember we have had a good deal of discussion in reference to another proposal. The leader of the opposition took some interest in it. There are certain companies which were incorporated with shares for less sums than $100 per share, and they desired to have power to pass by-laws authorizing a consolidation of the smaller shares into shares of $100 each. Then there was another clause, the last one, which relieved the companies. It was part of the law that had been in force for very many years—which provided that chartered companies when issuing bills or notes or accepting commercial paper, were not bound to comply with the requirements of the law as affecting bonds and mortgages. It never was intended. Those are the clauses of the Bill.

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

The House resolved itself into a Committee of the Whole on the Bill.

(In the Committee.)

On the first clause,

Hon. Mr. DANDURAND—I just came in as the hon. gentleman was finishing his remarks on the second reading of the Bill. I intended to complain of the fact that the principal work done last session in amending the Act had not passed the House of Commons. Perhaps it is rather late to bring the amendments up at this stage of the session, but some of them are of considerable importance, and I hope next session the hon. Secretary of State will reintroduce them. When I returned home after last session I expected to find them part of the law, and it was only when I had to examine a case that I found they had not passed the House of Commons.

Hon. Mr. SCOTT—In drawing this Bill I felt that so near the end of the session I would simply introduce those clauses to which I knew there was no objection. It was the only hope of getting it through the House of Commons. The clauses covered by this Bill should receive the sanction of parliament during the present session.

Hon. Sir MACKENZIE BOWELL—This clause has a retroactive effect.

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—Are there any cases which it is intended to legalize ?

Hon. Mr. SCOTT—I do not think so.

Hon. Sir MACKENZIE BOWELL—If there are not any, why give it retroactive effect, because that kind of legislation he knows is very objectionable ?

Hon. Mr. SCOTT—Of course in any case that has been decided, this Bill will not affect it, but as there are charters in existence that probably have been working and have not been challenged, it is just as well to let it go. I am not aware that it will do any harm.

The clause was adopted.

On the third clause,

Hon. Sir MACKENZIE BOWELL—I notice in this amendment the same difficulty that I pointed out last year—what is to become of the fractional parts of shares? This clause gives power to the company to declare by by-law that the shares shall be $100 instead of say $40 or $50. Suppose a shareholder owns five shares, and they are converted from $50 to $100, what is to become of the fractional—the fifth share of $50? There is no power in this clause to enable the company to buy it, and, under the Companies Act, no company can buy or deal in its own shares. If power were given the company to buy the fractional share it would become the property of the company, thereby reducing its capital to that extent; if, on the contrary, the owner of the fractional share should pay the extra amount required to bring it up to a full share, it would be all right; but he might not be inclined to do that, and, furthermore, the shares might be worth more than par, and he might not desire to sell the factional share. What is to become of it under the circumstances? How is that to be regulated? I called attention to this point last year, and it seems as strong a point now. Unless some provision is made, the difficulty which I pointed out must necessarily arise. The amendment of the Companies Act is the result of a Bill which was introduced and became law to enable the Bank of Montreal to regulate the value of its shares, but it gave the bank the power to buy the fractional parts of shares, and if that were done for all companies, the difficulty would be removed. I think that has suggested itself to the hon. Secretary of State. If he can tell me how he is going to meet the difficulty I should like to know.

Hon. Mr. SCOTT—My object was to get the Bill through this session. The point was dealt with in a satisfactory manner last year, but it did not satisfy some hon. gentlemen, and we had to take the Bill as it passed in the Commons. When I called attention to it, I was told that the directors would have to struggle with the difficulty when it arose. I could not get harmonious views about it. As I had it first, it was as the hon. gentleman suggested it should be, and in a shape which I thought was good and wise. When I found different views entertained of it, I said the House of Commons seemed to have approved of the clause as it now reads and it had better go through as it was for the present. The directors will have to struggle with the difficulty when it arises. It may not arise.

Hon. Sir MACKENZIE BOWELL—It must necessarily arise in cases where there are fractional shares. It would not be to any great extent. The law should either provide for the shareholders holding a fractional portion of the share and receiving dividends upon it, or the company should have power to purchase it. I will not oppose the clause as it stands, but I see the difficulties that will present themselves in the practical working of it, and it seems to me an exceedingly loose way of legislating upon a question of this kind.

Hon. Mr. SCOTT—In all the correspondence I had I found only one company that really wanted to make this change, and they did not mention this difficulty. It was a company with large capital, and each man held a large number of shares.

Hon. Sir MACKENZIE BOWELL—What was the denomination of the shares?

Hon. Mr. SCOTT—I could not tell you. It was a long time ago. It was a company I think existing at Toronto. They did not care about the small shares and wanted to have large shares.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman must see that of necessity cases must arise where there are smaller shares unless the shareholders all hold an even number of shares.

Hon. Mr. BEIQUE—I am afraid the clause will not accomplish the intended object, because the shareholders who will have fractional shares cannot be compelled to sell them. As the result of the passing of this Bill there will remain fractions of

shares for the conversion of which no machinery is inserted in the Bill in its present shape. Since we are taking up the subject, it seems to me it would be better to try and make the Bill complete.

Hon. Mr. DANDURAND—When this clause was before the House two years ago I suggested that a limit should be put on the amount of the share which should be issued—that they should not be issued below a certain figure, for reasons which I then gave. I was reminded that in mining companies shares were issued as low as $1 and even less. I should like to know from the hon. Secretary of State if his department has adopted the rule to be established by this Bill that shares shall not be issued below a certain value ?

Hon. Mr. SCOTT—Where the capital stock is over $100,000 the shares must in all cases be $100. Where the capital is over $50,000 and under $100,000, the parties may, if they chose, make the shares $50. In smaller companies, where the capital is under $50,000, they may make the shares $25. I have declined to issue charters, even to mining companies on the $1 basis. I prefer not to issue mining charters, but in one or two cases I have consented and the shares were $5. I think it is open to very grave objection, but we cannot now stop the practice, for the reason if a company is wound up there are no contributors to pay the creditors. I have discouraged such charters. I have said the object of the Companies Act was rather to incorporate industrial companies, not mining companies, and therefore, I have rather discouraged the incorporation of mining companies through letters patent from the Secretary of State Department. I have had but one exception, and in that case I made the shares $5.

The clause was adopted.

On clause four,

Hon. Mr. SCOTT—This clause has been fairly well interpreted over the country, but one or two banks have been strict and have said you must have a by-law if you wish to have your bills discounted. I do not think all the banks have insisted upon that, but some have done so. It has been recognized that the borrowing clauses did not relate to bills of exchange and promissory notes, because the law had been so long on the statutes regulating bills of exchange and promissory notes signed by incorporated companies, but it was by pure accident dropped out of the Companies Act in 1902. I did not know it was dropped out until long after.

Hon. Sir MACKENZIE BOWELL—I know the practice now is that some banks will not discount a bill of exchange or note unless the company first pass a by-law, and all the directors become responsible for it. This is to relieve them of that difficulty, so as to enable them to borrow upon the security of the company.

The clause was adopted.

Hon. Mr. SCOTT—It has been suggested by an hon. gentleman who took a great interest in this matter last session, that clause three should have a paragraph added authorizing the company to acquire any broken parts of a $100 share.

Hon. Mr. BEIQUE—I move that the following paragraph be added to clause three :

For the purpose of such consolidation, the company shall have the power to purchase fractions of shares.

Hon. Sir MACKENZIE BOWELL—Then it becomes the property of the company ?

Hon. Mr. BEIQUE—Yes.

Hon. Mr. SCOTT—Last year we had not this condition that they should sell within so many months.

Hon. Mr. BEIQUE—We could add 'and the company shall be bound to sell the same within five years.'

Hon. Sir MACKENZIE BOWELL—You will have to give the power to the Governor in Council to extend the time, if it be necessary, because it might be just possible that the company's shares would not be marketable. They might not be worth par, and it might be impossible to sell the shares within six months.

Hon. Mr. SCOTT—Make it a year.

Hon. Sir MACKENZIE BOWELL—Even a year. It would be better to accept the suggestion of the hon. member from de Salaberry. In the Companies Act, when

loan companies acquire property they are obliged to dispose of that property within a certain time, but it was found in the practical working of the clause that that time might expire before it was possible to dispose of the property unless at a very great loss, and, consequently, power is given in that Act to the Governor in Council to extend the time, if necessary. There can be no possible harm in adding that provision to this clause.

Hon. Mr. SCOTT—Does my hon. friend really think the matter of sufficient importance to force the company to sell fractional parts of shares ? It will be an asset for all the shareholders.

Hon. Mr. BEIQUE—My first idea was to add this provision, but I thought, as has been suggested by the hon. Secretary of State, that it would be hardly worth while to insert such a provision because the amount involved would be very small. It is simply for the purpose of consolidation. Therefore there would be few fractions of shares. However, if it was deemed advisable, we would only have to add those words—and the company shall be bound to sell any shares held by them within a period of—years. So far as the suggestion is concerned that the share might not have value, in the Bank Act there is a provision of the same kind ; banks are empowered to purchase real estate for the purpose of protecting their claims, and they are bound within seven years to sell any real estate. The Governor in Council has no power to extend the delay.

Hon. Sir MACKENZIE BOWELL—They have in the case of loan companies.

Hon. Mr. BEIQUE—I am speaking of the Bank Act. The stock may not be listed on the stock exchange, but it has some value, and then it would be for the company to sell it ; but I agree with the hon. Secretary of State, it is hardly worth while.

Hon. Mr. BEIQUE—I would say make it within two years.

Hon. Mr. DANDURAND—I think it would be better not to mention the time within which the company would have to dispose of those fractions of shares. It will be for the company to do so for their best interest.

Hon. Mr. BEIQUE—It is because it is diminishing the capital.

Hon. Mr. DANDURAND—It would be to such an inappreciable extent that I do not think it would be worth while to hamper them.

Hon. Mr. BEIQUE—Say within a delay of two years.

Hon. Mr. MACDONALD (B.C.)—Could they not buy these shares without any authority of this kind ?

Hon. Mr. BEIQUE—No.

Hon. Mr. FERGUSON—Does this imply that the company will have power to expropriate these shares ?

Hon. Mr. SCOTT—Oh, no.

Hon. Mr. BEIQUE—I do not think it does. That clause would have to be remodeled entirely to give that power, but I think this will meet the requirements.

Hon. Mr. SCOTT—It is such a domestic matter that I think we are giving ourselves more trouble than the thing demands, and I am not quite sure that the company could not buy its own shares under the Companies Act. They might not do it with reference to banking and loan companies, but it is not worth while discussing the matter.

The clause as amended was adopted.

Hon. Mr. BAKER from the committee reported the Bill with amendments, which were adopted.

The Bill was then read the third time and passed under suspension of the rules.

REPRESENTATION ACT AMENDMENT BILL.

THIRD READING.

Hon. Mr. LANDRY—Before passing to the next Order of the Day, I would suggest to the hon. Secretary of State that if he desires to take up the Representation Act I have no objection to it proceeding.

Hon. Mr. SCOTT—I am much obliged to my hon. friend, and I ask that item 1 be now proceeded with.

The House resolved itself into committee of the whole on Bill 149 ' An Act to amend the Representation Act 1903.'

(In the Committee.)

On clause 1,

Hon. Mr. SCOTT—The effect of section 2 is to modify the boundary line of west Algoma twenty minutes further west in order to bring it in conformity with the Ontario Act which made its dividing line between West Algoma and Thunder Bay and Rainy River districts. It is only a trifling change.

Hon. Mr. MACDONALD (B.C.)—Are these divisions suggested or recommended by the member for the district or how are they arrived at ?

Hon. Mr. SCOTT—Oh, no. The division we thought we were following last year in the Act was the division of the electoral districts in the provincial, and we defined a particular locality where the dividing line was, and described it as 85 degrees west longitude; it is really 85 and twenty minutes west longitude. It is simply moving the western line between West Algoma and the Thunder Bay districts. Our electoral divisions are based on the Ontario boundaries. As a rule we take the municipal divisions as they have been there in following out our electoral divisions and there happened to be this slight discrepancy. There is a very scant population in that district. I do not know that it affects any population. It is on the north shore of Lake Huron, before the Thunder Bay district is reached.

Hon. Mr. MACDONALD (B.C.)—Those are well defined boundaries are they not ?

Hon. Mr. SCOTT—Yes.

The clause was adopted.

On clause 2.

Hon. Mr. LANDRY—For what purpose are those words struck out in the revised statutes ? What is the result ?

Hon. Mr. SCOTT—The result is that it applies the division to counties in lower Canada. The words ' section of ' should not be there, because the divisions are governed not by that particular section but by all the clauses in the Act.

Hon. Mr. LANDRY—It is a pure error.

Hon. Mr. SCOTT—Yes. Just now the statutes are being overhauled by a commission, and they go into it very much more carefully than the original draftsman, and they discover those errors in the revision so that it is quite important to have them corrected, because we have authorized that the division when complete shall be the law without coming again to parliament. In the former revision the revised Acts have been brought down and parliament has confirmed them, but they are so voluminous that it is quite impossible for parliament to give the time and attention necessary, and therefore it was thought just as well to confirm them in advance. The final revision by the commission will be the law of the country, and it is for that reason that they have to be exceedingly particular about even very slight defects.

The clause was adopted.

On clause 3,

Hon. Mr. SCOTT—This clause relates to a manifest error, the effect of which was to give to New Brunswick an additional member more than they were entitled to. It arose in that way that in setting forth the electoral districts in the province of New Brunswick, they did not set them all forth. They set forth that the city of St. John should be entitled to one member, and the city of St. John and county of St. John should be entitled to one member, and it went on and named electoral districts and it said all the other counties of New Brunswick shall be each entitled to one member. Madawaska and Victoria were practically separate counties, but they had been allied for representation purposes. The mode in which the statute was drawn would have given to each of them a member. It would have given to New Brunswick one more member than the province is entitled to.

The clause was adopted.

Hon. Mr. KERR (Toronto), from the committee, reported the Bill without amendment.

The Bill was then read a third time, and passed under suspension of the rules.

RAILWAY ACT AMENDMENT BILL.

THIRD READING.

The House resolved itself into Committee of the Whole on Bill (132) An Act to amend the Railway Act, 1903

(In the Committee.)

On clause 1,

Hon. Mr. SCOTT—There was a good deal of criticism on the second reading of this Bill in reference to several clauses of it. I will take them up seriatum. The first clause authorizes the Governor in Council to hear appeals from the Railway Committee, that is, those appeals that arose after the Railway Committee had been abolished and before the Railway Commission had been formed. I see in a report of my observations that they rather confounded those two. They are different bodies. The Railway Commission is organized under the Railway Act, and the Railway Committee is under a former Railway Act. I was asked to state to what particular cases that clause would relate. I have made inquiry of the Railway Department, and I am informed by Mr. Schreiber that he only knows of one case that would arise, and that is the Young street bridge, which has been a much debated question, and which is now before us.

Hon. Sir MACKENZIE BOWELL—That was the case to which I called the attention of the hon. gentlemen.

Hon. Mr. SCOTT—Yes. There was an appeal taken to the Privy Council, but it could not be heard on account of the Railway Commission having been organized, and it is for the purpose of getting rid of that particular case, and that is the only case in which I understand the clause 1 will be invoked.

The clause was adopted.

On clause 2,

Hon. Mr. SCOTT—This is of much wider and more important consequence. This clause arises from a decision given by the Privy Council in England, on an appeal case that went up to them between the Attorney General for Ontario and the Hamilton Street Railway Company. The Privy Council as usual—I say it advisedly as I have said it before—gave a very unsatisfactory judgment. Briefly, I may say that there were certain questions submitted to the Privy Council. Before confederation we had a Lord's Day Observance Act on the statute-book. After confederation, the province of Ontario added to that Act. Street railways, for instance, had not been in existence at the time of confederation, and, therefore, special provision was made in the Lord's Day Act that street railways, as in certain cases defined in the Ontario statutes, should not be permitted to operate on the Sabbath day. In the Ontario legislation there were a number of other provisions, and the whole act was submitted to the Privy Council. I will just mention particularly the clause on which the Privy Council gave their decision. The main point submitted to the Privy Council was this; had the province of Ontario jurisdiction to enact chapter 246 of the Revised Statutes of Ontario, 1897, entitled, 'An Act to prevent the profanation of the Lord's Day,' and particularly sections 1, 7, 8. Section one relates to the sale of property on the Sabbath, section 7 refers to steamboat excursions on the Sabbath day, and section 8 refers to the operating of street railways on the Sabbath day. Now, I may say that in regard to steamboat excursions on Sunday, that the penalty attached was $400, a specific sum which might be recovered from the proprietors or the captain of the boat; that it could only be recovered in a civil action before a court having jurisdiction. It therefore certainly could not partake of a criminal offence; it was an offence against an ordinance passed by the province, having, as I think, jurisdiction to enact it, inasmuch it was a money penalty that was attached to it, and was not in any sense created a crime. For the offences against other clauses of the Act——

Hon. Sir MACKENZIE BOWELL—But the Law Lords of the Privy Council decided that was ultra vires on the ground that they had no power to impose that penalty.

Hon. Mr. SCOTT—As I said in my opening observations, the judgments of the Privy Council are not always satisfactory. I shall read the judgment to my hon. friend. It was delivered by the Lord Chancellor. He said:

> Their lordships are of opinion that the Act in question, Revised Statutes of Ontario, 1897, chapter 246, intituled 'An Act to prevent the profanation of the Lord's Day,' treated as a whole, was beyond the competency of the Ontario legislature to enact, and they are accordingly of opinion that the first section which was referred to the Court of Appeal for Ontario by the Lieutenant Governor, pursuant to chapter 84 of the Revised Statutes of

Ontario, 1897, ought to be answered in the negative : that is, the question had the legislature of Ontario power to enact section 246 of the Revised Statutes of Ontario, intituled, 'An Act to prevent the profanation of the Lord's Day.'

Hon. Sir MACKENZIE BOWELL—They said the Ontario legislature had no power, but gave no reasons for it.

Hon. Mr. SCOTT—They were asked to express an opinion on the other questions. There were no less than eight questions asked, and they simply declined to give an answer. They said : 'The answer to one covers everything, and we won't give an answer except the particular case arises.' I say to that extent it was very unsatisfactory, because the ground they took was this: that the criminal law was entirely under the jurisdiction of the parliament of Canada, and it was an infraction of the powers of parliament for the province of Ontario to have enacted that Act. While reading the various clauses of the Act one certainly must come to the conclusion that the general answer was given by the Privy Council in a dogmatic way ; they said that it was contrary to the powers conferred upon the Ontario legislature, ergo that necessarily a breach of the Sabbath observance law had to be a crime. Well, a majority of the cases are certainly not crimes. For instance one of the clauses states that a person shall not be permitted to openly bathe on Sunday in a city or town if he is near a residence. It could not be called a crime if some person took a bath a couple of hundred yards east or west of a residence. In many other ways it is quite evident that the Act cannot be regarded as creating crimes. For instance if a person fishes on a Sunday he is liable to be prosecuted under the Act. Well, it may or may not be a crime to fish. Perhaps if a man was hungry and had not anything else to eat, it would not be a crime to fish. I mention these matters to show the very dogmatic way in which the Privy Council dealt with the whole subject, and on the one point at all events which created a good deal of feeling in Ontario, we must intervene, and, as far as we can, give authority to the legislation of that province in regard to the running of cars on Sunday. The province of Ontario, recognizing the rights of the individual localities, have reserved certain railways in towns and cities from the operation of their Act. The city of Ottawa has been reserved, and Toronto, so far as the powers they have at present under the votes of the people ; but it appears that between the towns of Brantford and Paris, in Ontario, there are cars that are running, legalized by the province of Ontario ; that is, they are incorporated by the province, and the people in both Paris and Brantford strongly object to the running of cars on Sunday, for the purpose of inducing people to pass the day at a park which lies midway between the two towns, where games which are certainly not elevating and edifying, and not befitting the Lord's Day, are carried on with impunity, where they have plays and dances, and they sell soft drinks as they are called, and in a variety of other ways shock the moral sense of the people of the locality, and there is a strong feeling that there should be some intervention to check desecration of the Lord's Day. That is the particular reason for the legislation, although of course it would cover other points. Our connection with it is this, that a railway which forms a part of a railway working under a federal charter was at some time or other before the parliament of Canada, and we inserted, wholly irrespective of the effect of the words, and giving them a meaning that their natural interpretation would not warrant, a declaration that local works of that kind were for the general advantage of Canada. In the British North America Act certain subjects are exclusively under the control of the parliament of Canada. They are defined, but there are general words added—any work declared by the parliament of Canada to be for the general advantage of Canada, can be brought under jurisdiction of the federal parliament of Canada. Now, that is a power we should rather hesitate to exercise in the free way we have in the past, and I am inclined to think that in the future, parliament will hesitate in adding those words to bring purely local works under the jurisdiction of this parliament.

Hon. Mr. MACDONALD (B.C.)—I suppose the intention is to get subsidies.

Hon. Mr. SCOTT—One clause or another. The second clause is marked '6a' and it reads as follows :—

6a. Notwithstanding anything in this Act or in any other Act, every railway, steam or electric street railway, and tramway, wholly situate within one province of Canada, but, in its entirety or in part, declared by the parliament of Canada to be a work for the general advantage of Canada, and every person employed thereon, in respect of such employment, and every person, company, corporation or municipality owning, controlling or operating it wholly or partly, in respect of such ownership, control or operation, shall, notwithstanding such declaration, be subject to any Act of the legislature of the province in which it is situate, prohibiting or regulating work, business or labour upon the first day of the week, commonly called Sunday, which is in force at the time of the passing of this Act; and every such Act is hereby, in so far as it is in other respects within the powers of the legislature, confirmed and ratified, and made as valid and effectual for the purposes of this section as if it had been duly enacted by the parliament of Canada.

Hon. Sir MACKENZIE BOWELL—From the explanation given by the hon. gentleman, I draw this conclusion: We are by this Bill legalizing Acts that have been passed by the provincial legislatures which the Law Lords of the Privy Council have declared they have no right to pass. That is practically what we are doing.

Hon. Mr. SCOTT—That is the object of it.

Hon. Mr. MACDONALD (B.C.)—Will this legalize the penalty for the infraction of the Act?

Hon. Mr. SCOTT—It will do this; so far as we have the power we do it. In the Ontario Act, passed at the recent session, they have followed lines which would make it quite impossible for the Privy Council to hold that it came within the purview of the criminal law. That was the justification for the decision to which I referred just now, that the criminal law was absolutely reserved for the parliament of Canada. The statute recently passed in Ontario first recites the prohibition against cars running on Sunday, then excepts certain places that already have the power—Toronto and Ottawa are named—and then it says that for every train or car run or operated in violation of the section, the company shall pay $400, the action to be brought before the court having jurisdiction in the place from which such train started. It provides that of the moneys collected, one-half shall go to the province and the other half to the municipality from which the train started. It could not be held that that is any infraction of the criminal law, because there is no imprisonment, no penalty that shall follow the commission of a crime, and, therefore, by no possible chance could it be argued with any show of success that a clause which expressed the object in the words I have mentioned could be an infraction of the criminal law. But in order that we may remove the jurisdiction we have at present in regard to a local railway that has come by its charter under the sovereignty of the Dominion parliament by the addition of those words for the general advantage of Canada, this clause strikes them out.

Hon. Mr. MACDONALD (B.C.)—Is there any intention this year on the part of the government to meet the views of the Lord's Day Alliance which called on the premier early in the year?

Hon. Mr. SCOTT—We are doing it now.

Hon. Mr. MACDONALD (B.C.)—This is the only instalment this year?

Hon. Mr. SCOTT—Yes.

Hon. Mr. MACDONALD (B.C.)—It will be a great disappointment to the Lord's Day Alliance. They had a distinct promise from the premier that something should be done, and they will feel that the promise has not been kept. However, there is one good thing, when this Bill becomes law the Ontario Act can be carried into affect. I was with a delegation that waited on the collector of customs in connection with steamboat excursions, and he gave orders then that excursions from the United States should be stopped, and Sunday excursion passengers should not be allowed to land. He took the power, and I am glad he did, but he has not stopped excursions leaving our own country, and that is one thing that ought to be remedied.

Hon. Mr. SCOTT—As far as we can, we have endeavoured to stop them, but in matters of that kind, which are clearly under the control of the provinces they must be left to carry out their own law.

Hon. Mr. MACDONALD (B.C.)—I think the federal authorities could act where navigation comes in.

Hon. Mr. SCOTT—Take the Sunday excursion steamer; I do not think the Privy Council would hold that where there was a

penalty similar to the penalty imposed here, $400, to be recovered by any person suing for it in a court of competent jurisdiction, that that would be characterized as crime. It would be preposterous; therefore the statute of Ontario in that particular regard would, I am quite sure, be sustained by the Privy Council. The Lord's Day Alliance has not thought proper to take proceedings. I noticed the other day that the usual Richelieu and Ontario steamer left Toronto on Sunday afternoon, and the authorities declined to take any action, showing the reasonable view they themselves take of it.

Hon. Sir MACKENZIE BOWELL—Was that an excursion trip ?

Hon. Mr. SCOTT—No, it was the regular trip.

Hon. Sir MACKENZIE BOWELL—One of the regular steamers going down to Montreal ?

Hon. Mr. SCOTT—Yes, so I think the Lord's Day Alliance are recognizing that in the provinces the power and control of many of those ordinances rests with the province and not with the Dominion. We give our concurrence as far as we can. We are most anxious to meet the views of the Lord's Day Alliance, but, as hon. gentleman know, the conditions are not the same in the different provinces, and in legislation of that kind you cannot put in the statutes of Canada cast iron rules that persons in all parts of the Dominion, a widely extended Dominion with different creeds and nationalities, would feel morally bound to observe, and any law of that kind put on the statutes ought to be enforced. It is absurd to enact laws which you do not propose to enforce, and, therefore, it is very much better that the different provinces should pass such laws as meet the approval of the large majority of the people. Those laws should and can be enforced. As far as the federal authorities are concerned, they wished to meet the desires of the Lord's Day Alliance, and they are doing so as far as they can under the circumstances which exist in Canada.

Hon. Mr. FERGUSON—This is rather peculiar legislation. The British North America Act conferred certain powers on the federal government and parliament, and other powers on the provincial legislatures. We propose by this Bill to loan, as it were, some of the powers we possess to some of the provinces, for the purpose of enabling them to do what they could not do themselves under the British North America Act. I think the correct principle is for this parliament to carry out the powers given to it directly, by its own legislation, and leave the provinces to exercise the powers which they possess in their own way. This is simply a way of getting over a practical difficulty and it will lead to many anomalies. We make the law of the provinces effective where it would otherwise be ineffective, and that law will be, as I understand, to prevent the running of electric cars say at Ottawa, outside of the city on Sundays.

Hon. Mr. SCOTT—Oh, no.

Hon. Mr. FERGUSON—That may not be the case here, but in many parts of Ontario there will be just as sharp anomalies as that in the carrying of that Act into effect.

Hon. Mr. SCOTT—The hon. gentleman entirely loses sight of the main point which I thought I had made clear. It is where we have taken from the provinces a jurisdiction which properly belongs to the provinces in reference to certain railways which I have mentioned. I gave the case of a railway between Brantford and Paris, a purely local railway. In order to absorb and take from the province of Ontario the powers which properly and legitimately belong to it under the British North America Act, we went beyond our rights. We now seek to correct that by saying that so far as this Sunday observance law is concerned, we remit to the province again the powers and jurisdiction that we have improperly taken from the province ; because nobody will maintain for a moment that it was a fair interpretation of the British North America Act to add those words ' for the general advantage of Canada,' except in a very few isolated cases. Where it became necessary for federal purposes it was justified, but surely not in a purely local enterprise, which did not connect one province with another, and which was entirely within the province, perhaps within one municipality. Surely it was unjustifiable for the federal parliament to insert in an Act those words in order to take any particular enterprise from out the

local jurisdiction. We are not in this clause going beyond that. We are simply saying that so far as those provincial works that we have taken control of improperly are concerned, they shall be again remitted to the province so far as the laws relating to Sunday observance are applicable.

Hon. Mr. FERGUSON—I cannot agree with my hon. friend that we have improperly taken those local works from the provinces. It may or may not be expedient to exercise the power, but we have the power under the British North Amercia Act to take over those works, and in the exercise of our judgment we did so, and when we took them over we took with them all the rights that passed in regard to legislation concerning them.

Hon. Mr. WATSON—There can be no doubt, parliament has the power, but as the hon. Secretary of State has explained, we are simply placing the provinces in the same position they were in before parliament saw fit to insert these words. It has been held by the Privy Council that inasmuch as these works were declared for the general advantage of Canada the province did not have the power to restrict the operation of those railways on Sunday. In a great many cases where such Bills have been before the Railway Committee, members from the different provinces have protested against the insertion of the words 'for the general advantage of Canada,' claiming that they were purely local enterprises and we should not by legislation take them out of the control of the provinces. In so far as Sabbath observance legislation is observed, it is restoring the powers the provinces had previous to inserting those words 'For the general advantage of Canada.' There is no doubt about the right of parliament to legislate, but whether they have been wise in doing so is questionable, and where there is a strong feeling in any province against running cars on local lines on Sunday, the federal parliament are asked to declare that no law of this parliament shall restrict the local authorities from carrying out the provincial legislation.

Hon. Sir MACKENZIE BOWELL—Will the passage of this clause repeal the sections in all the Railway Acts declaring that local works are for the general advantage of Canada ?

Hon. Mr. SCOTT—Oh, no, it is limited to the prohibiting or regulating of working on Sunday.

Hon. Sir MACKENZIE BOWELL—I understand that, but the argument of the hon. Secretary of State is this, that we improperly took from the different provinces the right they had under the constitution to regulate the running of cars on Sunday. Did the adding of the words 'This Act shall be for the general advantage of Canada' remove that power from the province ? I should judge it did.

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—Will the passage of this clause, purporting to give back to them certain powers, repeal the sections of the different Acts contained in that provision ?

Hon. Mr. SCOTT—No ; it simply enables them to enforce the Act in regard to Sunday observance. It is limited to that entirely.

Hon. Mr. BEIQUE—I take the text of subsection 6a as amounting to this : as if when the Railway Act was passed last session we had inserted in it a clause to the effect that the declaration made that a local work was to be considered a work for the general advantage of Canada would not deprive the legislature of the right of legislating as far as Sunday observance was concerned. That is the whole affect of the clause. In other words, the declaration made in those Acts of parliament, that they are works for the general advantage of Canada, have the effect of removing the railway property from the local to the federal jurisdiction without any restriction, so it is contended, and this Bill is drafted on that assumption. The object of the Bill is to limit that effect by protecting legislation, as far as Sabbath observance is concerned.

Hon. Sir MACKENZIE BOWELL—There is another point to which I wish to draw attention. It seems to me that this clause involves a very serious constitutional question. We find ourselves in this position : a law is passed by the province of Ontario imposing a penalty of $400 for any infraction of a clause of a law on their statutes. The Lords of the Privy Council have declar-

ed that to be ultra vires. In the face of that decision of the highest court in the realm, we give authority, as far as we can, to legalize an Act which imposes that penalty enacted by the legislature. Now, supposing that penalty be imposed for a violation of the law and the case goes into court. The defence would be that the province had no power to legislate upon that subject under the decision of the Privy Council. Then the prosecutor would say: We are proceeding under a law of the province which the parliament of Canada has declared intra vires. Who is to decide that question? I wish it to be understood I am not opposing the concessions which are being made. Then it comes to this: Can we, as a parliament, delegate to an inferior body a power which the Confederation Act says is wholly and solely vested in this parliament? Under the circumstances, it seems to me there would be a good deal of work for the lawyers. My hon. friend gave me a very satisfactory explanation in reference to the other question which I put, and I should like to hear legal gentlemen upon this point, which, to me, appears not only an important, but an intricate question to decide as to the powers of the different legislative bodies.

Hon. Mr. BEIQUE—I disagree entirely with the suggestion made that this Bill has the effect of over-riding the judgment of the Privy Council. There is nothing of the kind. The judgment of the Privy Council, as read by the hon. Secretary of State, dealt with a special act passed by the legislature of Ontario and dealing—I call attention to the words used by the Lord Chancellor in rendering the judgment—'with the Act as a whole.' The Privy Council held that the legislature of Ontario had assumed to deal with matters which form part of the criminal law of the Dominion, and that, therefore, it was beyond their jurisdiction, and declared the Act unconstitutional. The passing of this Bill will not enable the legislature of Ontario to pass a similar Act to the one which has been declared unconstitutional, because it would be interfering with the exclusive jurisdiction of the Dominion parliament, to which has been entrusted the criminal laws. There is a distinction which is to be made. The Act of the legislature was declared ultra vires, not because it was dealing with the observance of the Sunday, but because it was dealing with the criminal law, and to pass an Act in accordance with this Bill they will have to confine themselves to the observance of the Sunday without encroaching upon the criminal law. If they should enact a penal clause making certain offences a crime, then it would still be utra vires of the powers of the legislature. That, I think, should answer the objection raised by the hon. leader of the opposition.

Hon. Mr. DANDURAND—I understand that this is a limited clause similar to the one which was originated in this chamber and passed last session, when we declared that the provincial railways crossing federal roads would not thereby become wholly works for the general advantage of Canada and subject to all federal laws, but would simply be under federal jurisdiction in so far as the crossing and through freight rates were concerned. We are again, by this Bill, limiting the jurisdiction of the federal power upon provincial railways that have been declared for the general advantage of Canada.

Hon. Mr. FERGUSON—We are doing more than limiting the jurisdiction of the federal parliament; we are making valid, as far as an Act of this parliament can make valid, Acts passed by another legislature.

Hon. Mr. BEIQUE—No.

Hon. Mr. FERGUSON—If it does not do that, it does not do anything at all. If the Lord's Day Alliance are depending on this Bill, and the honourable gentleman's contention is right, they will find they are getting legislation of no value at all for enforcing Sunday observance. But it is the intention of the Bill that provincial laws making the running of street cars or other public conveyances on Sunday a punishable offence shall be valid; that may be held to be illegal hereafter. That must be the meaning of the section, otherwise how does it meet the views of the Lord's Day Alliance? It is with a view to the better enforcement of the provincial Sabbath observance laws. These laws have been found to be faulty

by the Law Lords, and the provinces have found they cannot enforce them. We are providing that these laws shall be as good and as effective as if they were passed by the parliament of Canada itself. I think that is what we are accomplishing. If we are not accomplishing that, and if we are not making legal in the province of Ontario what would not be otherwise legal, the Lord's Day Alliance are not receiving much of what they ask. Now, in connection with this subject, very serious anomalies will arise under the operation of this clause. Take the case of an electric railway or any other railway located within the province, which has been declared to be for the general advantage of Canada, and it is located entirely within the province. That railroad might be extended across a provincial boundary line, and the moment it did so extend, it would come out from within the provisions of this Act, and become a federal work, under another provision of the British North America Act, and a different law for Sunday observance would apply to that road the moment it crossed the provincial line. Take one railway that is entirely within the province of Ontario. and side by side is a competing road which crosses the boundary line, what will you have then ? We will have the law of Ontario applied to the railroad that is practically covering the same ground, with the exception that the one touches the provincial line and the other does not ; you will have the law of the province applied to the one, and you will have the federal law applied to the other, and the federal law with respect to the question of Sunday observance, we know has no provisions similar to the provisions in some of the provincial laws. Whatever may be the object or desire of the government in passing this Bill, the effect is somewhat as has been described by my hon. friend to my left. It is delegating the powers of this parliament to the province, for the purpose of accomplishing something which they could not do unless we passed this law giving them that power.

Hon. Mr. McMULLEN—I desire to say in reply to my hon. friend, that the parliament of Canada is not virtually delegating the power to the province. We are merely restoring the power that the province formerly enjoyed. Prior to the time that we commenced legislation in the direction of bringing of lines of railway under the control of the Dominion government by declaring them to be works for the general advantage of Canada, the province exercised the powers that they will exercise after this Bill is passed. so that we are merely placing the province in the position, by legislation of its own, to regulate the operation of these local provincial lines, on the Lord's Day. My hon. friend has expressed the view that it would be better that a general Dominion law should be passed, with regard to the Lord's Day Observance, but we all know very well that there are differences of opinion in some of the provinces, with regard to that matter. The province of Ontario possibly may hold one view as a province, or at least a majority of the people may hold one view with regard to that, and the people of the province of Quebec may hold another. It is not desirable by an overpowering vote to say that the whole of the provinces should force one province to consent to a condition of things which the majority of the people in that province are opposed to. We do not want to do that. The province of Quebec may decide to take a certain course after this law is passed, and the province of Ontario may take another course. It will place the provinces in the position that they can legislate with regard to the Lord's Day within their own sphere, and bring those roads that were originally chartered as provincial lines which are entirely within the province, under the operation of that law. I entirely concur in the legislation. I compliment the government on the introduction of the Bill. I think it is an exceedingly good and prudent provision. I am sure the very best legal talent in this Dominion has been brought to bear on this subject, and while I respect the extended experience of my hon. friend the leader of the opposition, who has been long enough in parliament to be a good constitutional authority, after all I have not the slightest doubt that all the peculiar phases and features of this Bill have been carefully considered by the Department of Justice of the Dominion, and by other legal minds, and that they have come to the conclusion that legislation of this kind is the only method by which you can empower the provinces to deal with this

great and important question on lines to suit themselves, and each province will be virtually a little kingdom within itself, regulating everything connected with the observance of the Lord's Day, and I think, therefore, it is proper legislation.

Hon. Sir MACKENZIE BOWELL—I do not think there is any difference of opinion upon the point which has been advanced by hon. gentleman from Wellington, but he seems to have lost sight of the real point at issue. As the hon. gentleman knows, many of us have been fighting in the Railway Committee, against placing that clause in Bills relating to exclusively local roads. That is not the point that struck me so forcibly, but we are in this Bill relegating the power to the legislatures that they would have enjoyed if those words had not been placed in those local Acts. The point that I raise, is whether this law, as it is claimed, would repeal the local law? I am not objecting to it, but that is one point. The principal matter is, that we are not only giving power to legalize the laws which they may pass, regulating Sabbath observance, but are we not at the same time giving them power to impose the penalties which the Law Lords of the Privy Council of England have declared that we have no right to give? That is the principal point. If my hon. friend will read the clauses carefully, I think he will find that the construction which I placed upon it is correct. The hon. gentleman from de Salaberry gave a very clear, and, to my mind, succinct explanation of this clause, but in his explanation he did not touch that point to which I have referred. At least I did not so understand him. The second subsection of section 2 reads as follows :

'2. The Governor in Council may at any time and from time to time by proclamation confirm, for the purposes of this section, any Act of the legislature of any province passed after the passing of this Act for the prohibition or regulation of work, business or labour upon the first day of the week, commonly called Sunday.'

Hon. Mr. DANDURAND—That was not the clause which the hon. gentleman from de Salaberry was discussing, nor was it the clause referred to by myself. We simply limited our remarks to the first section of clause 2.

Hon. Sir MACKENZIE BOWELL—I said that the hon. gentleman's explanation was clear and succinct, so far as he discussed the question, but that he had not touched the point to which I have called the attention of the Senate, and that is the clause to which I now desire to call attention.

Hon. Mr. SCOTT—We have not come to that clause yet.

Hon. Sir MACKENZIE BOWELL—We have been discussing the first section, as I understand. However, this discussion can be held now, so that we can pass that clause without further discussion. I shall read the remainder of the clauses, and I wish the hon. gentleman from de Salaberry to listen to it. It is, as follows :

And from and after the date of any such proclamation the Act thereby confirmed, in so far as it is in other respects within the powers of the legislature, shall for the purposes of this section be confirmed and ratified and made as valid and effectual as if it had been enacted by the parliament of Canada.

It goes further, and it says that it shall not only be confirmed in this particular respect but in other respects, whatever that may be or how much that may cover. The point to my mind is this : supposing they re-enact that clause which now stands upon the statute-book of the province of Ontario, and which the Law Lords of the Privy Council have declared to be ultra vires, would not the powers given to the Governor in Council, under this Act, declare that legal? My hon. friend shakes his head. That is just the view I have, but I think the intention is to make an Act of that kind legal, otherwise the passage of any law by the province regulating work of any kind, business and labour, on the first day of the week, would be ineffectual, and utterly valueless, unless you could impose a penalty for the non-observance of it. That is the point I desire to make. Perhaps it is not as clear as though I had studied law for ten years, and it does not seem to me, that, as the hon. gentleman from Marshfield has pointed out, power is given to the Governor in Council by proclamation to declare such a law valid and having the same effect and force as if it had been passed by the parliament of Canada, and if it has not that power, then the clauses does very little good.

Hon. Mr. POWER—There may be differences of opinion about the desirability of legislation by the Governor in Council, such as is provided by the second sub-clause of this clause ; but perhaps it would be better to devote ourselves just now to the sub-clause which is before us.

Hon. Sir MACKENZIE BOWELL—That is what I have tried to do.

Hon. Mr. POWER—This question involved in the first sub-clause is a sufficiently important one. The strongest objection to the clause is the one indicated by the hon. gentleman from Marshfield. That is, if you have a through railway running parallel with, or in the neighbourhood of a local railway, the local railway being one which does not extend beyond the limits of the province, then the Sunday laws of the province apply to the local railway, and do not apply to the through railway which passes close to it. With respect to the first general objection, the position is this : the provincial legislature creates a person. It incorporates a certain number of gentlemen to build and own a railway. It makes them an artificial person. That artificial person, as long as it remains a provincial person, is subject to the Sunday laws of the province. Then the Dominion parliament gives to that provincial person a Dominion existence. That person is still the same person, although in the one case it has a Dominion existence, and in the other only a provincial existence, and the question is whether there is anything improper in declaring that the person created by the Dominion parliament shall be subject to such local laws as apply to the provincial person. I do not think that there is anything in itself objectionable or contrary to our ideas of law and common sense in that. There is no reason why this Dominion person should not be subject to the provincial laws, as well as the local person—that is the laws which affect him in common with the local person. The truth is, that already these Dominion corporations are to a certain extent subject to the local laws. Take the question of lands acquired by these corporations. A Dominion corporation acquires land under its Dominion charter, but when it comes to deal with that land, it falls under the local law with respect to the registration of deeds, and so on. All these things and other things in connection with the land, are governed by the local law ; and there is nothing absurd or unreasonable in contending that the provincial Sunday laws should apply to the Dominion corporation whose works do not extend beyond the limits of the province.

Hon. Mr. BEIQUE—I was going to say that the point made by the hon. gentleman from Marshfield is, I believe, well taken, and I think it would be well to call the attention of the Minister of Justice to the matter. The point would be covered by adding after the word 'tramway' in the third line of sub-clauses 6—A, the words 'extending to more than one province, or wholly situated,' &c.

Hon. Mr. SCOTT—Provision is made for that very contingency.

Hon. Mr. POWER—The hon. gentleman will see that is in direct contradiction to the third clause of the Bill.

Hon. Mr. BEIQUE—I do not rise to suggest any amendment, I merely rise to say that I agree with the suggestion made by the hon. gentleman from Marshfield that the Bill is open to this objection, and as has been stated by His Honour the Speaker, taking two railways, one exclusively situated within the province, and the other extending beyond the province, the Act of the local legislature will affect the one entirely situated within the province, but will not affect the other, and the law should be made to affect both railways as far as the Sunday observance is concerned, and I merely suggest that the attention of the Minister of Justice be called to the point, and ascertain whether he does not think it advisable to amend it.

Hon. Sir MACKENZIE BOWELL—Does the hon. gentleman think it is not covered by the third section ?

Hon. Mr. BEIQUE—No, it is not. As far as the other point is concerned, I only desire to call the attention of the hon, members, and especially the hon. leader of the opposition to those words which are to be found in this section which is now under consideration in line 34—'And every such Act is hereby in so far as it is in other

respects within the powers of the legislature, confirmed and ratified.'

What is the effect of these words ? The effect is to compel the legislature not to interfere with the powers of the Dominion parliament, in dealing with subjects which are criminal law subjects, because this clause says that an Act of the legislature will have to be, in other respects, within its powers. What does it refer to? It refers to any matter other than the fact that the company have been declared a work for the general advantage of Canada, and it is only as far as these words might have interfered or might have limited the powers of the legislature, that such powers will not remain limited as they were heretofore ; but it will not be within the powers of the legislature to deal with criminal matters connected with a breach of the Sabbath observance laws after the passing of this Act.

Hon. Mr. FERGUSON—I have great respect for the opinion of the hon. member from de Salaberry with regard to the interpretation of statutes and such matters as that. As my hon. friend is generally clear and right, I hesitate about asserting an opinion contrary to that which he enunciates. My hon. friend just now seemed to draw the distinction in this Act, which I had not previously noticed in any remarks that had been made. Perhaps I have not sufficiently understood it, but I think my hon. friend's meaning is this : In all other matters it will leave the laws of the provinces with respect to penalties and the enforcement of them precisely as it is. Is that my hon. friend's meaning ?

Hon. Mr. BEIQUE—Yes.

Hon. Mr. FERGUSON—If that is the true interpretation of the clause the hon. gentleman from Wellington has very little to thank the government for with regard to carrying out the views of the Lord's Day Alliance, because it leaves the interpretation precisely as it is with regard to that subject, and has not given the provincial law the effect of enforcing penalties for violation of the Sunday observance laws with respect to these roads. The Lord's Day Alliance people are just where they were before, and it is only a delusion. My hon. friend from de Salaberry has no doubt looked into this already somewhat carefully. If he has not, no doubt he will look into it thoroughly from the fact there seems to be such a divergence of opinion as to the meaning to be attached to the clause. It will be well, therefore, to hold it over to give an opportunity to study it. We are passing something on which we place very different interpretations. The Speaker who, we know, is a very close critic of the law, seems to think, that what we are doing is simply making the law applicable to Dominion officials on Dominion railways, leaving the province to enact any law it may think proper with regard to this matter. To my mind we are doing a great deal more than that; we are declaring certain laws passed or to be passed hereafter by the provinces shall have the same effect as if passed by the parliament of Canada.

Hon. Sir MACKENZIE BOWELL—On proclamation.

Hon. Mr. FERGUSON—Yes, on proclamation. The contention is that we are really, by this Bill, providing that a provincial law which would otherwise be lame and defective with regard to Sunday observance, in the matter of enforcing penalties, shall be valid.

Hon Mr. MACDONALD (B.C.)—That is it, of course.

Hon. Mr. FERGUSON—If that is the law, it will infringe on the point raised by the hon. gentleman from de Salaberry, who appears to think it leaves the provincial law with regard to the enforcement of penalties in the same position as it has been up to this time.

Hon. Mr. SCOTT—It is very extraordinary that there should be a second opinion on the meaning of that clause. It seems to be drawn as clearly as possible. In speaking of the judgment of the Privy Council, I said it was unsatisfactory. I drew attention to the fact that it was not possible for the Privy Council to decide that certain things were crimes; because there happened to be one or two clauses in the Act to which reference has been made attaching imprisonment to the penalty, they simply threw out the whole Act.

Hon. Mr. BEIQUE—What was the Act ?

Hon. Mr. SCOTT—It is in the consolidated statutes of Ontario, chapter 246, which re-

enacts the old Lord's Day Observance Act. I stated, as showing the absurdity of the decision of the Privy Council, that it was quite evident that many provisions of that Act which declared things improper on the Lord's Day could by no stretch of the imagination be called crimes, and the only justification the Privy Council had for deciding in the negative, was that it encroached on the criminal law which is under the jurisdiction of the federal parliament. They stretched it in a way not justifiable to men blessed with common sense. I gave another illustration; I said in that very Act there are sections prohibiting an excursion boat from carrying passengers out on a Sunday. That could not be a crime, but you could make it an offence, by statutory law. And moreover attached to the penalty in that case there was no imprisonment; therefore, it could not be considered a crime by the greatest stretch of the imagination. I said: therefore, the judgment was not a defensible judgment; that they simply grasped at a particular clause which attached imprisonment for the offence, and on that ground threw out the Act. Here are the exact words of the Lord Chancellor :—

Their Lordships are of opinion that the Act in question revised statutes of Ontario, 1897, c. 246, intituled: 'An Act to prevent the profanation of the Lord's Day," treated as a whole, was beyond the competency of the Ontario legislature to enact, and they are accordingly of opinion that the first question which was referred to the Court of Appeal for Ontario by the Lieutenant-Governor pursuant to c. 84 of the revised statutes of Ontario, 1897, ought to be answered in the negative.

And then it goes on to say that because it was an encroachment on the criminal law, which is under the control of the Dominion of Canada, the Act was ultra vires. I have quoted the various offences in the statute, to show that by no possibility could they be called crimes, and, therefore, I thought the judgment was indefensible. I have quoted a local electric railway running between Brantford and Paris, which unfortunately, at one time came to parliament for some concession, and in order to give us jurisdiction we had to insert those words: 'For the general advantage of Canada.' Now, because we did that, the Ontario statute, as far as that road is concerned—although they do not make it a crime, but only a penalty which can be collected by a civil suit before a court of competent jurisdiction—is absolutely nugatory. And that is why the clause is necessary. At the session which terminated only a couple of months ago they passed an Act in the terms I have referred to, but it cannot be enforced, because the Privy Council would say you have no control over that road. It is true it is a road between two towns within the province, but the parliament of Canada have taken control of that road, by inserting the words 'for the general advantage of Canada.' We are simply removing that barrier. Does any one say that is not proper legislation, which morally, in every sense of the term, we are bound to give to the province of Ontario? That is what the Lord's Day Alliance asked us to do, and we are doing it. The views and opinions of that section of the province of Ontario are entirely set aside unless we interfere, and the persons who are operating that road know it very well. They are running it on Sunday now, although the law is there, because they know the law cannot be enforced. If an action was taken against them, it would be carried to the Privy Council, and the provincial authorities would be told this is not the creature of the provincial legislature. The Dominion of Canada have taken control of it, and you have no right to pass an Act affecting that road. That is all that clause touches.

Hon. Mr. DANDURAND—The discussion has gone somewhat beyond the scope of this first clause of the Bill. The remark of the hon. member from Marshfield led me to make this reflection, when he taunts the hon. member from Wellington over the claims that the Lord's Day Alliance are making in virtue of this Bill, that he is convinced that the province will not be able to enforce any penalty that may be imposed under it. I want to disabuse the hon. gentleman's mind on that score. When a province is legislating within its jurisdiction, it can impose a penalty and inflict imprisonment in default of payment. That right is uncontested as it is granted the province in express terms by clause 15 of section 92. Whenever a legislature is within its jurisdiction, acting intra vires, it can enact laws that empower municipalities to maintain order within their borders, giving them the right to pass by-laws. Not only

does it make laws itself imposing a penalty, and in default of payment imprisonment, but it gives power to municipalities to make by-laws for the maintenance of peace within their borders. and to impose penalties, and in default of payment to imprison offenders.

Hon. Mr. FERGUSON—That is, the province, in exercising its own power, has the right to declare anything is a crime or an offence ?

Hon. Mr. DANDURAND—Certainly not, and that is how the judgment has come to be rendered by the Privy Council. The Privy Council has declared that the Ontario legislature invaded the federal powers by encroaching on the right to legislate in criminal matters; but the distinction is a very fine one. It has come to this point, that an interpretation of clauses 91 and 92 of the constitution of Canada shows that the provincial legislatures can make laws which will invade the federal power, and they will remain within their jurisdiction in so doing if the legislatures had in view a matter falling under the clauses of section 92 of the Act. I do not like to criticise the decision of the Law Lords of the Privy Council, when I have simply the judgment without the reasons on which it is based. The judgment itself is a very short and dry one, but the learned judges before delivering a judgment make a report to the Privy Council, giving very long explanations of the points discussed. I have not the reasons given by the judges for their decision, and I simply rose to state a fact which is well known and uncontroverted, that the legislatures have a right. when they are within their jurisdiction, to impose imprisonment in default of the payment of a fine.

Hon. Mr. FERGUSON—But they cannot declare the offence. The nature of the offence must be fixed by this parliament.

Hon. Mr. DANDURAND—Subsection 16 of clause 92, is a very wide one, and the legislatures have shown, by recent legislation, how wide they could make it, and succeed in getting the Privy Council to declare their legislation under that clause intra vires. The 92nd section provides that :

In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated, that is to say:

Then subsection 16 is :

Generally all matters of a merely local or private nature in the province.

The legislature of Ontario, two or three sessions ago, prohibited a certain mode of doing a certain business which, unquestionably, under subsection two of section 91 the parliament of Canada had the right to legislate upon, but when the legislation was referred to the Court of Appeals of Ontario it was declared to be intra vires, inasmuch as the end which the legislature had in view was the maintenance of order. Besides the right to legislate upon property and civil rights is vested in the province under subsection 13, of section 92. I might live to be 100 years old and still be in the dark as to the extent the provinces may go to in the light of the numerous judgments of the Privy Council in the exercise of their jurisdiction.

Hon. Mr. FERGUSON—I have had some experience in the provincial legislature and we found when we declare anything an offence, we had a report from the Minister of Justice, and we had to amend our legislation. In looking over Holgins' volumes, reports on the provincial legislation, I think it is plain that that has been the practice of the Department of Justice, that if a provincial legislature declare any particular thing to be an offence. they will be tripped up for it, and required to amend the law or bring it in conformity with what is held to be a proper interpretation of it. I do not know what the interpretation of the higher courts have been. It has come back to this, if we are not by this Bill making a declaration of what is an offence or a crime—offence is the word no doubt required to be used—if we are not making that legal, we are not doing anything for the Lord's Day Alliance that is of any value.

Hon. Mr. BEIQUE—If my hon. friend would examine chapter 246 of the Revised Statutes of the Ontario Legislature, which came before the Privy Council, he would find that under clause 8 of that Act it was declared that no tramway or electric railway company, except under certain circumstances, shall run trams or cars on the Lord's day. Then clause 10 provides that any person convicted before a

justice of the peace of any act declared unlawful shall be fined a sum not exceeding $40. If the Act merely provided for imposing a penalty and levying a fine by civil by reason of clause 12 of the Act which provided for imprisonment, I do not think the Privy Council would have declared the Act ultra vires. But it was so declared no doubt, by reason of clause 10 of the Act which provides that where any person has been charged before a justice of the peace with any offence against the Act the said justice shall summon the person before him, and if he fails or neglects to appear, the justice may proceed to decide the case ex parte, or shall proceed to hear or determine the case, and may commit the person. I think that clause, by reason of this provision, especially providing for the commital of the person charged with the offence, is the ground on which the Privy Council came to the conclusion that chapter 246 of the Revised Statutes interfered with criminal matters. It made it an offence and provided for the prosecution of the offender in the way that persons charged with crime are usually prosecuted. Therefore, it was merely by reason of their infringing upon these exclusive powers of the Dominion parliament that the Act was declared ultra vires. But the Bill before us does not deal with that objection, and cannot have the affect of limiting the power of the Dominion parliament in that respect at all. It is because the Act, as I have stated, uses the words I have quoted, 'if in other respects it is within the powers of the local legislature.'

Hon. Mr. SCOTT moved that the committee rise and report progress.

Hon. Mr. ELLIS, from the committee, reported that they had made some progress with the Bill and asked leave to sit again.

The Senate adjourned until to-morrow.

THE SENATE.

Ottawa, Wednesday, August 3, 1904.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

Hon. Mr. BEIQUE.

MUTUAL RESERVE LIFE ASSOCIATION.

NOTICE OF MOTION.

Hon. Mr. BEIQUE—I beg to give notice as follows :—

That he will move the following as being the proper conclusions to be drawn from the evidence reported to this House by the Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York, namely :—

1. The company was licensed in Canada from 1885 to 1899 to carry on business on the assessment plan, and from 1899 to this date on the level premium plan.

2. That part of the business of the company which is under the level premium plan, is fully protected by the deposit made with the government, as required by the Insurance Act.

3. From 1885 to the 31st December, 1903, the total income of the company in Canada, from its business on the assessment plan, amounted to $5,032,518, out of which $3,060,029 were paid in death claims and $999,865 in expenses in Canada, and $218,938 deposited with the government, leaving a balance of $753,686 to cover expenses of collection of the premiums and the contribution of the Canadian business to the general and head office expenses and to the general mortality fund.

4. The company's troubles are mainly due to the fact that its rates or assessments were too low, especially until 1895. Even with the advance which was made in 1895, varying from 25 to 100 per cent, the rates remained at least 25 per cent less than the level premium system would have called for ; and, taking the whole period of nineteen years during which the company carried on business in Canada, the average rates or assessments paid by its policy-holders were only from about 50 to 66⅔ per cent of what the latter would have paid if they had been under the level premium plan.

5. The amounts paid to or advanced by the company to agents, as commission, seem to have been at times abnormally high, which was not satisfactorily explained. Nevertheless, taking as a whole the period extending from 1885 to December 31st, 1903, the gross average expenses amounted to only $5.96 per $1.000 of insurance per year, which compares favourably with other companies.

6. The total amount of death claims against the company in Canada, from 1895 to 1903, both inclusive, amounted to $2,278,207, on which the company paid $2,151,592, or 94·442 per cent.

7. The Superintendent of the Insurance Department of the state of New York caused an examination to be made of the company's affairs, both in 1897 and in 1898 ; on the occasion of the latter examination, most of the charges mentioned in the evidence reported and now on the table of this House were investigated and found groundless, as will appear from the reports of the chief examiner, of the assistant actuary and of the superintendent of said Insurance Department.

8. Another examination of the affairs of the company up to the 31st December, 1901, was made by order of said Insurance Department of the state of New York, on the occasion of the reincorporation of the company, which was found to be solvent.

9. Apart from the fact that the committee has not had the advantage of examining into

the books and papers of the company, as was done on the occasion of the New York inquiries, the evidence taken before and reported by the Select Committee would not justify any conclusions contrary to those of the chief examiner, of the assistant actuary and of the superintendent of the Insurance Department of the state of New York.

Hon. Mr. LANDRY—Is that a report of the committee ?

Hon. Mr. SCOTT—No, it is a notice of motion.

Hon. Mr. CLORAN—I do not know whether I am in order just now——

Hon. Mr. SCOTT—No, an hon. member cannot discuss a notice of motion.

Hon. Mr. CLORAN—I am not going to discuss a notice of motion. I am going to ask a question, probably the first time in the history of Canada on an occasion of this kind, where an hon. member wishes to put a notice of motion on the order paper. Does the hon. member present that notice as a member of the committee or a member of this House ?

Hon. Sir MACKENZIE BOWELL—As a member of this House I think.

Hon. Mr. CLORAN—I want to know from the hon. gentleman.

Hon. Mr. LANDRY—The committee is dead.

Hon. Mr. BEIQUE—I rise as a member of this House. My hon. friend knows that the committee is not sitting.

Hon. Mr. LANDRY—It is dead.

Hon. Mr. CLORAN—I am perfectly satisfied with the answer, because if he put it as a member of the committee he would be altogether in the wrong.

MINUTES OF PROCEEDINGS.

INQUIRY.

Hon. Mr. DOMVILLE—Inquired :—

1. Why the minutes of proceedings of the Senate of Canada, No. 57, dated 29th July, 1904, were put out of type on or before the morning of the second day of August instant ?
2. Is it the custom to destroy or put out of type such a public document between three or four days after having been printed ?
3. What steps are necessary to be taken to enable any member of the Senate to obtain one or more copies of No. 57, as above referred to ?
4. Whether the Printing Bureau is under the control and subject to the instructions and orders of the Honourable Secretary of State ?

Hon. Mr. SCOTT—I telephoned down to Dr. Dawson for a reply to these questions, and I have just received it. The answer is as follows :—

1. Because after the requisite number of minutes is printed, everything is changed and there is no further occasion for holding the type.
2. Yes, the type of minutes and votes is distributed whenever the requisite number of copies for distribution is printed off.
3. Extra copies are always printed and members and senators can obtain one or more copies on application to the distribution office of parliament or at the Printing Bureau.
4. Yes, except to the parliamentary printing which is subject to the order of the Joint Committee on Printing of the Debates Committee.

Hon. Mr. DOMVILLE—I applied to the distribution office and could not get a copy. Then I telephoned to the Printing Bureau and they told me the type was destroyed.

Hon. Mr. SCOTT—Unless application is made at the time for additional copies the type is not kept standing.

Hon. Mr. DOMVILLE—I thought it was stereotyped ?

Hon. Mr. SCOTT—No, I do not think it is.

Hon. Sir MACKENZIE BOWELL—The type is set by machinery and every line is cast. When the printing from it is finished the type is thrown back into the pot to be remelted.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

Hon. Mr. CLORAN moved :—

That the clerk of the Senate be directed to lay on the table all the accounts which have been or which may hereafter be presented to him for payment, in connection with the Select Committee appointed to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, with a view of having the Senate approve of them and authorize the clerk to pay the same.

He said : This investigation has been carried on during a term of nine to twelve weeks. As far as I have been able to ascertain, the expenditure in connection with the investigation will compare very favourably with the expenses of other committees of parliament to investigate public affairs.

This honourable House was under the impression that the expenses of the committee would amount to a very large sum, in the neighbourhood of $15,000; and that was stated even on the floor of this House I believe; I am perfectly certain it was stated at the meeting of the committee. I am pleased, as chairman of that committee, to be able to inform this House that the cost of the work performed by the committee on behalf on this House and in the interests of the country is much less than half of that suggested amount. I do not think that when all the bills are in it will exceed $6,000 or $6,500, within the immediate neighbourhood of that amount, which is a very small sum compared with the expenses of other investigating committees. On that ground I ask that the clerk of the Senate be authorized by this honourable House to pay the expenses of that investigating committee. I understand that under rule 88 of the standing orders of the Senate, the clerk is authorized, without any further power from this honourable House, to pay travelling expenses and ordinary hotel expenses of the different witnesses who have been summoned before that committee. I am not yet in a position to say that it has been done, but I am in a position to say that the clerk of the Senate is prepared to do so, but he expressed a doubt as to whether he had the power to pay expenses of what is ordinarily known in cases of this kind as expert witnesses and counsel. Although I respect his doubt very much, I feel as an ordinary legal and business man, that when a body like the Senate authorizes one of its committees to engage counsel, to employ clerical services and to summon the witnesses necessary to elicit the truth, that there should be no question about it. The committee on this occasion represents the Senate. The Senate intrusted, delegated its powers to that committee, and the committee came to a certain decision, and that decision which was presented to the House asked for the power to employ counsel and all the assistance necessary to prosecute the investigation. At the last moment I find that the clerk of the Senate has a doubt, and as far as I can see that doubt is entertained by hon. members of this House, who contend that men who have rendered valuable services to this committee should not be paid anything but their railway fare and hotel expenses, a thing against which I would protest in the name of the Senate and the honour of the country. No hon. member will contend that a man who has rendered valuable services as an expert or counsel should be simply paid his railroad fare and hotel expenses. I hope such an idea of depriving these witnesses of their fees will not prevail in the House; in the meantime I leave the motion in the hands of the House and hon. gentlemen can deal with it as they please.

Hon. Mr. SULLIVAN—I wish to make an explanation connected with these accounts. A gentleman named Pringle, a very tall young man, came into my room yesterday and he had with him a blank form. It was not filled in, but he asked me to sign it. At first I demurred, and then as he was about going away I said 'If it is merely a formal matter to witness the presence of any one here I will sign it.' I think he mentioned Bradshaw. There was no other signature to it but my own, and I find to my surprise that it is a certificate recommending the payment of $30 to Mr. Eldridge and some other sum to some other gentleman. There was not a word in the blank about money or giving him anything, and I certainly had no conception of certifying to $30 a day for Mr. Eldridge.

Hon. Mr. SCOTT—Possibly the hon. gentleman's view of the certificate was equal to the value of some other certificate. The rule in the Senate is that the clerk pays the travelling expenses and the railway expenses. Beyond that the clerk has no authority to pay. While all the accounts that have been rendered may be regarded as fair and reasonable, covering a man's travelling expenses and his hotel expenses, and some reasonable amount for his loss of time may be considered proper, I think in the present case the Senate would not be justified in paying some of the accounts that I notice are in the hands of the clerk. The counsel charges the sum of $3,303.

Hon. Mr. FERGUSON—All the counsel?

Hon. Mr. SCOTT—No, there was only one counsel. The other counsel is not recognized as entitled to anything. It is only the counsel that the committee selected who is entitled to any consideration, and if I am correctly advised it is only the wit-

nesses the committee considered necessary that are entitled to any consideration, because I notice on the list there were a number of witnesses examined whose names are not given as being entitled to anything. It would appear therefore that only the counsel for the prosecution should be entitled to consideration. I think the counsel's fees are altogether too large, considering the conditions that existed.

Hon. Mr. MACDONALD (B.C.)—How many days ?

Hon. Mr. SCOTT—Fifty-four days. What I consider would have been better for the Senate to direct would be the payment say of $500 or even $1,000, and let the account be referred to the Department of Justice. The usual way in matters of that kind, where the official is performing a duty for the government, and the compensation has not been decided upon in the Order in Council, it is always usual to refer them to the Justice Department to say what would be resonable and fair, where it is under the head of professional services. Then there is $1,290 for the witness Thos. Paterson. I do not think the Senate would be at all justified in paying any such sum. I would suggest that that account also should stand for further consideration, but in the meantime Mr. Paterson ought to be paid some reasonable sum. I think that is only right and proper. He returned his travelling expenses as $30, and his hotel expenses at $42, $210, making $240. If added to that there would be five dollars a day for the time he was here, making $210 which added to the $240 would give $452, then I should have no objection.

Hon. Mr. FERGUSON—For whom is it?

Hon. Mr. SCOTT—Paterson. He is recommended to be paid $1,290. I think, pending a further inquiry, it would be an extremely liberal allowance to pay him $450, and I should advise, with the consent of the House, to approve of a proposition to pay him that amount. There is no object in keeping the witness here. He should not be detained while the matter is under consideration. I think the certificates of the chairman, and any additional evidence that they can show as to the value of Mr. Paterson's services, should be sent in and should be referred to the department to tax at such amount as they consider proper. Mr. Wells sends in a claim of $250 for fifty days and $30 travelling expenses. I presume there would be no objection to that. I do not know how Mr. Pendleton's account is made up, but it is placed at $90. Then the expenses of Mr. Bradshaw, a Canadian witness, is fixed at $43.75, copies of papers obtained from New York $8, right. Clerical services $187.52, right, and the stenographer's account would of course go in the ordinary way, and be confirmed by the Auditor General. I do not know what the feeling of the House may be. I have not seen the account, but I understand the accounts of Mr. Eldridge and other gentlemen who were called, and Mr. Aylesworth's have not been forwarded by the committee.

Hon. Mr. CLORAN—There are only two accounts in my hands, and they are final accounts from Mr. Eldridge and Mr. Bradshaw. The latter has been withdrawn, owing to the explanation of Dr. Sullivan. Mr. Eldridge claims $30 a day, altogether $655.

Hon. Mr. SCOTT—Mr. Eldridge's and Mr. Paterson's accounts had better be balanced.

Hon. Mr. DANDURAND—I would suggest that this matter be adjourned until tomorrow. How can senators know anything of the value of the services rendered until they see the accounts ?

Hon. Mr. BEIQUE—The hon. Secretary of State has dealt with the matter as if it had come before the committee, but nothing of the kind ever came before the committee.

Hon. Mr. DOMVILLE—The committee is dead.

Hon. Mr. CLORAN—I am very glad the hon. member from de Salaberry has raised the point. If he had been a member of the original committee he would have known all about it, but unfortunately he came in at the 11th hour and gave us a lot of trouble. A resolution was passed by the original committee of five, endorsed by this House, that the chairman be authorized to summon witnesses and employ counsel, &c., and pay them as should be decided upon, and I was in communication with the law department for two months before I could settle the matter. The counsel

of the committee agreed to take $50 a day. I know if the gentleman from de Salaberry had acted as counsel for the committee, he would not have accepted less than $200 a day. Mr. Coster has consented, at my request, to take $50.

Hon. Mr. SCOTT—This cannot be argued now. I suggest the accounts be placed in the minutes for circulation.

Hon. Mr. CLORAN—I accept the suggestion of the hon. Secretary of State, and I am prepared to withdraw my motion.

Hon. Mr. PERLEY—I am not insured in this company, nor have I any interest in it whatever. But I am realizing what I expected long ago would happen. This investigation was inaugurated by the hon. member from Rothesay, who preferred charges against the company. A committee was appointed to investigate the charges, and I expected that committee would report to the House, and if we found the policyholders had grievances, that some measure of redress would be introduced. Not long afterwards great fault was found with the committee, and additional members were appointed to it. While they were investigating, a Bill was introduced by the hon. gentleman from Toronto to deal with the matter. I claim that the moment that was done the committee should have been dissolved there and then, and the Bill proceeded with; but the hon. leader of the House failed to appreciate the position. He allowed the Bill to go to the House and it was passed. That was a direct insult to the committee, and virtually rendered their work entirely useless and made the committee a laughing stock to the whole country. The investigation continued from day to day with the full knowledge of the hon. Secretary of State, and now we have these accounts presented. I have known counsel employed before committees of this House to receive $100 a day. I do not know much about lawyers fees, but I say those who have been employed should be paid and so should the witnesses who have been kept here. The fault is with the government in not taking a proper stand in time, when the Insurance Bill was introduced.

Hon. Mr. SCOTT—The House would not take my advice.

Hon. Mr. PERLEY—I understand that the Bill has been manipulated in the House of Commons so that it will be of no value, and the whole thing will be a farce.

Hon. Mr. McMULLEN—I hope the House will accept the recommendation of the hon. gentleman from de Lorimier and let the motion stand until to-morrow.

Hon. Mr. FERGUSON—The motion in itself is altogether unnecessary, because the clerk would lay these accounts on the table of the House. They are on the table now without a motion. If the motion is considered necessary, let us pass it now when the papers are here and we can deal with the accounts at any time. I do not think it is necessary to let it stand for further consideration.

Hon. Mr. WATSON—If the hon. gentleman from Marshfield will look at the motion he will see it ends with the following words: 'With a view of having the Senate approve of them and authorizing the clerk to pay the same.' I do not think the Senate is disposed to authorize the clerk to pay those bills, from the criticisms I have heard from the House. The members of the committee who were in constant attendance at its meetings, except the first few days, when the first committee was sitting, are as much in ignorance as to the expense incurred by the committee as members of the House who were not on the committee at all. That is not for want of inquiry, because on different occasions I tried to ascertain what expense had been incurred, and at no stage could I get information. The answer invariably was that the expenses in connection with this investigation were governed by rules of parliament, and that fees would be paid by rules of parliament. Evidently there is no rule governing those payments. More than that, the committee as a committee, have never had those figures before them, and never authorized or recommended payments of these amounts. There is one bill that an hon. gentleman has just mentioned, Mr. Eldridge's. I know that some members of the committee wished to discharge a witness named Paterson. The chairman claimed they should not discharge him, that some charge had been made against him which had not been proved.

Hon. Mr. LANDRY—I rise to a point of order : the hon. gentleman has no right to refer to proceedings which took place in the committee.

Hon. Mr. WATSON—I think I am in order in making this explanation.

Hon. Mr. LANDRY—No.

Hon. Mr. WATSON—The committee is dead and there is no matter being discussed in the committee to-day, and we can discuss it here. I took the stand at that time that Mr. Paterson ought to be discharged. I had no objection to paying him for the time he was here as a witness or to paying Mr. Wells while he was here as a witness, or to paying counsel while giving us advice as a committee. The investigation has taken a long time ; it should have taken much less. If the counsel that was before that committee had been of the calibre he should have been, he would have been able to direct the committee and the witnesses in such a way that we would not have had to sit as many days as we did. I have listened to other investigations in the Senate, particularly the Cook investigation, where able counsel were employed where almost as much, if not quite as much evidence was elicited as in the present investigation. I think Mr. Ritchie of Toronto received $1,000 as counsel.

Hon. Mr. CLORAN—Just for one fact, and we had to inquire into twenty years of facts.

Hon. Mr. WATSON—As I have already stated, I tried to have some of those witnesses discharged. Mr. Paterson was here as an expert. I asked in open committee was Mr. Eldridge here as an expert, and I was told that he was. I inquired if he would be paid the same as Mr. Paterson, and they said certainly. I gave notice that I would oppose the payment of Mr. Paterson and Mr. Eldridge as experts. I could get no information as to the expenses that were being incurred, and I think the House should have an opportunity to examine the accounts. I agree with the hon. Secretary of State and the hon. member from Wellington that this matter ought to stand until to-morrow.

Hon. Mr. SULLIVAN—I think this discussion is out of order. It should have taken place in the committee, and then they would have come here prepared with some figures. It would be better, therefore, to let the matter stand until to-morrow.

Hon. Mr. FERGUSON—When I spoke before, I did not notice the closing words of the motion. I thought it was simply that the papers should be laid on the table of the House, but I see it goes further. That is a matter for the Senate to settle, and I think it is better to defer it until to-morrow.

Hon. Mr. DOMVILLE—I object to the hon. gentleman from Portage la Prairie referring to Mr. Coster as he has done, and saying that if he had been an able counsel the investigation would have proceeded more rapidly. I undertake to tell my hon. friend that Mr. Coster bears a first class reputation in New Brunswick both as a lawyer and as a citizen. As regards his not having done the work quicker, it was impossible. They took it out of his hands all the time and interrupted him, and it is a feather in his hat to know that he was opposed by so many legal men that we know of, and so many that we do not know of.

Hon. Mr. CLORAN—I beg to emphasize, as chairman of that committee, the remarks made by the hon. gentleman from Rothesay.

The SPEAKER—The question has been raised that the hon. gentleman has spoken already.

Hon. Mr. CLORAN—Is it the Speaker's right to interrupt me ? The chair has no right to interrupt me, unless his attention is called to the fact that I have already spoken. When the charge is made against the counsel of the committee.

Hon. Sir MACKENZIE BOWELL—The hon. Speaker was quite right. I called attention to the fact that the hon. member had spoken four times, and the Speaker rose and directed the hon. gentleman's attention to the fact.

The SPEAKER—I simply did so as a result of the act of the hon. leader of the opposition.

Hon. Mr. DANDURAND—I move that the debate be adjourned until to-morrow.

Hon. Sir MACKENZIE BOWELL—I think the suggestion made by the Secretary of State with reference to the lawyer's account

is a very good one. If the Minister of Justice does not think it too large, the Senate will pay it, no matter what it is. In the Cook investigation, it is true, only one fact was investigated, but that would make no difference. It is a question of the time occupied by the lawyer as to the fee he should receive. Mr. Ritchie left it entirely in the hands of the committee, and when the committee suggested $1,000 it was acquiesced in readily, for the reason that Mr. Samuel Blake, who conducted the case on the part of the member accused received $1,500 for the same time, and this gentleman has been occupied two or three times as long as Mr. Blake or Mr. Ritchie in the Cook case. I know the way first class lawyers charge in Ontario it would be very difficult to get a man like Mr. Robinson to come here for less than $100 a day.

Hon. Mr. CLORAN—Exactly.

The motion was agreed to.

GRAND TRUNK RAILWAY ARBITRATION BILL.

FIRST READING.

A message was received from the House of Commons with Bill (152) An Act respecting an arbitration between His Majesty and the Grand Trunk Railway Company of Canada.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the Bill be read the second time to-morrow.

He said: This Bill provides for an arbitration arising out of differences between the government and the Grand Trunk Railway respecting the carrying out of contracts made.

Hon. Sir MACKENZIE BOWELL—Is it the contract they entered into at the time of the purchase of the Rivière du Loup section of the Intercolonial Railway?

Hon. Mr. SCOTT—I think so.

Hon. Sir MACKENZIE BOWELL—Has a difficulty arisen out of the arrangement made at that time when the government purchased the road?

Hon. Mr. SCOTT—I presume so.

Hon. Sir MACKENZIE BOWELL—I read something about it in the newspapers and was at a loss to know what it could possibly be.

The motion was agreed to.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

NOTICE OF MOTION.

Hon. Mr. DOMVILLE—I beg to give notice of the following motion:

That in view of the notice of motion put on the notice paper to-day by the honourable gentleman from de Salaberry—I will move that the Clerk of this House be instructed to preserve copies of the several reports presented to the House relating to the investigation of the Mutual Reserve Fund Association, that the same may be read at the table of the House in consulting the resolution above referred to.

Hon. Mr. SCOTT—I beg to rise to a question of order: we must have some respect for the dignity of the House. This is not an ordinary notice of motion. The hon. gentleman is reading a public document or some reference of the committee. I appeal to him not to degrade the House in the way it has been degraded by this committee.

Hon. Mr. DOMVILLE—I rise to a question of order. The hon. gentleman has no right to use the word 'degrade'. Nineteen members of this House as members of that committee are not degraded. I might use some severe strictures if I wished to. I am not bound to put it in my own handwriting. I am quite at liberty to place on the order paper what I desire to bring to the attention of the House as a notice of motion, if I can find it printed anywhere.

Hon. Mr. LANDRY—Is that a notice of motion?

Hon. Mr. DOMVILLE—It is.

Hon. Mr. SCOTT—I ask the hon. Speaker whether that comes fairly under our rules of notices of motion? Notices of motion are usually succinct documents, indicating the motion which the hon. gentleman proposes to move the following day, not a recital of incidents which occurred before the committee. The hon. gentleman has no right to read a number of papers.

The SPEAKER—There is one objection to the notice. I think I understood the hon. gentleman to read a preamble to his motion. I understood him to read, that in view of some notice which had been given by some hon. gentleman, he will move so and so?

Hon. Mr. DOMVILLE—That was one notice.

The SPEAKER—Preambles are forbidden. It is simply a question for the House. The hon. gentleman is within his technical right in doing what he has done. It is a question whether the House considers that the hon. gentleman is abusing his privilege as a member or not; it is not a question of order for the chair.

Hon. Mr. FERGUSON—I understood the hon. gentleman to be reading a public document and stating some conclusions in his opinion. I think I heard my hon. friend using that word. That is not a resolution for the House, but a declaration of his own opinion. I do not think that is a form in which the notice can be put.

Hon. Mr. DOMVILLE— I shall alter the notice of motion, and make it read 'In the opinion of this honourable House'. It was only more humble before.

Hon. Mr. DANDURAND—The hon. gentleman is giving a notice of motion. It was decided last year or the year before that notices of motion should be read in order that members should be informed in advance of what was to come up next day. I understand the hon. gentleman is reading from a document which has been distributed, and which we all know about. I move that it be considered as read, so that we can proceed with other business.

Hon. Mr. DOMVILLE—There may be some hon. members who have not heard this and my hon. friend has put me out a little by his interruptions. My motion will read in this way :—

That in the opinion of this House the following irregularities have been found in the management of the affairs in Canada of the Mutual Reserve Fund Life Association of New York, at the pages indicated and referred to in the evidence taken before the Select Committee appointed to investigate the position in Canada of the New York Mutual Life Fund Association.

3. Fictitious payments of renewal and commuted commissions in sworn reports to Insurance Departments.

J. T. Paterson No. 5, pp. 62, 63, 64, 65. Exhibit No. 42, No. 5, p. 59.

The only conclusion which can be drawn from Exhibit No. 42 (No. 5, p. 59), which is nowhere explained or contradicted in the evidence, is that from 1897 to 1903, both inclusive, renewal commissions alleged to have been paid, amounting to over $200,000, were fictitious.

The company also claim to have paid during the same years $311,166.67 in commuted commissions. Payment of commuted commissions should reduce the renewal commissions ; here, notwithstanding the large payment of commuted commissions the renewal commissions were increased, with a much smaller amount of insurance in force.

4. Allowing one Moton D. Moss and other agents to misappropriate the funds of the company.

J. M. Stevenson, No. 2, pp. 13, 14.

J. D. Wells, No. 4, pp. 72, 73, 74. (Contracts pp. 75, 78). (No. 4, p. 80, Moss poor). (No. 5, pp. 80, 81, no vouchers). ($250,000 due by Moss, No. 4, p. 81, N.Y. Superintendent of Insurance report, 1899, p. 20, 'nominal value only'). (N. Y. report, pp. 18, 18, 20, is found in No. 8, pp. 25-27). (Moss rich, No. 4, p. 84). (Vrooman letter, No. 2, pp. 51, &c.) (Hoffecker letters, No. 4. pp. 87, 88, 89). ($82,000 more to Moss, No. 4 p. 101). ($4,600 to Joseph, No. 4, p. 101). $6,00. to Moss, No. 4, pp. 104, 105).

Brockway, hotel-keeper, on pay-roll for $300 per week for $6,000 loaned Burnham by him No. 4, pp. 99, 100.

No. 8, p. 26, (p. 20, Payn's Report, 1899). Chief examiner says : 'from 1881 to time when Moss contract was executed, in 16 years, total agents' balances created amounted to $529,459.93.'

In 18 months during Moss contract, from January, 1897 to July, 1898, agents' balances of nominal value only were created amounting to $244,954.07.

Geo. D. Eldridge, No. 3, pp. 30, 31, Merriam $211,000. ($482,421.50 agents' balances of no value, No. 3, pp. 31, 32, 33). (No. 4, pp. 41, 43, $50,000 profit on Moss). (No. 5, p. 134, assets decreased up to December 31st, 1901, $999,-422.70). No. 5, pp. 132-134, total written off in six years, $1,048,367.37. Brockway on pay-roll, No. 8, pp. 44, 45.

5. When serious charges were made against officers of company—making large payments out of company's funds rather than go into the charges.

(On General Tracy charges, $15,000 paid, No. 4, pp. 109, 110).

J. D. Wells arrested for libel by company, No. 4, pp. 115, 116, (all cost paid by company and suit discontinued).

J. T. Paterson, No. 5, p. 21. (Paterson arrested for libel by company and was paid $5,000, No. 5, p. 32). (Alleged libel, No. 5, p. 29, &c.) Geo. D. Eldridge, No. 3, p. 5.

6. Extravagance and overstating commissions paid agents.

'Inter alia' Geo. D. Eldridge, vice-president, reported that $500,000 per annum could be saved, but such savings were not made, No. 4, p. 97.

J. T. Paterson, No. 5, p. 51, increase in expenses with less business. (No. 5, pp. 52 to 58. Cost of new business in Mutual Reserve and comparative statements).

No. 5, p. 59. Exhibit 42. In 1899 and 1898, during Moss regime, $259,231 more paid in commissions, &c., than in the two previous years, while business written was $44,502,945 less, and insurance in force decreased $55,000,000. (Alleged payment of renewal commissions an impossibility, No. 5, pp. 62, 63, 64).

Geo. D. Eldridge, No. 3, p. 5. ($50,400 rent, No. 3, p. 9). No 3, p 25. (No. 3, p. 74, ex. by Hon. Mr. McMullen). Also No. 3, p. 80. ($60,-000 salary to Burnham not excessive. No. 4, p. 50).

7. Contradictory statements.

J. M. Stevenson, No. 20, p. 6 ; E. Pendleton, No. 5, p. 110 ; both contradict Geo. D. Eldridge, who says he did not ask Stevenson to remain

with company, nor agree to continue his salary while away. No. 3, p. 61.

(Statement to Senate, p. 12. 'Absolutely untrue as charged that the late president willed any proxies to Burnham'). (No. 2, p. 49, 'Harper will' assigns all proxies to Burnham).

J. T. Paterson.—Differences in sworn reports filed in Canada and New York with Insurance Departments. (No. 5, pp. 39-42). By statute they should be alike, No. 5, p. 38. Scaled down claims all left out of Canadian report, 1901.

8. Overstatement of assets, &c., in sworn reports to Insurance Department and in circulars.

J. T. Paterson, No. 5, pp. 23-24, Exhibit 34. Invested assets overstated by $13,150,124.23; insurance in force overstated by $35,732,626; new business overstated by $11,570,171, in circulars, as compared with reports to Insurance Department. Deferred premiums, No. 5, p. 80; Geo. D. Eldridge, No. 3, p. 57, $506,000 excess of liabilities. Mutual Reserve Building $483,000 of this, No. 3, p. 20. Deferred premiums and liens called assets as well, and are also very doubtful.

9. Overstating insurance in force in sworn reports to Insurance Departments—improperly ignoring liens on policies.

J. M. Stevenson, No. 2, p. 5. No. 2, pp. 7, 8, 9, 10.

J. D. Wells, No. 4, p. 71.

J. T. Paterson, No. 5, pp. 23, 24, 25.

Geo. D. Eldridge, No. 2, p 60. No. 3, pp. 13, 14. (Case referred to by Geo. D. Eldridge affords no support whatever to his contention). (No. 3, p. 15. No. 3, p. 72, Dennis vs. Mass. Benefit, 120 N.Y. vide No. 4, p. 69, &c.) No. 4, pp. 11, 12, 13, 15. (No. 4, p. 19, telegram sent by Eldridge months before he knew of the transaction to which it relates).

10. Mortuary funds improperly used for expenses.

'The Insurance Act,' sec. 39, ss. 5, is as follows:—

5. No portion of any moneys received from assessments for death claims shall be used for any expense whatever.

J. M. Stevenson, No. 2, pp. 4, 5, 11, 12, 13, 14, 15, 33, 34.

J. D. Wells, No. 4, p. 104.

J. T. Paterson, No. 5, p. 52, exhibit No. 39, $4,658,555.62 of mortuary funds used for expenses.

Geo. D. Eldridge, No. 4, pp. 10, 11.

11. Liens placed on policies and called assets in sworn reports to Insurance Departments, when they were not assets.

J. T. Paterson, No. 5, pp. 44, 45. (If liens paid in cash, company insolvent). Liens only bookkeeping, No. 5, p. 49. Notes referred to not negotiable and not a liability of insured, No. 5, p. 48.

Geo. D. Eldridge, No. 2, pp. 60, 61, 62. ($2,500,000 without consent of assured, No. 2, p. 63). No. 5, pp. 126, 127.

12. Unfair treatment of fifteen-year class.

J. T. Paterson, No. 5, pp. 16, 17, separate classes made with increased cost to fifteen-year members. (No new business added to fifteen-year class after 1890, No. 5, p. 19). (And by selection against the company, No. 5, p. 69, cost of insurance to this class abnormally increased).

Edmund Pendleton, No. 5, pp. 107, 108, 109.

Geo. D. Eldridge, No. 5, p. 124. Not in separate class. By the table of rates of the Mutual Reserve now in force adopted 1889, the members of the fifteen-year class are now paying on an average 30 per cent more (Geo. D. Eldridge, No. 8, p. 39) than the rates provided for in Bill (H),

sec. 3, ss. (c), which the company admit is sufficient to carry all classes.

(c.) The holder of any such assessment policy shall have the right to continue his said policy for the full amount thereof as a yearly renewable term policy upon which the premiums shall not exceed the net yearly natural premiums for the attained age of the insured calculated upon the basis of the mortality table and rate of interest aforesaid with a loading of 5 per cent for expenses.

13. Change in Moss contract by Burnham. Neither explained nor contradicted in evidence.

J. D. Wells, No. 4, pp. 81, 82, 83.

The contract in 1897, referred to, must, under the constitution and by-laws of the association, be executed by the executive committee, and could not be made by the president alone. Any secret material change or modification of that contract after its execution by the proper officers of the association, as made by the substitution of the middle sheet of that contract, would amount to the crime of forgery committed by all parties participating in the fraudulent substitution of such sheet.

14. Payments to President Burnham of commissions under Harper contract and contingent fund.

J. M. Stevenson, No. 2, p. 15.

Geo. D. Eldridge, No. 2, p. 45, &c. (No. 4, p. 50, $60,000 salary to Burnham). (No. 4, p. 52, $200 per week paid extra).

15. Refusal to state salaries and other remuneration of officers and office employees in detail and misstating same.

Gross salaries in sworn reports every year. (Refusal to show chairman of the executive committee pay-rolls. No. 4, p. 5. No. 4, p. 144. Although it was the executive committee's duty to fix salaries). (No. 5, p. 50, actuarial expenses increased from $14,227, in 1896, to $31,449, in 1903, and not included in salaries to officers or employees).

Geo. D. Eldridge, No. 2, p. 67; No. 3, p. 3; Geo. D. Eldridge examined by Hon. Mr. Landry, No 5, p. 60. (G. D. E., No. 4, p. 50, $60,000 per annum paid to Burnham not excessive). (No. 5, p. 129, actuarial expenses, No. 5, p. 130).

16. Transfers from class to class put in sworn report as new business, and full commissions paid twice.

J. M. Stevenson, No. 2, p. 5.

Geo. D. Eldridge, No. 4, p. 9.

17. Made a contract for purchase of Provincial Provident Institution, and after transfer made escaped payment of upwards of $100,000 by claiming that contract was illegal.

$12,000 paid on account. Geo. D. Eldridge, No. 8, p. 46; No. 3, pp. 50, 51, 52; No. 3, pp. 29, 30; No. 3, pp. 23, 24.

18. Rates amply sufficient with proper management.

J. T. Paterson, No. 5, p. 12. (Bankers' Life with less cost to insured had admitted assets in 1902 of $4,798,333.14. They were organized 1879, twenty-five years ago). (No. 5, p. 66, Mutual Reserve in 1901, only $2,611,790.19 admitted assets, with much higher cost). (No. liens in Bankers' Life, No. 5, p. 13). (Low expenses in Bankers' Life No. 5, pp. 12, 71. (Geo. D. Eldridge, No. 2, p. 58; No. 5, p. 141). Attempt to explain low expenses Bankers' Life).

Thos. Bradshaw, No. 8, p. 47, &c., Actuary Imperial Life; John Culbert, No. 8, p. 58, Manager Mutual Life of New York at Ottawa, both prove that the best old line companies furnish insurance at less cost than the Mutual Reserve charged in 1889.

19. Claims compromised or scaled down.
(J. T. Paterson, No. 5, pp. 72, 73, 1901. 324 policies about 50 per cent paid). Not included in Canadian report as by law required, No. 5, p. 73. (No. 5, p. 76. Reasons).
Geo. D. Eldridge, No. 4, p. 40 ; No. 5, pp. 136, 139. Canadian claims scaled down ; no names or numbers of policies given as promised, therefore exhibit is of no value.
20. Evidence uncontradicted of payments made to obtain the modification of a report of the insurance Department of the State of New York.
($40,000, borrowed, No. 4, p. 107). (Brockway on pay-roll for $300 per week, No. 4, pp. 99, 100).
J. D. Wells lent $5,570, No. 4, p. 107.
21. Resignations of officers, &c., and reasons for same.
J. T. Paterson, 1896, No. 5, p. 21. (Resignation).
J. M. Stevenson, No. 2, pp. 1, 6, 15. (Burnham agreed to resign ; J. D. Wells, No. 4, pp. 90, 91, 110 111). Letter J. D. Wells to Burnham, No. 4, p. 92, &c. (No. 4, p. 108, four resignations). (Wells' resignation, No. 4, p. 112).
(J. T. Paterson asked by president to make false statements, No. 5, p. 20).
Geo. D. Eldridge, No. 2, pp. 51, 52, 53, 54, 55. (Vrooman letter, No. 2, p. 66). Vrooman letter proved, No. 5, p. 3.
22. The notice to produce served on the company was not complied with.

Hon. Mr. FERGUSON—I observe that my hon. friend has corrected his notice ; that he has dropped the preamble which he read, and he has substituted another introduction ?

Hon. Mr. DOMVILLE—I am only giving notice.

Hon. Mr. FERGUSON—This House has a right to know whether the hon. gentleman is giving notice with the preamble he read first, or whether he has substituted another introduction ?

Hon. Mr. DOMVILLE—This is substantially the same.

Hon. Mr. FERGUSON—My hon. friend has read it in a different form from the way in which he put it at first. In which form is he submitting it ?

Hon. Mr. DOMVILLE—In the last one.

Hon. Mr. FERGUSON—I would suggest to my hon. friend——

Hon. Mr. DOMVILLE—The hon. gentleman has no right to discuss my motion.

Hon. Mr. FERGUSON—I have a right to suggest the form in which this notice should be put. I followed my hon. friend carefully, and I find that substantially and I think literally that the notice of motion which he has made is the same as the document which is to be found on the votes and proceedings of this House.

Hon. Mr. WILSON—I rise to a point of order. This matter that my hon. friend is bringing before the House should be brought up to-morrow.

Hon. Mr. FERGUSON—It could not be brought to-morrow. We are dealing with a a matter of giving notice, and it could not be brought up to-morrow because then the notice would have been given, but I observe this motion is word for word the same as the document which is already in the minutes.

Hon. Mr. LANDRY—No, no.

Hon. Mr. FERGUSON—Commencing at page 622 I have followed the hon. gentleman, and I find that such is the case, and my suggestion is that the hon. gentleman, after making the introduction which he did, should move that this document which stands on the Journals of the House, pages 622 and 625 should be the motion he would move in amendment to the motion made by my hon. friend. This is the document, and it will save a great deal of time and expense in printing, and the hon. gentleman will have attained precisely the same object.

Hon. Mr. LANDRY—I do not think the hon. gentleman could move an amendment, because he cannot move an amendment before the question is put and the motion will be put to-morrow by the hon. gentleman from de Salaberry, so that he cannot move his notice of motion as an amendment.

Hon. Mr. FERGUSON—Whether it will be moved as an amendment or not does not matter.

Hon. Mr. LANDRY—The hon. gentleman moves to-morrow that in the opinion of this House such and such a thing is the case.

Hon. Mr. FERGUSON—It is carrying out his object precisely, and saving a lot of trouble.

Hon. Mr. DOMVILLE—That is right.

Hon. Mr. KERR (Toronto)—While this matter is under discussion, I do not know whether the notice of motion is to be recast in the form the hon. gentleman gives it.

Hon. Mr. LANDRY—He gives it as he likes, and it will go in that form.

Hon. Mr. KERR (Toronto)—I move that the portion of the notice of motion just read by the hon. gentleman from Rothesay, which has already been printed on the pages 622 and following pages of the minutes and proceedings of this House be not again printed.

Hon. Mr. LANDRY—The hon. gentleman has no right to move such a motion. He has no right to prevent the motion, if it is in order, being printed in the Orders of the Day.

Hon. Mr. KERR (Toronto)—Before the Orders of the Day are proceeded with, I make this motion, as I think I have a right to do. I venture to say that if there were no other or higher right to move it, it would be found in the fact that in giving the notice of motion which has just been given it does seem to be a matter of great disrespect to the Senate, to the action of the Senate and to the position in which this Senate stands with reference to this matter. If the hon. gentleman would not think I was speaking offensively when I make the observation I should say that it is not only a great disrespect to the Senate but a great breach of the privileges of a member to give such a notice, and place on the records and proceedings twice over, the same charges, something which has not been determined upon by the Senate at all. It seems to me therefore the motion is not in order, and I would beg to move——

Hon. Mr. LANDRY—I rise to a point of order. The hon. gentleman has no right to move a motion striking out certain words in a motion not before this House.

Hon. Mr. MACDONALD (B.C.)—There is nothing before the House.

The SPEAKER. The House, I think, has a right to control the notices which are put upon the paper, having regard to the dignity of the House. The Senate must have some means of protecting its dignity, and I think the resolution is in order.

Hon. Mr. LANDRY—The Senate may have some means, but the means taken by the hon. gentleman are out of order and are not common sense.

Hon. Mr. KERR (Toronto)—I move that the portion of the notice of motion read by the hon. gentleman from Rothesay, which has been already printed on pages 622 and following pages of the Minutes of Proceedings of this House, be not entered again. It is already on the minutes.

Hon. Mr. MACDONALD (B.C.)—There is nothing before the House, and how can that motion be passed ?

The SPEAKER. I have already decided the question.

Hon. Mr. LANDRY—The hon. gentleman has not already decided the question.

The SPEAKER—Will the hon. gentleman be good enough to take his seat. I think I have a right to appeal to the House from the use of such language. I stated that I had already decided, and the hon. gentleman contradicted me flatly and said I had not decided.

Hon. Mr. LANDRY—Certainly. Because the hon. Speaker did not know what it was.

The SPEAKER—If the hon. gentleman had said that I was mistaken, I should not have said anything.

Hon. Mr. MACDONALD (B.C.)—This notice of motion is not before the House, and we are dealing with a matter which is not before the House.

The SPEAKER—The motion is before the House.

Hon. Mr. FERGUSON—I think it was last year, or perhaps two years ago, we had this matter of notices fully discussed in the House with regard to hon. gentlemen handing in their notices in writing, and it was held that an opportunity should be given when notices were presented to see whether they were in proper form. It was clearly understood that the House should have that right. I think there is no serious objection taken to the course the hon. gentleman is pursuing only he is proposing to reprint a long document at the expense of the country. He can attain his object by referring to that document in his notice of motion. The House has a right at this stage to deal with that—to see that this notice is a proper one.

Hon. Mr. LANDRY—My point of order is this : there is no motion before the chair except the motion now in the hands of the Speaker, made by the hon. gentleman from Toronto. Of that motion, which is provok-

ing a debate, he never gave notice. He should have given two days notice of it.

The SPEAKER—I have ruled that the motion is in order, and I stand by my ruling.

Hon. Sir MACKENZIE BOWELL—Before that motion is put, I quite concur in the remarks made a few minutes ago by the hon. Secretary of State as to the manner in which we have been conducting this investigation, and I quite agree with the suggestion made by my hon. friend from Marshfield as to the impropriety of reprinting a long report which appears already in the journals, but if we pass this motion I am afraid we are setting a precedent which may be used to the disadvantage of many senators in the future. I admit this is a peculiar case, and there is very much force in the remarks made by the Speaker in reference to the right of the House to control notices placed on our order paper; but who is to be the judge in the future when an hon. member rises to give a notice of motion, whether it is a suitable one or not? If I understand the present case it is simply this: a report was made by the committee appointed to investigate the charges made against the Mutual Reserve Fund Life Association of New York. The Speaker decided, and his decision was confirmed by the House, that that report could not form a part of the proceedings, nor be placed on the Journals for the reason that the committee had become defunct when the report was made, so in fact it cannot appear on the Journals. The hon. member from de Salaberry has placed a notice on the paper asking the Senate to confirm a resolution which he has prepared, not as a member of the committee, but as a senator of the House, based on the reports of proceedings which have been laid before the Senate. The hon. gentleman from Rothesay rises and says, as I understand, I will move the following resolution. That is either an amendment or a substantive motion. My impression is, the notice in the clerk's hands is a substantive motion, that he will move when the matter is brought before the Senate again on the motion of the hon. member for de Salaberry, a resolution in line with the statement read to the House by the chairman of the committee. Now, it is a question whether he has not a right to do that. I am not approving of it at all; I think it is an unnecessary course to pursue, but as a matter of procedure and a matter of right, has he not the same right to ask the opinion of the Senate on that document which appears in the Minutes of Proceedings but is not to appear on the Journals, as the hon. member from de Salaberry has to ask the opinion of the House on certain resolutions which he proposes to move in connection with the same matter?

Hon. Mr. BEIQUE—Unquestionably he has that right.

Hon. Sir MACKENZIE BOWELL—I have become thoroughly disgusted with this whole subject, but as a matter of procedure and right, I think the hon. gentleman has the right, whether it is politic or proper to exercise it. It would be taking an extraordinary step if we interfered with any motion that comes before the House, which is couched in language that cannot be considered disrepectful. If it were improperly worded, any one could rise and object to it on that ground. The Speaker would be justified in ruling it out if it were disrespectful; but this is not disrespectful, and however unfortunate it is that we have got into this position, we should be very careful how we pass a resolution like the one now before us. I will not discuss the question of order. If I were to discuss that I should merely read rule 13, but it is out of the question now. I think the Secretary of State will see the force of the position we take, that we should be very careful how we set a precedent that may be detrimental to the freedom of the Senate in the future.

Hon. Mr. SCOTT—The hon. gentleman loses sight of the point. What I think is contrary to the rights and privileges of the House is that a long document already in the proceedings of this year, should be brought up to be reprinted in the minutes. I am not taking any other exception.

Hon. Sir MACKENZIE BOWELL—That must be a matter of choice with the senator.

Hon. Mr. SCOTT—A long proposition was made last week. It appears on the minutes, and it is proposed to repeat it now. Will any one say that that document should be

printed a second time? If it embraced three or four lines no one would object, but where it covers several pages it involves an expense which should not be incurred.

Hon. Mr. BEIQUE—I entirely agree with the hon. leader of the opposition, when he says that the hon. member from Rothesay is perfectly in order to move any amendment to the motion of which I have given notice to-day—that what he has read be adopted by the Senate as the conclusions resulting from the inquiry. No one intends to question his right in that respect. The motion which is now before the House is not intended to question that right, or I would not have seconded it. The motion is merely designed to dispense with the necessity of reprinting a document which was printed a few days ago and which appears in the minutes covering five or six pages. It might cover fifteen or twenty pages, and if the hon. member is absolutely in his right he could insist on printing it again. The Senate would be helpless. I claim that this matter should be left entirely to the judgment of the House to decide whether the reprinting of the document is necessary or not. That is the whole purpose of the motion. As far as the question of order is concerned, I simply call attention to this—

Hon. Mr. LANDRY—That is settled.

Hon. Sir MACKENZIE BOWELL—Supposing this motion of the hon. member from Toronto is carried to-day, what will the hon. gentleman from Rothesay do to-morrow? When he rises to make a motion he will read the whole thing again.

Hon. Mr. KERR (Toronto)—Pardon me—

Hon. Sir MACKENZIE BOWELL—Could any one prevent him to-morrow, when he makes his motion, from reading the whole thing over again? You will have the pleasure of hearing the whole thing over again.

Hon. Mr. FERGUSON—It is not a question whether the hon. gentleman shall read the document again a dozen times if he wishes, but whether there shall be a waste of the public money and a needless addition to the public records. As a body of sensible men, we are not called on to order that the document be reprinted when it is not necessary. I quite agree with the remark that any member has a right to put a respectful and proper motion on the minutes. There is no suggestion that such a motion would be objectionable, but when it is proposed to reprint a document already on the minutes, the House should have a choice in the matter. If the hon. member is allowed to pursue that course to the extent he proposes he may do the same thing again to a much greater extent, and the House should step in and prevent the waste of public money. The House should decide whether the document should be reprinted, or whether the hon. gentleman shall merely give notice that to-morrow he will move the adoption of the document published at page so-and-so of the minutes. There is no intention to interfere with the object the hon. gentleman has in view, but the House has a right to prevent unnecessary expense.

Hon. Mr. LANDRY—The House has no right to infringe a rule to save a few dollars. There is a grave question pending now, the question of the liberty and rights of a senator. The House has no right to limit the privileges of a senator. Bourinot says:

> Each House is bound by every consideration of self-interest and justice to observe strictly its rules and standing orders and to rebuke every attempt to evade or infringe them. The political party which controls the House at one time may be in a different position at another, and is equally interested with the minority in preserving the rules of the House in all their integrity. 'So far the maxim is certainly true, and found on good sense,' says Hatsell, 'that as it is always in the power of the majority by their numbers to stop any improper measures proposed on the part of their opponents, the only weapons by which the minority can defend themselves from similar attempts from those in power, are the forms and rules and proceedings which have been found necessary from time to time, and are become the standing orders of the House, by a strict adherence to which the weaker party can alone be protected from those irregularities and abuse which these forms were intended to check, which the wantonness of power is but too often apt to suggest to large and successful majorities.'

The rules of this House are the protection of the minority, and we are asked to-day to infringe rule 13, which says that no member can move a motion if he has not given a clear day's notice. By infringing that rule, we are trying to choke off the hon. gentleman from Rothesay.

Hon. Mr. DAVID—I do not often rise on questions of order, but this time I think it

is proper to say a few words. I cannot understand that this House has no right to control everything which may affect its dignity. When a notice of motion is given and accepted without objection, what does it mean ? As a question of common sense, is it not equivalent to deciding that the notice of motion will be printed in the Minutes of the Senate ? It is exactly the same as if an hon. member should move that the notice of motion which is mentioned shall be printed in the Minutes of the Senate.

Hon. Mr. LANDRY—It is not equivalent.

Hon. Mr. DAVID—If the Senate has not the right to control the printing of what may be published in the minutes, what would be the consequence ? It would be very disastrous. Suppose I should rise tomorrow and give notice of a motion that everything which has been printed concerning the New York Mutual Reserve Fund Life Association shall be reprinted, I might include in my motion everything that has been published on the subject in the Minutes of the Senate during the last month. Suppose I were to go further and include in my motion all kinds of insults against the members of the Senate—suppose the hon. leader of the opposition were to give notice and include in it every wrong which the government may have committed during the session,—I may make all kinds of suppositions of the same kind—can it be reasonably said, that when a member of this House rises and gives notice of a motion which is equivalent to asking that it be published in the Minutes of the House, that the House has not the right to control the printing of such a notice of motion ? Surely the Senate has a right to protect its honour and dignity in some way.

Hon. Mr. MACDONALD (B.C.)—How can the House discuss what the House is not possessed of ? The House has not possession of that motion—we do not know what it is. The hon. member from de Salaberry gave notice of a long motion to-day. We do not know what that motion is, and are not in a position to discuss it until it appears in the Minutes. That motion given to-day is not on the Minutes.

Hon. Mr. SCOTT—Yes, it is printed in the Minutes.

Hon. Mr. MACDONALD (B.C.)—The notice given by the hon. member from de Salaberry may be an improper one, or the motion of the hon. member from Rothesay may be objectionable, but how are we to decide that until we know what they are, and how are we to know until they are printed ? I do not agree with the ruling of the Speaker. He has two or three times eliminated motions which were improper, but there is nothing before the House in this case.

Hon. Mr. ELLIS—I quite agree with the hon. gentleman who has just spoken and the leader of the opposition. The Speaker is quite right in saying that the House can control its own motions, but it is a power which ought to be exercised on only very rare occasions.

Hon. Sir MACKENZIE BOWELL—And not at all, if it is contrary to the rule.

Hon. Mr. ELLIS—I am not going into that point. What is to be gained by this ? We take a ground which affects the right of every hon. gentleman in the House on the objection of some other member, and we will constantly have discussions coming up as to whether a motion should appear on the Minutes or not. I was present on a former occasion when a discussion took place on a question of this kind, that when a motion was not couched in terms which were fair to members of the Senate the House would have control over it, and that the power should only be exercised in such cases. Now, what is the fact ? There are three and one-half pages of print included in this motion, and it will cost very little to reprint them. It seems a poor excuse to give for objection to the motion. The document does not stand on the Minutes as a motion of the hon. member ; it was matter submitted to the House in another way, and the hon. gentleman has a perfect right to put it forward in the way he proposes to put it. He has a perfect right to reprint the propositions which were submitted in another form, but which he proposes now to submit as his own. Should we take a position tyrannical in itself, and which may be used against any one of us on some future occasion ? I trust the hon. gentleman from Toronto will not consider it worth while to gain a trivial victory at the expense of the liberties of the House.

Hon. Mr. CLORAN—These are exactly the views I have been trying to put forth from the time the hon. gentleman from Toronto moved his motion. That motion may be perfectly in order, but it is a direct attack on the liberty of every senator. If there is one channel through which a member can get his views before the Senate, it is by interpellation or notice of motion. The hon. gentleman from Toronto, by his motion, subverts that right of the individual senator. I, as an opponent of the government, wish to get information——

Hon. Mr. PERLEY—You are not that.

Hon. Mr. CLORAN—I am trying to put the case as the hon. member from St. John has done. A member of the opposition might wish to give notice of motion, and a member of the government might try to suppress or change it. If this precedent is established, it is introducing into our parliamentary procedure a pernicious principle, and subverting the rights and liberties of senators. I have heard senators arguing that if any member of the House should do this or that, what might happen. We are not going to assume that a senator will put ridiculous questions and ridiculous notices of motion on the Orders of the Day.

We have no right to assume that. By assuming that we lower our own dignity and our own intelligence, so that the argument that this House should control the action of individual senators is not a proper one. Every hon. senator here is bound by his own honour, which is proportionate to that of this honourable House, and we must accept the statement that a senator may do this and that, and it will be the duty of the whole House to control the action of the Senate. When that will be done it will be time for a senator to withdraw from this honourable House, and I do not care to have such a principle admitted here in public debate. I quite agree with the hon. leader of the opposition in standing up for what might be called the popular rights of the representatives of the people. The hon. leader of the opposition has taken the view that I hold in regard to the matter, and I am proud to see that he stands up for the rights of the representatives of the people. I would make a joint appeal with my hon. friend from St. John to the hon. senator from Toronto to withdraw his motion as an indirect attack, and as a pernicious attack, on the rights and privileges of hon. members of this House. Altogether outside the consideration of the subject in hand, as an indirect attack, and as a most pernicious attack, on our rights and privileges, it should be withdrawn, and not be confirmed by a vote of this House or a ruling of the chair.

Hon. Mr. KERR (Toronto)—I have no idea of interfering in such a way in any proceeding I take here, as to in any way qualify or control the action of any hon. member of this House who is ready to give a notice of motion in respectful terms, and I take no exception whatever to the terms of this motion, but it seems to me the question is whether this is a case in which to apply the rule which I have invoked by the motion I have made here—I mean to say the rule of common sense. It appears to me that this Senate, having been informed by a document which was presented here and laid on the table, and so passed into our Minutes and Proceedings, as to the views of some people, and amongst others, the hon. gentleman who forms one of the members of a committee of inquiry here, the House having that information printed in black and white on our Minutes of Proceedings, it is a question whether the repetition of that in one form or another, once or more than once—because if it can be done once, I do not see why it cannot be done more than once—can be controlled by the action of the House itself. The hon. leader of the opposition misunderstood the motion which has been made. I do not propose by the motion to ask the Senate to change the notice of motion in the slightest degree. All I am asking is that the House declare that it is not necessary to print again that which appears in our Minutes a few pages back in detail. It is entirely a question of degree. It is entirely a question when to apply this rule. Let me illustrate what I mean. Suppose, for the sake of argument, any hon. member of this House chose to give another notice of motion by way of amendment, and asked this House to affirm the negative of the motion made by the hon. gentleman from de Salaberry, the affirmative of a contrary position, and to set forth in his notice of motion the whole of this evidence, which has been taken under oath before a committee of this House, and thus get on the Minutes 1,000 pages

of evidence taken by a committee, on whom I am not going to cast any reflections, but upon whom other members have cast reflections. Any hon. gentleman who has been opposing this, who has taken objection to it, might say that such evidence having been already printed and in the hands of every hon. member of this House, it was not a breach of the privileges of this House to place in the Minutes a thousand pages of evidence, and therefore, if that could be done directly in that way, it appears to me that is practically being done by the notice of motion, because, while there are but three or four pages printed in the Minutes, and set out in this notice of motion, which has been handed in, that notice has reference to page after page, and probably hundreds of pages of the evidence which has been referred to, where then is this going to end ? That is the whole question. I am no more zealous of the rights of the members of this House that others who have occupied a seat here. I do not pretend to be ; but I do pretend not to be less zealous of them, and all I can say is that in this case I am acting on my own judgment, and that is what impelled me to draw attention to the fact that this was a breach of the privileges of a member of the Senate, unduly using privilege by repeating on the Minutes a number of charges said to have been proven, but which, on investigation, may not turn out to be proven at all ; and, in fact, if we turn to the pages where charges are said to have been proven, we will find that directly the opposite appears to be proven. I ask then, with reference to the whole question, in a large spirit and not in a narrow spirit, the House to say that such a notice is not within the rights of a member. He has given his notice of motion, but under the circumstances, all of us being sick of this subject, and not wanting to hear more about it, I ask is it reasonable to say that the House shall not repeat the notice of motion in the Minutes until the resolution is adopted ? If the resolution is adopted, it will have to appear. That is all the extent to which my motion is intended to go. I am not desirous of being over-zealous in upholding the dignity of the Senate.

Hon. Mr. FERGUSON—I would point out to my hon. friend that if he makes this motion to-morrow or the day following, it will appear on the Minutes.

Hon. Mr. KERR (Toronto)—It may or may not appear in full.

Hon. Mr. FERGUSON—If the hon. gentleman moves it in full, it will be printed in full. That is another reason why it should not be printed now.

Hon. Mr. KERR (Toronto)—I do not wish to be over-zealous in upholding the dignity of the Senate, and I submit to the Speaker and the members of this House, whether they will allow this motion to be passed. I think it is in the interests of common sense, and in the interests of the privileges of this House that this motion should be adopted.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman has not given any authority for the position he takes, that this is a breach of the privileges of the House.

Hon. Mr. PERLEY—This has been rather a fighting question from the start. There has been enmity exhibited beyond anything I ever saw in reference to any Bill that has hitherto come before the Senate. The last ten days' work is all the result of a little sharp practice, which should not have prevailed among hon. senators. The committee made a report, and an exception was taken to that report. Notwithstanding every one of these hon. gentlemen objected, and said they had been wrongly interpreted, that it had not been intended the committee should be dissolved, and that they expected to have another meeting, and every hon. member of the committee said the interpretation given to the adjournment was not intended to be a dissolution of the committee. That statement was treated with perfect contempt, and not in the manner in which senators should treat each other's statements. There was a resolution passed that put the report off the paper. I do not see how it got on the paper, because if the resolution declared that the committee was defunct, and had no existence, then the report of such a committee as that should not be printed, but it was printed. It was ruled out of order before it left this House, and how it got printed I do not know. I have every sympathy with the hon. gentleman from Rothesay and his friends, because

they think sharp practice was indulged in against them, and I think so too, and the hon. gentleman is taking a method of getting the evidence before the country, which I would not tolerate if the committee had been treated properly. When an hon. senator says 'I made a mistake,' that statement ought to be accepted. Every senator knows that the adjournment was not intended to be a dissolution of the committee, if he has any principle of fairness in him When an hon. member says 'we did not intend that, it was not put down as intended,' any one who has any common sense at all must admit that it was not intended to be a dissolution of the committee, and, therefore, I say it is sharp practice which should not exist, and these hon. members are fighting to get this matter before the country as they did before.

Hon. Mr. CLORAN—That is just it.

Hon. Mr. WILSON—It strikes me that a very unusual course is being taken by the hon. gentleman from Toronto. I have no doubt the rules of this House prior to a session or two ago, permitted an hon. member to give a notice quietly by handing it to the clerk, and it appeared upon the order paper the following day. Lest there might be some encroachment, some insult offered to the Senate, or some notice of motion that ought not to be placed on the paper, it was deemed proper to alter the manner of submitting notices, by providing that they be read by the senator giving the notice.

Hon. Mr. LANDRY—As a sessional order, not a standing order.

Hon. Mr. WILSON—Is this question brought by my hon. friend before the House? It is merely a primary notice of what he is going to ask the House to do at some future day. It is not before the House for discussion at all. It is not a question of which we are seized, and upon which we can act. It is merely something that we are going to be asked to do at some future date. My hon. friend from Toronto asks that my hon. friend's motion shall be strangled, before it is born. He says we shall not allow this measure to come before the House to-morrow, or whenever the report is to be received, but we shall destroy it at the present time by moving a resolution.

Hon. Mr. KERR (Toronto)—It does not need to appear as a notice of motion at all.

Hon. Mr. WILSON—My hon. friend knows full well that he might consult the records for years and years, and never find a resolution to strike a notice of motion from the order paper. I appeal to him to produce such a resolution. Is he possessed of information that this House has never had for years and years, and can he introduce a new order, contrary to the rules that have been followed year after year? I say it is unfair. It is not treating my hon. friend fairly. When the hon. gentleman from de Salaberry rose and read his resolution, which is to appear before the Senate to-morrow, was there a single objection raised? It was going to be placed upon the record, and that was treated fairly, properly and justly. Why did my hon. friend from Toronto not rise and say, 'We will not have any more of this discussion. I move that that report be all struck out, except so-and-so?' We have had this report printed. It is already on the journals of the House, says my hon. friend, and, therefore, ought not to be reprinted. Do hon. gentlemen think that is the reason they ask that this be not placed upon the record of the House? I think not. I must agree with my hon. friend the leader of the opposition that the course he took is a correct one. I cannot agree with some of the other remarks. The hon. gentleman from Marshfield made a remark in reference to it, 'Oh, it is not a proper motion to make. It is not one that should be moved in that form.' He tells my hon. friend that he does not know how to move the resolution. 'I, the member for Marshfield will tell you how to introduce the resolution so that it will be satisfactory to the House.'

Hon. Mr. FERGUSON—I did not do anything of the kind. My hon. friend entirely misunderstood me. I simply asked my hon. friend whether the notice he was reading was in the same form as when he first read it, or whether he had changed it. He started by giving his own opinion. I was helping the hon. gentleman.

Hon. Mr. WILSON—The hon. gentleman was desirous of helping the hon. senator from Rothesay by telling him how to introduce his resolution so as to make it satis-

factory to the House. I tell him he was not treating the hon. gentleman fairly by the suggestions he made in reference to it, when he said, 'Oh, the expense.' What expense? Is it so great an expense that that should be reprinted? Is it not a proper resolution to place on the order paper after the one made by the hon. gentleman from de Salaberry. One of the members of the committee gave notice of motion, and is it wrong that my hon. friend should place his ideas in reference to the matter following the notice of motion of my hon. friend. The hon. gentleman from de Salaberry says, 'Oh, the action of that committee was unfair; the evidence did not bear out the findings of the report.' Can he rise in his place and tell us that the evidence shows that the company were free from any suspicion of wrong-doing? I think not.

Hon. Mr. DANDURAND—We are not discussing the report. We should limit ourselves to the question of order.

Hon. Mr. WILSON—I am discussing the notice of motion, and, therefore, I say it is perfectly proper that this resolution should not be withdrawn from the House. It is treating the House unfairly, and it is a thing which has never been done before. It would be an insult to the hon. gentleman from Rothesay. A great deal has been said about the dignity of the House. Some hon. gentlemen think they are clothed with the dignity of the House, and that they must carry it on their shoulders continually. I suppose that the majority of the hon. members of this House are just as anxious about the dignity of the Senate as my hon. friend from Toronto, and if he considers what is fair and proper to hon. members of this House, he will withdraw that motion and seek another opportunity to accomplish his object. Let him give it as a notice of motion, and it will come up in its regular order. Why does he seek to take advantage of his position and move a resolution out of order? It is a strange and unusual proceeding, and I feel that the resolution moved by the hon. gentleman from Toronto is not a just and proper resolution and ought not to carry.

The SPEAKER—Does the hon. gentleman from Toronto persist in his motion, or does he propose to withdraw?

Hon. Mr. KERR (Toronto)—I place myself in the hands of the hon. Speaker and the other members of the House in reference to the matter. If there is a serious objection to the motion I will withdraw it. I do not want to be taken as leading in this matter at all, and therefore with the permission of the House, I will withdraw the motion.

The motion was withdrawn.

The SPEAKER—I ruled that the motion made by the hon. gentleman from Toronto was in order, but did not express any opinion on it at all. I ruled also that the 13th rule did not apply. Now, on pages 424 and 425 of Bourinot I find, under the heading 'Questions of Privilege,' the following:

> Questions of privilege may always be considered in either House without the notice necessary in the case of motions generally.

And amongst the questions which are indicated as questions of privilege on page 425 we find enumerated: 'Questions affecting the internal economy or proceedings of the House.' So that the motion was quite in order.

Hon. Mr. MACDONALD (B.C.)—How can a motion be made that is not before the House?

The SPEAKER—I am not going to answer any further questions.

Hon. Mr. LANDRY—We have no right to debate that.

Some hon. GENTLEMEN—Order, order.

Hon. Mr. LANDRY—It is only the Speaker has a right to put a question.

The SPEAKER—I did not put a question. The hon. gentleman very improperly reflected on my ruling after it had been made, and surely I have a right to indicate the authority for my ruling.

Hon. Mr. LANDRY—The hon. gentleman has no right to discuss it as Speaker. If he wants to discuss it, let him come down from the chair.

FISHERIES ACT AMENDMENT BILL.

FIRST READING.

A message was received from the House of Commons with Bill (74) An Act to amend the Fisheries Act.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the Bill be read the second time to-morrow. He said: The object of this Bill is to authorize the Department of Marine and Fisheries to license the taking of whales. Whaling is becoming an industry in some parts of the Dominion and is hereafter to be licensed, a fee of $800 to be charged the first year, $1,000 the second year and $1,200 the third year. Whale oil is of considerable value and in order to encourage parties to embark in the industry which is now carried on in a small way this Bill is introduced.

Hon. Sir MACKENZIE BOWELL—I should like to ask the hon. Secretary of State whether there has been any correspondence between the United States government and the Canadian government as to rights in Hudson Bay? Canada claims the exclusive right to the fisheries in Hudson Bay, to which this Bill particularly applies. I know it goes further and deals with the whale fisheries, also, in British Columbia. The killing of whales by foreigners in Hudson Bay, which is claimed to be Canadian inland water, has been the cause of complaint for a great many years. A very profitable industry has been carried on there. Whalers from the United States have been fishing there for the last twenty years. I am very glad to see that the government have taken the position they have in connection with the fisheries in Hudson Bay, by sending vessels there to look after Canadian interests, and also by the Bill now before the House to impose licenses. If the right of issuing licenses is once conceded, it will establish conclusively Canada's right to control the fisheries of Hudson Bay. It should have been done long ago. It was neglected by the late government, but it is not too late to do it now, and I am glad the government are taking proper steps at last.

Hon. Mr. SCOTT—I am not aware that any correspondence has taken place on the subject, and perhaps it is very much better we should have this legislation before there is any correspondence.

Hon. Sir MACKENZIE BOWELL—I think it was stated in the other House that there has been correspondence with Newfoundland on the subject.

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—It may be a question how far the rights of Newfoundland extend along the Labrador coast.

Hon. Mr. SCOTT—That is a disputed point which will very shortly go before the Privy Council for decision—that is, the eastern coast of Quebec, part of which is claimed by Newfoundland; but as far as the neighbouring nation is concerned, I am not aware that there has been any correspondence.

The motion was agreed to.

INSPECTION OF GRAIN BILL.

FIRST READING.

A message was received from the House of Commons with Bill (113) An Act respecting the inspection of grain.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the Bill be read the second time to-morrow. He said: This is a voluminous Bill. I understand, however, that it is a consolidation of the laws, and the changes are not many. It would be quite impossible to go through the Bill without knowing the actual changes, and I hope to have a report from the department to-morrow indicating what they are.

The motion was agreed to.

GENERAL INSPECTION ACT AMENDMENT BILL.

FIRST READING.

A message was received from the House of Commons with Bill (124) An Act to amend the General Inspection Act.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the Bill be read the second time to-morrow. He said: The object of this Bill is to compel the manufacturers of binder twine, under certain circumstances, to attach a label with the name, and to give particularly the number of feet of twine. The number of feet of twine is essential, and there are penalties for parties deceiving, because when a farmer buys a quantity of twine he has no opportunity to measure it.

The motion was agreed to.

POST OFFICE ACT AMENDMENT BILL.

FIRST READING

A message was received from the House of Commons with Bill (152) An Act to amend the Post Office Act.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the Bill be read the second time to-morrow. He said: This Bill deals in several of its paragraphs with the positions of clerks in the department. The main and most important change is naming a person who will be designated as chief post office superintendent, in place of the chief inspector named in the Postal Act.

Hon. Sir MACKENZIE BOWELL—Does it change the name, or is it the appointment of another officer?

Hon. Mr. SCOTT—No, it changes the name. This is to supersede the chief inspector in a number of given cases. The main feature of it is that in post offices where the receipts are over $500,000 there is to be a chief post office superintendent. I believe at present it is limited to two places, Montreal and Toronto, and the official is to have a direct supervision over those offices.

Hon. Sir MACKENZIE BOWELL—Does that superintendent control the postmaster?

Hon. Mr. SCOTT—I think so. He is over everything. His salary is to be $2,000 a year.

Hon. Sir MACKENZIE BOWELL—Then you have a $3.000 superintendent ruling and controlling a $4,000 officer?

Hon. Mr. SCOTT—I may be wrong in saying he controls the postmaster. Postmasters are not in all cases the practical heads that one would like to see them. Sometimes, as a matter of fact, they have been gentlemen who have not worked their way up through the various grades. The chief superintendent under the Act is a person educated in the department. That is the essential difference, because we know very well that sometimes postmasters are named without having that particular knowledge of the management of the postal service that one would naturally expect to find in the occupant of a position such as a postmaster often fills in large cities.

Hon. Sir MACKENZIE BOWELL—And so have been the inspectors.

The motion was agreed to.

RAILWAY SUBSIDIES BILL.

FIRST READING.

A message was received from the House of Commons with Bill (157) An Act respecting the payment of certain railway subsidies.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the Bill be read the second time to-morrow. He said: As hon. gentlemen know, the regular subsidy paid to railways for many years has been $3,200 per mile, except where the cost has been greater than $15,000 per mile. There is a graded increase up to $6,400 per mile. The rule in the past has been that only $3,200 per mile would be paid until the road was completely finished. The contractors have appealed from that, and used as an argument that they cannot get on credit the additional amount they require, some of them not having capital where the work is clearly a work that is going to cost above the $15,000 per mile.. This Bill provides that after an examination of the plans and specifications by the engineer, approved by the chief engineer of the department where it is shown the cost will be certainly over the $15,000, 60 per cent of the excess may be advanced from time to time as the work proceeds, the remaining 40 per cent of the excess over the subsidy of $3.200 being withheld until the road is completed and handed over.

The motion was agreed to.

MORNING SITTINGS.

MOTION.

Hon. Mr. SCOTT—Before the Orders of the Day are called, in view of the probable early termination of the session—I believe there is an anxious desire on both sides of the House in the other chamber to terminate this week if possible—I will move with the leave of the House that we meet twice in the day, the morning sitting to begin at eleven o'clock and the afternoon sitting at three p.m., each to be a distinct session, and that government measures have precedence.

Hon. Mr. DeBOUCHERVILLE — Does that include Saturdays ?

Hon. Mr. SCOTT—We hope to prorogue on Saturday.

Hon. Sir MACKENZIE BOWELL—I should like to ask whether—to use an expression we heard from the hon. gentleman from Toronto a short time ago—it is common sense to suppose that the members of this House can master the details of the Bills which have been read to-day for the first time, and the important Bills which have yet to come from the House of Commons, in the time allotted to them by this motion? Three or four Bills of a very important character have been introduced to-day, and it will take some time to become familiar with them if we are to act intelligently in discussing them. We are to meet to-morrow at eleven o'clock : will these Bills be printed in both languages ? We shall not be able to get a copy of any of those Bills until after the House meets, and yet we will be asked to deal with very important questions affecting the interests of this country at a moment's notice. Does the hon. gentleman consider his proposition reasonable under the circumstances ? I have complained of this a number of times. The most important Bills of the session—a five month session—outside of the one Act relating to the Grand Trunk Pacific Railway, are now to come before this House. I think the hon. gentleman is asking a little too much. Instead of coming here in the morning, if we would sit in the evenings until eleven o'clock we will get on better. I shall not oppose the motion, but I tell the hon. gentleman that these Bills must be ready and in our hands before they can be considered, and I shall take advantage of any rule of the House to obtain the length of time I consider necessary for due consideration of them.

Hon. Mr. SCOTT—So far as the printing of the Bills is concerned, I shall endeavour to see that they are in the hands of hon. gentlemen before the second reading. With the exception of the Grain Inspection Act, I think by simply reading over the other Bills it will give one a perfectly correct idea of them.

Hon. Sir MACKENZIE BOWELL—Not the Post Office Bill, certainly.

Hon. Mr. SCOTT.

Hon. Mr. SCOTT—The Grain Inspection Bill I do not understand myself. It is a consolidation, and I am advised that the changes are very few. My hon. friends from Manitoba and the Northwest are more particularly interested, because the question is really between the Board of Grain Inspectors at Winnipeg and the Board of Trade of Montreal. They both want to have the last examination of the grain. The Board at Winnipeg naturally do not want to have their grain touched after it leaves Fort William. It has a reputation which they want to maintain. They say the grain is mixed after it leaves Fort William. It is only within a day or two that a final conclusion has been reached. In reference to the larger question, I quite appreciate all that the hon. gentleman has urged. I urged it myself in very much stronger language for eighteen years, while I was on the other side. Every session since 1896, the Bills have come to the Senate more regularly than in former sessions and the senators have not been called upon to pass baskets of them just as the guns were firing for prorogation, and when we had not time to more than read the titles of them.

Hon. Sir MACKENZIE BOWELL—Does the hon. gentleman justify himself by that ?

Hon. Mr. SCOTT—No, and I would not justify it now, but I make this explanation and apology that the Bills which are behind are very few, the only important one being the Militia Bill. I have no doubt hon. gentlemen who take an interest in that subject have followed the debates in the other House. They know the points at issue, because from time to time amendments have been made and discussed, and reports of the discussions have appeared in the press, and so we all have had an opportunity of becoming acquainted with the details. I have endeavoured, as far as I could, to impress on my colleagues that it was not fair to the Senate not to pass many of those Bills weeks ago. I brought it up repeatedly, as my hon. colleague knows very well, but the House of Commons have the estimates before them, and there is such pressure on the part of those who have views to express that delays occur. Objections are taken, and Bills are delayed very much more than they need be. They go back into committee

and after they reach the third reading, some one has views he wants to put on record, and thus delays occur. It is unfortunate, but it is part of the history of our legislation, and it cannot be overcome apparently. There is much less of it now than in former years, but I think my hon. friends will find before the time comes for prorogation that they will have ample opportunity to consider the balance of the legislation that is to come before us. It is their province to keep the House open if they wish.

It being six o'clock, the Speaker left the chair.

After Recess.

Hon. Mr. FERGUSON—When the House rose at six o'clock, we were discussing the business of parliament, and I understood the hon. Secretary of State to say that he hoped that parliament would rise on Saturday next. I want to say very distinctly that I think it is quite impossible that any such thing as that would happen. The Militia Bill, one of the most important Bills of the session, a voluminous Bill, that has taken the House of Commons some three months, I think, altogether, to consider, this Bill which is still in the committee stage in the House of Commons, will have to be reported and read a third time, and then afterwards will have to be reprinted before being brought up to this House. I think it is preposterous to assume that this House can rise on Saturday, and give that consideration to the measures that are coming before us, which it is necessary for us to do.

Hon. Mr. TEMPLEMAN—It is on its final reading in the House of Commons.

Hon. Mr. FERGUSON—I was told by members of parliament at six o'clock that it had not passed the committee, that it was held up for one or two amendments, and I think I am correct in my statement. It may pass to-night, and may not, but even if it does pass, it cannot be printed and reach us before Friday, and is it reasonable to expect that with all the business on the order paper which is to come before us, that arrangements can be made for prorogation on Saturday. I think we may speak plainly on the matter, in order that there may be no misunderstanding. Hon. members of the government may be restive by-and-by when we insist on our rights to examine the Bills which come before us, and feel that we are not doing right. Hon. gentlemen in the House possibly may take the same view, but I am one of those who think that we should not, on account of any pressure, forego our right in regard to measures of this kind. I think it will be very unreasonable to make arrangements to rise on Saturday.

Hon. Mr. SCOTT—No arrangements have been made. I stated that I heard the leader of the opposition and the leader of the government in the other House, express the desire that the House should rise on Saturday.

Hon. Mr. FERGUSON—They have very little respect for this House.

Hon. Mr. SCOTT—It rests with this House. We have sat very little in the last ten days, and I should suggest that to-morrow and Friday we should have morning sittings, so that the business can be pushed through without any undue haste. I do not agree with my hon. friend in saying that the business which is still to come before us, will require very much time. The points of difference in the Militia Bill are points which are well defined, which have been discussed in the House, and have been before the House, at all the stages, and every hon. gentleman here, I have no doubt, has formed an opinion as to the view he will take as to the proposed changes. In reference to the other Bills which came up to-day, there is nothing to delay us half an hour, no material points involved, except the Grain Inspection Act. I was unable to give any explanation of that, for the reason that some changes were made at some of the recent stages. I should not go on with that Bill unless furnished with the necessary information, pointing out where the changes were made. It would not be fair that I should be asked to take charge of a Bill, where they had made changes up to the last moment, without giving me notice of it. I cannot follow these matters.

Hon. Mr. FERGUSON—My reason for making these statements is, that I have noticed that the government have assumed quite an overbearing manner, with mem-

bers in this House, when we want to discuss government Bills, and they take it for granted you are transgressing or doing something you should not do, because you want to obtain information, and to state your objections to Bills. I have a case in my mind, and I know it has occurred many times.

Hon. Sir MACKENZIE BOWELL—Do I understand the hon. gentleman to say there was no particular question involved in the amendments to the Militia Bill ?

Hon. Mr. SCOTT—No. I said the amendments were very well known, and no changes were made, of recent date. The amendments have been discussed. The change in the principle—that is the abolition of the office of the Commanding Officer in Chief, and the substitution of a Canadian Council of Officers. has been discussed for months. and there are changes referred to in the press. and I said I thought they were pretty well understood. There are not so many of them.

The motion was agreed to.

CANADIAN ASSESSMENT POLICY-HOLDERS BILL.

Hon. Mr. CLORAN—Before the Orders of the Day are proceeded with, I have been requested to bring to the attention of this honourable House an alleged discrepancy—I am not positive of it—in the Bill (H) which was passed here July 21, 1904, 'An Act respecting the Canadian Assessment Policy-holders in the Mutual Reserve Life Insurance Company.' This Bill was adopted by this honourable House and passed on that date, notwithstanding a request made on the floor of this House that the Bill be not passed until reprinted and submitted to the inspection of hon. senators. Notwithstanding that objection, the Bill was ordered to be sent down to the House of Commons. My attention has been called to the fact that in clause 7—that is the last clause of the Bill—there is an addendum which was not discussed, which was not proposed, and which was not accepted by this honourable House. On my attention being drawn to that fact, I looked up the records of the debates on this question, and as far as I can see up to the present moment, the—I do not know what to call it—the charge or the statement appears to be well founded. In the original Bill, the paragraph relating to the rights of policy-holders as against the company on their claims reads as follows :—

Section 7. Nothing in this Act shall affect any suit, action or other proceeding now pending in respect of any assessment policy.

That is in Bill (H) as orginally drafted and presented to this House by the promoters of the Bill. On that clause there was a very lengthy discussion, in which several hon. members took part, among others, I think, hon. Senator McMillan, Senator Robertson, Senator Kerr, Senator Bcique and Senator Cloran. As I had a particular interest in that item, from a legal standpoint, and not particularly from a policy-holder's point of view, I suggested that that clause was misleading and would lead to dire results to the policy-holders, because I found in the reading of that clause, which was very craftily and very cunningly drawn, that although it allowed the right of policy-holders to exist with regard to their suits, actions or other proceedings, as long as they were pending, in asserting the rights of those who did not have actions pending it would be left, under this clause, to the interpretation of the court and of the lawyers, and the result would be that the policy-holders would be deprived of the rights of prosecuting the company for a violation of contract. The discussion took quite a time in the Senate. It covers five or six pages of the Debates, and I finally moved an amendment, which was accepted by the hon. gentleman from de Salaberry and the hon. Senator Kerr, for the promoters of the Bill, as follows :—

Hon. Mr. CLORAN—Before passing from that point and giving a legal interpretation of that clause, allow me to put a question : Would it not be safer for the policy-holders to make the clause read in this way :

Nothing in this section shall affect any suit, action or other proceeding which has been taken or may be taken.

When I put the question, the hon. senator from Toronto, jointly with the hon. senator from de Salaberry, stated that they did not want to deprive any of the policy-holders of their rights, and would accept the amendment. I find, as it has been called to my attention—I thought the Bill went

through as presented by this honourable House to the Commons, but after it was called to my attention, I find the following has been added to it :—

Nor shall this Act apply to policies in respect of which any contract or agreement may have been made by the company with holders of certificates for commutation of their assessments, and the payment of uniform rates, without the consent of the holders of such certificates.

I venture to say to this honourable House, that during all the discussion that took place on the evening of the 21st July, there is absolutely no mention of the four lines added to that amendment which I proposed, and which was accepted by the hon. gentleman from de Salaberry and the hon. gentleman from Toronto.

Hon. Mr. DOMVILLE—Hear, hear.

Hon. Mr. CLORAN—I submit humbly to this House——

Hon. Mr. BEIQUE—Would the hon. gentleman state the page of the Debates.

Hon. Mr. CLORAN—Starting at page 861, where the Hon. Mr. McMillan, I think, first raised the point on behalf of the policyholders, that by that clause they would be debarred from taking action against the company, and his language is as follows :—

Hon. Mr. SCOTT—I raise to a question as to whether it is quite fair that this unfortunate case should be cropping up all the time, blocking the business of the House. There is no right to be considered ; none whatever. If the hon. gentleman has any notice to give, let him give it for to-morrow, so that we can have it before us. I think it is unfair and improper to interject this debate now.

Hon. Mr. MACDONALD (B.C.)—My hon. friend may suspend his notice of motion, as the Bill has been dropped by the other House. The 'Free Press' announces the dropping of the Bill.

Hon. Mr. SCOTT—I do not accept that statement.

Hon. Mr. MACDONALD (B.C.)—It is in the 'Free Press.'

Hon. Mr. SCOTT—That is not an authority.

Hon. Mr. MACDONALD (B.C.)—The 'Free Press' announced six or seven Bills that were to be dropped.

Hon. Mr. SCOTT—It is not an authority.

The SPEAKER—The hon. gentleman should give notice.

Hon. Mr. CLORAN—I am not giving a notice. I am rising to a question of privilege.

Hon. Mr. SCOTT—It is not fair to the order paper. We came here to discuss the order paper, and we were blocked all afternoon.

Hon. Mr. CLORAN—I was blocked all afternoon. It was my intention to bring this before the House, because it is a very serious matter.

Hon. Mr. SCOTT—Give notice of it.

Hon. Mr. CLORAN—That a Bill adopted by this House should go to the Commons, emasculated, is a breach of the privileges of this House. It is not a question whether this amendment is good or bad. What I want to know is, who authorized that amendment to be added, when it was not added in this House ?

Hon. Mr. KERR (Toronto)—What is the addition ?

Hon. Mr. CLORAN—The last four lines in Bill (H) as presented to the House of Commons. This Bill as presented to the House of Commons is not the Bill that left this honourable House.

Hon. Sir MACKENZIE BOWELL—At page 898, the hon. gentleman will find that the hon. gentleman from de Salaberry made the motion. It is clearly set out there, and it is explained why it is made.

Hon. Mr. FERGUSON—Word for word, precisely as it is in the Bill.

Hon. Mr. KERR (Toronto)—The hon. gentleman from Victoria division is only commencing to wake up. He has been asleep.

Hon. Mr. FERGUSON—The hon. gentleman has been referring to the proceedings of Wednesday instead of Thursday.

THIRD READING.

Bill (137) An Act respecting certain patents of the Canadian Office and School Furniture Company, Limited.—(Hon. Mr. Merner.)

RAILWAY ACT AMENDMENT BILL.

THIRD READING.

The House resolved itself into Committee of the Whole on the Bill (132) An Act to amend the Railway Act, 1903.

In the committee, on sub-clause 2,

Hon Mr. FERGUSON—Before we pass this clause, I think it is due to the House that we should consider it carefully. This clause extends the principle of the clause that we discussed very fully a day or two ago very materially. In that section I think we arrived pretty fairly at the meaning of it. It provides that the laws of a province with respect to Sunday observance, having regard to these railways situated within the province, and declared to be for the general advantage of Canada, should be as valid as if they were passed by the parliament of Canada. But this section goes very much further.

Hon. Mr. SCOTT—No; the same principle exactly.

Hon. Mr. FERGUSON—This clause provides as follows:

> 2. The Governor in Council may at any time and from time to time by proclamation confirm, for the purposes of this section, any Act of the legislature of any province passed after the passing of this Act for the prohibition or regulation of work, business or labour upon the first day of the week, commonly called Sunday; and from and after the date of any such proclamation the Act thereby confirmed, in so far as it is in other respects within the powers of the legislature, shall for the purposes of this section be confirmed and ratified and made as valid and effectual as if it had been enacted by the parliament of Canada.

I have read the very words of the clause. It provides that any Act passed by any province subsequent to this may, by proclamation of the Governor in Council be made valid as if it were passed by the parliament of Canada. My view is, that we are going as far as to amend the British North America Act in this section. Practically we are amending the British North America Act, and we are giving the legislature of a province the power to pass Acts which they would not be empowered to enact under the British North America Act, and we are giving the Governor in Council the power to issue proclamations which will make such laws as valid and binding as if they were passed by this parliament. We are not only delegating to the Governor General in Council power to make laws for any one of the provinces, but we are making laws in anticipation that may be passed at any time, through the action of the Governor in Council, to become the laws of Canada, as applied within the province. It is to my mind, delegating the power of this parliament, with regard to legislation, to the Governor in Council. We should hesitate a good while before we pass a clause which would give to the Governor in Council power, by a proclamation, to make valid any law that would be passed in the future by our own parliament. I do not know that we can find a precedent for anything of the kind. That is to provide that the Governor in Council should have power to issue proclamations to make laws to be passed by this parliament valid. It would not be necessary to have it, but we are providing that the Governor in Council will have power to make valid and binding laws that will be passed by any province with regard to Sunday observance. Then we go further in the remaining part of the clause, and we provide that:

> Notwithstanding anything in this Act or in any other Act, every railway, steam or electric street railway, and tramway, wholly situate within such province, but declared by the Parliament of Canada to be, in its entirety or in part, a work for the general advantage of Canada, and every person employed thereon, in respect of such employment, and every person, company, corporation or municipality owning, controlling or operating it wholly or partly, in respect of such ownership, control or operation, shall thereafter, notwithstanding such declaration, be subject to the Act so confirmed in so far as that Act is otherwise intra vires of the legislature.

I must say this is extraordinary legislation, and I do not think any parallel for it can be found on our statute-book of this parliament. We are actually, in anticipation, declaring to be valid—assuming the Governor in Council will pass this proclamation, laws that are not yet enacted by the province, and we are giving the Governor General power to make them valid, notwithstanding anything in the Railway Act or any other Act, and we are making that legislation paramount, and to supersede any law that we have already passed ourselves, or that we may pass.

Hon. Mr. SCOTT—The hon. gentleman fails to recognize that subsection 2 is just carrying out the principle of the clause we have confirmed—exactly the same principle and no other.

Hon. Mr. FERGUSON—It is extending it.

Hon. Mr. SCOTT—No extension whatever. We have agreed on 6a of clause 2. Under the same condition of things that exists when we adopt 6a, the Governor in Council is authorized to put in force the proposal contained in that clause, because it is to be supposed that hereafter there will be legislation on the subject. It is confined entirely to the Sunday law. It is confined entirely to the railways that we have improperly—I say it advisedly, and in cool judgment—taken from the jurisdiction of the provinces. My hon. friend shakes his head. Does he tell me that, for instance, the railway between Brantford and Paris was in any sense a federal railway ? It had no connection with other railways outside, not a railway between the provinces, or connecting Canada with a foreign country ; simply and purely a local railway, and when the parliament of Canada took control of that railway, they did it improperly, as they have done several other things improperly, under pressure before the Railway Committee, for purposes which we may justify in some cases, but not in all. I say no one who has given any study or thought to our constitution can for one moment maintain that it was proper for the parliament of Canada to take the control of local works with no excuse whatever. Had it been a line crossing another railway, had it been a line that even approached the frontier, had it been a line that approached the borders of another province, there might be some excuse, but it was purely a local road. Take the example of a road running from one town to another, can it be said that where we by the exercise of an improper authority, simply by foregoing the condition of things, put those words in, no matter how utterly absurd and contradictory it may be to the spirit of the law, that we have a right to do it, and by doing it take away the jurisdiction from the provinces ? Now we say that if a province has a strong feeling with regard to this Sunday observance, at least so far as that Sunday question is concerned, we should not allow this absorption of their rights and powers to interfere with the carrying out of the Sunday law. That is exactly the whole subject in a nut-shell. If you affirm and carry that clause, ergo, you must carry this. because it is exactly the same, and no stronger, only it gives the Governor in Council power to put the law in force. They can only put it into execution if the conditions are the same as in the preceding clause. There are strict limitations, and the conditions must be such as exist in the principles we have approved of in the preceding clause.

Hon. Mr. BEIQUE—I am entirely in accord with the principle to which the hon. Secretary of State has referred, because I think it is merely restoring to the provinces powers which have been encroached upon, but I must confess, though I have no desire at this stage of the session to occupy much time in criticising the clause which is now before us, that I fail to understand the clause. The first portion of the clause seems to me to be perfectly harmless, because I do not think that anything can be reached by it. The first portion of the clause has merely the effect of declaring that provided the Act of the legislature be within the powers of the legislature, it may be confirmed by proclamation of the Governor in Council. I fail to see the necessity of conforming by proclamation a valid Act of the legislature, and that seems to be the whole effect of the first part of the clause. Then with regard to the second portion of the clause, it is connected with the first portion, and the word 'Act,' in the 12th line of the same clause, and therefore it can have no effect again, but I leave entirely the responsibility with the party who drafted the Bill.

Hon. Mr. FERGUSON—Of course, we expect this measure will pass. It is a government measure, and they have a majority, and it passed in the other House, and they have made up their minds it should become law, and I altogether despair of convincing hon. gentlemen on the other side of the House that any government measure is wrong in the slightest degree.

Hon. Sir MACKENZIE BOWELL—If they know it is wrong sometimes.

Hon. Mr. FERGUSON—Well, I mean to get them to admit it, and to criticise any government Bill.

Hon. Mr. DANDURAND—We have amended some government Bills.

Hon. Mr. FERGUSON—With the entire consent and approbation of the government. My hon. friend the Secretary of State could not see any difference between this section and the one that we have passed. It was the same in principle, he said. But there is a new principle involved in this section, and that is the principle of confirming legislation yet to be passed by the province, by the Governor in Council, with regard to Sunday observance and with regard to railways situated entirely within one province. There is the most serious difference. It goes very much further, and introduces the extraordinary principle that we, by an Act of our parliament, could give the Governor General in Council power to confirm in advance an Act passed by a province. I want to make some further observations upon this, which will come up better under the next clause. They were touched upon in the previous debate on this Bill.

Hon. Mr. BEIQUE—I think the hon. gentleman is hardly fair to this side of the House, when he suggests that we refrain from amending government Bills. I think the record will show that I do not hesitate to amend a government Bill. I would go a long way in the direction the non. gentleman from Marshfield has suggested were I not of opinion that this clause is entirely harmless.

Hon. Mr. FERGUSON—Does my hon. friend think that it is a good principle to declare in advance that a law of a province shall be valid ?

Hon. Mr. BEIQUE—I say I am not in accord with that, but I take the clause as it stands, and I think it is harmless.

Hon. Mr. FERGUSON—Harmless, but it contains a bad principle.

Hon. Mr. McMULLEN—We must admit that the principle of Sunday legislation is certainly vested either in the province or in the Dominion. At the present time there is a confusion as to where the power is vested. We know perfectly well that by the decision of the Privy Council it was declared that the provinces had not the right to pass Bills such as they had passed and tried to give effect to, but with regard to the running of railways and tramways and electric lines, it is supposed that the province, separated or relieved from the declaration that these roads are for the general advantage of Canada, has a right to control the Sunday operation of these roads, and that they are under the municipal jurisdiction of the province. That is generally conceded. Now, then, the question may arise after all : the province may pass laws with regard to Sunday observance that may possibly go beyond or clash in some way with the powers that are virtually vested in the Dominion. This legislation will give the Dominion power to declare that these laws shall be operative. The Governor in Council can put them in operation, notwithstanding the fact that he may perhaps overstep the boundary, they will have a right to put them in force. My hon. friend will admit that the power must exist somewhere. We know perfectly well that the Lord's Day Alliance has been pressing upon the Dominion parliament to pass a Dominion law. The answer of the government, as far as I know, is that they are not clear that they have the power to pass such a law, and I think an understanding has been come to that the question will be submitted for the opinion of the Supreme Court as to how far the Dominion has the right to legislate with regard to Sunday observance. When that opinion is secured, possibly a Bill may be brought in next session that may largely interfere with the application of this very Bill. In the meantime, the best legal minds I know in the province of Ontario have been brought to bear on this Bill, and they have all decided that a measure in the direction of the Bill now before the House is the only Bill that could possibly be passed, in the meantime, to enable the provinces to pass laws that they feel disposed to pass. For instance, in Ontario, there is a very strong feeling in all classes of our community with regard to Sunday observance. In the province of Quebec it may be different, but they have a right to legislate just as they please for themselves. All the provinces will have

the same right, and they will all be subject to the same declaration on the part of the Dominion government with regard to putting into operation any Act that they may pass, because, as I said in the first place, the power must be somewhere. If it is not in the Dominion it must be in the province.

Hon. Sir MACKENZIE BOWELL—The hon. Secretary of State seems to look upon this clause as very harmless—I think that is the word he used, because it only enables the Governor, by proclamation, to declare valid what otherwise might not be valid. Now, if a law be passed to regulate Sunday observance, would the passage of a clause in that law declaring what shall or shall not be done, which had been, under the decision of the law lords of the Privy Council, declared ultra vires, would a proclamation issued by the Governor General under this legislation bring it within the right of the local legislature to legislate on that subject ?

Hon. Mr. SCOTT—Yes.

Hon. Mr. McMULLEN—We give them the power.

Hon. Sir MACKENZIE BOWELL—My hon. friend says the only result would be to declare that the law, as to the legality of which there might be some doubt, would be put in force.

Hon. Mr. McMULLEN—Removing a doubt.

Hon. Sir MACKENZIE BOWELL—If our Ontario legislature has not the power to pass a law which might be declared ultra vires, how can a proclamation of the Governor in Council make it legal ? If a law be passed by the province of Ontario, and the Governor in Council, upon a report of the Minister of Justice, do not disallow that within a year, it is just as much in force as if the Governor in Council had issued their proclamation. There is just this difference between the two, that while the law would be in force, if it were not disallowed, and magistrates and others could act upon it, would the issue of the proclamation give it any more legal effect than if it were not issued ?

Hon. Mr. McMULLEN—Yes.

Hon. Sir MACKENZIE BOWELL—I cannot for the life of me see that. Can we, by an Act of this parliament, grant a legislature powers which the constitution declares they do not possess, but are vested only in the Dominion parliament ?

Hon. Mr. McMULLEN—That is not a fair way of putting it.

Hon. Sir MACKENZIE BOWELL—Of course, I must submit to legal minds ; but I cannot understand how it is, that this parliament can set aside, as they would do by the proclamation that is to be issued under this Bill, the provisions of the British North America Act. I do not believe we can. I do not believe this Bill is worth a snap of your finger, if it is taken into the courts. You cannot go into the courts and justify the imposition of a fine, by saying we have the power under this law, as it has been declared valid by the Dominion parliament, though it is in contravention of the Confederation Act. While I am fully in accord with the object of this Bill, I protest against legislation of this character. I venture the assertion that in no section of the British empire, or any other country where they have legislative powers, will you find authority given to the Governor in Council to declare an Act legally in force, which is not yet passed.

Hon. Mr. SCOTT—The hon. gentleman does not recognize the point. By this clause, you authorize the Governor in Council to withdraw from the Act which we ourselves have passed, those words 'For the general advantage of Canada,' in so far as Sunday observance is concerned. The effect of doing that is to place the jurisdiction in the provinces. You say a year goes over and we do not disallow the Act, and the effect is the same ; but anybody objecting to the legislation of Ontario against Sunday cars might take it to the Privy Council, and the Privy Council would say the legislature would have no power to pass that Act, because of those words 'For the general advantage of Canada.' But the federal authority steps in and says, 'So far as Sunday legislation is concerned, we do not take the jurisdiction out of the hands of the province.' Ergo, the provinces have the jurisdiction.

Hon. Mr. DANDURAND—I am not without appreciating the argument made by the hon. gentleman for Belleville as to the legal effect of this legislation—the legalizing by

proclamation of something which would not, perhaps, in its inception, be within the exclusive domain of the provinces. But we are under a written constitution. Countries blessed with unwritten constitutions have the advantage of an elasticity which we do not enjoy here, although in other respects, we have advantages which no one can deny. Here we are with distinct powers given to the federal parliament, in contradistinction to other powers given exclusively to the provinces. Here we are with provinces widely separated, having different views on certain questions from those held in other provinces. This is a very ticklish question which all governments have wrestled with, the solution of which has been sought in vain. Is this the millenium, a solution of one of those difficult questions? I am not ready to answer in the affirmative or the negative the question put by the hon. gentleman from Belleville.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman has not received a retaining fee yet.

Hon. Mr. DANDURAND—But from what I know of the greater elasticity given under our constitution through a number of judgments of the Privy Council, it may be found by this tribunal that this Bill gives orthodox solution of one of the numerous difficulties we are encountering in the working out of our destinies.

Hon. Sir MACKENZIE BOWELL—I understand the position of the Secretary of State to be this, that so far as the words 'For the general advantage of Canada' are concerned they are repealed by this Act, in all the Acts in which they appear, so far as it affects Sunday observance. That is the interpretation.

Hon. Mr. SCOTT—That is the intention.

Hon. Sir MACKENZIE BOWELL—The only point which suggests itself to my mind, which must be a question for the lawyers and judges to decide, is whether a mere declaration of this kind is a repeal of that section in all the Acts in which it appears, so far as Sunday observance is concerned. That is the point. I object entirely to the mode in which the Secretary of State treats the action of the committee, and of parliament, upon this and many other questions which he thinks are not right. He may be right in saying that it was improper to pass these laws, but a general condemnation of parliament because a majority thought proper to differ from his opinion, is carrying the opposition a little too far. And my hon. friend is just as plain and decided in reference to the law lords of the Privy Council. I can only express the hope that the law lords of the Privy Council will not read this debate, because if they do, and learn the deliberate opinion expressed by so high an official in the government of Canada as the Secretary of State, that their decisions are nonsense, and are not to be looked upon as containing even ordinary common sense, they might possibly resign, and that might be a serious matter. Under the circumstances, we have to deal with the facts as they are before us, and not with what our individual opinions may be of the judgments of the Privy Council. When that question comes up it will be fair to discuss it. We are now discussing the fact as it appears on the statutes, and we are dealing with the decision which has been given, right or wrong, and I do not think it is strictly in accord with the course that ought to be pursued by the Secretary of State in denouncing, as he has done, the judgments of the Privy Council. They may not meet our views. I have read some of their decisions which, if my opinion were asked as a layman of common-sense, I would not have given, but I should not presume to denounce them as men not knowing the laws of the country, or use the language my hon. friend has used towards jurists in that high position. I am only elaborating an opinion I expressed a few days ago, after the hon. gentleman had used similar language, in denouncing the judgment of the Privy Council.

Hon. Mr. SCOTT—I do not think I used the word 'nonsensical.' I am not going to enter into a discussion of the question now, but on another occasion I brought before this Chamber instances in which the Privy Council gave judgments directly opposite to each other.

Hon. Mr. LANDRY—It is like the decisions we get here.

Hon. Mr. SCOTT—The Privy Council is not always the same. The men who sit in June may be different from the men who sit

in December, and they are not governed by precedent as our judges are. I mentioned instances in which I felt amply justified in criticising the judgments of the Privy Council, and I say advisedly—I would say it to the judges themselves—their tendency is to give judgments on the principle of expediency, what they think is best for the people of Canada. They form conclusions of what they think is right and just. They overrule judges of the Supreme Court, who know the spirit in which parliament put the law on our statute-book, who had not a shadow of doubt as to what parliament meant. Those gentlemen of the Privy Council say 'You did not understand; it is true your judgment is unanimous but we reverse it,' and they simply sweep it aside and say that so and so is the best decision in the interest of the people of Canada—purely expediency.

Hon. Mr. FERGUSON—Whether the judgment is right or wrong, we are not here to sit in judgment on the Privy Council. We have to accept their decisions as good citizens of the empire, and deal with things as we find them, and one of the things we have to deal with in this case is the judgment of the Privy Council. I am extremely anxious to be distinctly placed on record in regard to this subject, because I have a strong conviction that if any case should be brought before the courts with regard to this matter, the Secretary of State, if he is in the flesh, as I hope he will be, will have an opportunity to lecture the Privy Council again with regard to its judgment. My reason for saying so is this: the British North America Act provides certain classes of works shall be federal works, one of which is any work situated within any one province which shall be declared by the parliament of Canada to be a work for the general advantage of Canada. When the matter comes before the Privy Council, the question for them to consider is whether the work to which the case relates is a federal work or not, and when they find that the British North America Act provides a method by which it is to be made a federal work, and parliament supplies the method, I am very much inclined to believe it will be found to be under federal jurisdiction. It must be either a federal or provincial work. It cannot fall half way between the two, and if the decision is that it is a federal work, any legislation of this kind will be of no value.

Hon. Mr. POWER—I agree with the hon. gentleman from de Salaberry and the hon. gentleman from Marshfield in their objection to legislation by the Governor in Council. However, there is this to be said in the present case, the offence is not a very serious one. The clause which we have already passed provides that all Acts which have been heretofore passed by the provincial legislature regulating work on Sundays are confirmed. Now, there are seven provinces in this Dominion, each one of which has the right to pass legislation with respect to Sunday observance. These legislatures occasionally pass legislation on the subject, and if we do not pass some such measure as is embodied in this clause, every time that any legislature in any province in the Dominion passes an Act dealing with this matter, parliament will be called upon to pass a new Act to ratify the provision of that Act. That will be a very inconvenient position; and, further, the province of Ontario, for instance, might pass an Act just after the Dominion parliament had been prorogued, and that provincial Act might be in operation for six months, might alter the law which previously existed with respect to this subject, and there would be no way of getting the new law into operation unless there was some such law as we provide under this Bill. While I do not think the principle of legislation by Order in Council is a good one, the inconvenience this is intended to get over might be a serious one, and inasmuch as you are only ratifying an Act which the legislature may pass on this particular subject in connection with a work that ought to have remained within the jurisdiction of the province I do not think it is a very serious matter.

Hon. Sir MACKENZIE BOWELL—Would that keep it outside of the court in case an objection was made to the payment of a fine on the ground of the statute being ultra vires?

Hon. Mr. POWER—I think so.

Hon. Sir MACKENZIE BOWELL—I do not think it would.

The clause was agreed to.

On section 3,

Hon. Mr. FERGUSON—The last three lines of this clause would to some extent remove an objection, which I took when we were in committee before, to this legislation we are now dealing with, but I submit it will only do so to a very limited extent. It only serves to show how very ill-considered this legislation is, and how insufficient it is going to prove in meeting the views of the Lord's Day Alliance. Let me assume a case which would be familiar to every hon. gentleman, that there is an electric railway starting from the city of Ottawa, and running to Carleton Place, and another electric railway starting from the north end of the Interprovincial bridge and running to the same point almost side by side. What would be the result of this legislation? Supposing a proclamation were issued making the laws of Ontario apply to the road starting from the city of Ottawa while the law of the Dominion would apply to the railway which ran side by side with it, and competed with it to Carleton Place. It is intended, I presume, to get over a difficulty of that kind by giving the Governor in Council power to withdraw from the effects of the local law this local railway situated entirely within the province of Ontario. I understand that is the object of the last three lines of the subsection:

> Nor shall it apply to any railway or part of a railway which the Governor in Council, by proclamation, declares to be exempt from the provisions of this section.

Let us admit that the withdrawing of this road from Ottawa to Carleton Place from the local jurisdiction and putting it under the federal law would enable them to run Sunday excursions. Then what would be the position of things? It would be that the parliament of Canada, by proclamation, can pick out railways all over the country that they can withdraw from the operation of this law. Is that a reasonable thing to do? What would the advocates of the Lord's Day Alliance say, if, under the operation of this law, the Governor in Council had power to withdraw from the operation of the local Act the greatest violators of the law? If you did not withdraw the line from Ottawa to Carleton Place, from the operation of the law you would have two railways running side by side, one of which would be perfectly free to run Sunday excursions, while the other would be exposed to heavy penalties for running Sunday excursions. Read the whole of this subsection and you will find it provides for the exemption of railways very generally from the operation of the clause. It says:

> 3. This section shall not apply, so as to interfere with or affect through traffic thereon, to any railway or part of a railway which forms part of a continuous route or system operated between two or more provinces or between any province and a foreign country, or to any railway or part of a railway between any of the ports on the Great Lakes and such continuous route or system; nor shall it apply to any railway or part of a railway which the Governor in Council, by proclamation, declares to be exempt from the provisions of this section.

That is, the Governor in Council may declare any railway, notwithstanding it ought to be, as the hon. Secretary of State says, a local work, from the operation of this provincial legislation. You have only to look into this and you will find that the whole Bill is a mere attempt to throw dust in the eyes of the Lord's Day Alliance people. When it comes to be worked out practically it will be found to be of no value whatever. They have asked for bread and the government has given them a stone.

Hon. Mr. McMILLAN—My hon. friend will surely admit this, that half a loaf is better than no bread. The Lord's Day Alliance cannot get everything they wish to get under the present conditions. There is uncertainty with regard to where the power of legislating for Sunday observance lies. The provinces have certain powers, and would have continued to exercise those powers over all local railways, had it not been for the parliament of the Dominion declaring some of them to be for the general advantage of Canada. The hon. Secretary of State put that in a nutshell when he gave his explanation a moment ago. My hon. friend from Marshfield has mentioned a case. Such anomolies may exist, but, after all, is it not better to have the law in such a shape that you can meet a certain amount of evil if you cannot deal with the whole of it? Unless the question is settled where the power of legislating lies, legislation that will reach evils that still exist cannot be passed. In the meantime, this is considered to be the best measure that could be introduced

and passed. My hon. friend insinuates that perhaps after all this is an attempt on the part of the government to throw dust in the eyes of the Lord's Day Alliance. I am glad to be able to testify that such is not the case, because the Lord's Day Alliance themselves prepared and submitted this very Bill, evading as far as possible any difficulty, and the government have so far conceded the different clauses of it, in the meantime, accepting them until the question with regard to Sunday legislation is absolutely decided.

Hon. Mr. BEIQUE—I am sure nobody will take exception to the first part of this clause. It recognizes a principle on which this honourable House came in conflict with the House of Commons last session in connection with the Railway Bill. It was then contended by the House of Commons that a railway had to be declared to be a work for the general advantage of Canada in toto if at all—that it could not be done partially. We contended that it could be done partially, and this principle is recognized by the first portion of clause 3. The hon. gentleman from Marshfield takes exception to the last three lines of the first paragraph. I would call his attention to this fact, that this last portion of the clause is, I take it, in relation to the first subsection, 6a, which has the effect of validating all Acts passed by the legislature of any province before the passing of this Act. After the passing of this Bill, Acts of that kind passed by the province of Ontario will govern all local railways. It is legislation which may affect vested rights, and the power which is given by the last portion of paragraph 3. I take it to be, in order that the Governor in Council, if cause is shown that serious rights are affected, may remove such railway from the operation of clause 6a of this Bill. For my part, I entirely approve of that clause.

The clause was adopted.

Hon. Mr. SCOTT—In section 59 of the Railway Act, passed last session, an important section was left out. The general rule in incorporating special companies, is to insert a provision that a general meeting shall be held on a particular day, and it is usual to name the day in a special Act, but they generally have this qualification: 'Or on such other day as the directors may determine.' We propose to add after the word 'Act' in this section the following:

Or on such other day as the directors may determine.

Hon. Mr. FERGUSON—Some of the special Acts have that provision.

Hon. Mr. SCOTT—Most of them have. That will be section 3.

On clause 3.

Hon. Mr. SCOTT—This clause is in reference to ascertaining the earnings of the Grand Trunk Railway on its portion of the line, and the portion controlled by the government. It is a matter of the toils which will have to be levied on each section of the line, after it comes into operation. It will be a matter for the Railway Commission.

Hon. Mr. FERGUSON—Part of the provision which is in that section accords with my own views, and last year the hon. gentleman from de Salaberry will remember very well, I made a very strenuous effort to give the Railway Commission some power to deal with through rates for the Intercolonial Railway so that they would have power to say that the Intercolonial Railway got its fair share of this apportionment. My hon. friend the Secretary of State will remember that after the general question was settled in this House, that the Act would not be made to apply to the Intercolonial Railway as a whole, I made a very strenuous effort that it should be made to apply to it in the matter of through rates. I am delighted to find the views I expressed so strongly, and which were accepted by the hon. gentleman from de Salaberry, are now accepted by the government, and are made a portion of the law.

The clause was adopted.

Hon. Mr. ELLIS, from the committee, reported the Bill with an amendment, which was concurred in.

The Bill was then read a third time, and passed, under a suspension of the rules.

MUTUAL RESERVE FUND LIFE ASSOCIATION COMMITTEE REPORT.

DEBATE RESUMED.

The Order of the Day being called :

Resuming the adjourned debate on the consideration of the Seventh Report of the Select Committee appointed to investigate the position of the Mutual Reserve Fund Life Association of New York.—(Hon. Mr. Domville.)

Hon. Mr. MACDONALD (B.C.)—Before commencing the discussion on this report, I have a suggestion to make to the hon. gentleman from de Salaberry. Seeing that the papers to which he objects in the report, as not being evidence, or the purport of them, is to be incorporated in the debates, the object of his amendment is defeated, and I therefore think it would be as well to withdraw it and close up the discussion. If the hon. gentleman could have eliminated those words, or the reference to those papers that are not considered evidence, then there might be some force in the amendment, but the hon. gentleman from Rothesay has placed those papers on the debates of the House, and therefore the force of that amendment is entirely lost, and by withdrawing that amendment it will stop all the long discussion, and the House can proceed with the other business before it.

Hon. Mr. BEIQUE—I have the misfortune of not agreeing with my hon. friend from British Columbia. For my part, I made the motion because I thought it incumbent upon me as a member of the committee, and as a member of this House, not to be a party to admitting as evidence what I consider to be merely a libel, altogether unsupported in any shape or form, and I have, therefore, no desire to withdraw the motion which I have made.

Hon. Mr. LANDRY—I rise to a question of order, and I will do my best possible to obtain a favourable decision. If I cannot succeed it will not be my fault. I will try to make my point as strong as possible.

Hon. Mr. DANDURAND—It will be weak then, will it ?

Hon. Mr. LANDRY—It is not the hon. gentleman from de Lorimier who is making the motion. The amendment moved by my hon. friend from de Salaberry is not in order because the amendment is not relevant to the main motion.

Hon. Mr. DANDURAND—I rise to another question of order. The hon. gentleman is speaking to a motion for concurrence in the report of the Committee on Printing.

Hon. Mr. LANDRY—The hon. gentleman is not up-to-date.

Hon. Mr. DANDURAND—To what question is the hon. gentleman addressing himself ? There is nothing before the House.

Hon. Mr. LANDRY—The difficulty is increasing. I thought I would have enough difficulty in making myself understood by the hon. Speaker, and now there is another hon. member who wishes to understand me also, and with the disposition he is in, I fail to see how I could meet this double difficulty. I will repeat my remarks for the advantage of the hon. member. I raise the point that the amendment of my hon. friend which is now before the House—

Hon. Mr. WATSON—No, no.

Hon. Mr. LANDRY—What is before the House ?

Hon. Mr. DANDURAND—There is nothing before the House.

Hon. Mr. LANDRY—Was the hon. member sleeping ? I think before he says there is nothing before the House, he should inform himself——

Hon. Mr. MACDONALD (B.C.)—There is a motion to adopt the report, and an amendment by the hon. gentleman from de Salaberry.

Hon. Mr. DANDURAND—It has not been called.

Hon. Mr. LANDRY—It has been called, and the Speaker asked to have it stand for a moment to permit the adoption of a report of the Joint Committee on Printing, and that motion having been passed, we fall back to the previous question.

Hon. Mr. DANDURAND—I doubt very much that it has been put.

Hon. Mr. FERGUSON—There is no doubt whatever.

Hon. Mr. LANDRY—That difficulty having been removed, we will try to remove another difficulty. I claim that this amend-

ment is not relevant to the motion. What is the motion? The main motion is the consideration, not of the evidence, but of that part of the proceedings of the committee which refers to a point of order taken by my hon. friend from de Salaberry in the committee, decided against him by the chairman, supported by the committee, whose decision has been challenged by the hon. member, and appealed to this House. That is, the consideration of the seventh report is not the consideration of the evidence. It is the consideration of that point of order. The amendment deals with a different subject altogether, and asks for the elimination of a part of the evidence.

Hon. Mr. BEIQUE—That is an amendment to the report.

Hon. Mr. LANDRY—I understood, when the chairman of that defunct committee made a motion for the consideration of the seventh report, that the hon. gentleman from de Salaberry moved in amendment the elimination of the document Exhibit 36. That is an amendment, and I say it is not relevant, because the amendment applies to the main motion, which is not the consideration of the evidence, but which is the decision of a point of order that was raised in the committee. That special seventh report deals with the point of order. It has nothing at all to do with the evidence. Bourinot, at page 444, lays down the following principle :—

> Sir Erskine May, in the edition of 1893, however, lays it down as an imperative rule that every amendment must be relevant to the question on which the amendment is proposed—except in cases of amendment moved to the question for the Speaker's leaving the chair for the Committee of Supply or Ways and Means.

We all know questions can come up at that stage, and there is no relation between the amendments and in ways and means. The extract continues :—

> A motion having been made to declare Michael Davitt incapable of being elected or returned, as a member, it was proposed to amend the same by substituting an address to the Crown for a free pardon ; but the Speaker promptly interposed. and pointed out that such an amendment was inadmissible as it had no relation to the question before the House, but should form the subject of a distinct motion after notice given in the usual manner. The law of the relevancy of amendments seems now to be that if they are on the same subject matter with the original motion, they are admissible, but not when foreign thereto. The exceptions to this rule are amendments on the question of going into supply or ways and means. Amendments to Bills also, like amendments to the Orders of the Day, must strictly relate to the Bill which the House, by its order, has resolved upon considering.

In the decision given by Dennison and Brand, in Blackmore's 'Speaker's Decisions,' we find the following :—

> Amendments are inadmissible which reopen a question already settled ; which are not germane to the question under consideration ; which go back to an earlier part of a question already determined.

Then on page 10 we find the following :

> An amendment must be relevant to the question.

And we will see in what particular case that decision was given. It is as follows :

> Army Regulation Bill.
> Bill considered in committee.
> Motion made and question proposed for the committee to sit again to-morrow.
> Mr. G. Bentinck moved—That the House at its rising do adjourn until a quarter before 4 o'clock to-morrow.
> Mr. Speaker—The question before the House is, that the committee do sit again to-morrow at 2 o'clock, and the hon. member's amendment is that the House do adjourn till a quarter to 4 to-morrow. That is not a suitable amendment. The amendment must be relevant to the question when the committee should again sit.

I think there is a great deal less difference between those two motions, the main motion put in that committee, and that amendment, than between the two that are now before the chair. The second reason for which that amendment should not be taken into consideration is because it is an interference with what took place in the committee, and I shall substantiate that argument by the followng example : It is in effect an appeal from the decision of the committee.

Hon. Mr. BEIQUE—I think that point has been already settled.

Hon. Mr. LANDRY—I am stating that as a second argument, and I shall make it good.

Hon. Mr. BEIQUE—I raise the question that this was made the subject of a point of order by the hon. gentleman the other day, and decided against him.

Hon. Mr. LANDRY—Not a bit of it. Let me state it and the hon. gentleman will see if it is the same. It is a well-known doctrine that the committees are of, we will say, three kinds. It is laid down in Bourinot and May and different authors. There is the

Committee of the Whole House. That is the committee where all the members of the House attend, the Speaker leaving the chair, and calling a member of the House to the chair. In those committees, as all the House are present, everyone takes notice of what is going on.

Hon. Mr. BEIQUE—Mr. Speaker——

Hon. Mr. LANDRY—I have the floor and I raise a question of order.

Hon. Mr. BEIQUE—I rise to a question of order.

The SPEAKER—If the hon. gentleman from Stadacona would be allowed to proceed and state his case, it would shorten the debate.

Hon. Mr. LANDRY—I was just saying that in Committee of the Whole all the House being present, take cognizance of what is going on in committee, and there is in the House of Commons a special rule which allows an appeal from a decision taken in Committee of the Whole to the Speaker or to the House. The chairman then rises and reports the question to the Speaker, and the Speaker puts the question to the House. That is one of the committees, the Committee of the Whole, but in a Select or Standing Committee, matters are not on the same footing at all. Take a Select Committee composed, as in this case, of nineteen members, sitting outside of the chamber, their proceedings are quite unknown to the majority of this House, and it is for that reason in England, and in the Senate also, you will not find a single rule which gives to this House the right to overrule what has been decided in a Select Committee. If we look at page 375 of May, we find the following :—

No appeal can be made to the Speaker regarding the decision and rulings of a chairman of a standing committee.

If we look at Blackmore, page 103, we find the following :—

Order in committee is settled by the chairman at once, and cannot be raised subsequently.
Questions of order in committee are settled by the chairman.
Mr. Speaker has no authority to interfere in a matter which has occurred in committee, and which the committee has settled for itself.

If we look at Peel's Decisions, we find at page 54 :—

The chairman of a committtee is the sole judge of what takes place in committee, and from his decisions there is no appeal to the Speaker.

The SPEAKER—That was a Committee of the Whole House.

Hon. Mr. LANDRY—I beg pardon, there is an appeal from the Committee of the Whole House.

The SPEAKER—Not to the Speaker. That is the decision the hon. gentleman has read. It was the case of an appeal from the Committee of the Whole House.

Hon. Mr. LANDRY—That the chairman of a committee is the sole judge of what takes place in committee, and from his decision there is no appeal to the Speaker.

The SPEAKER—That is correct. I cited that four days ago.

Hon. Mr. FERGUSON—I rise to a point of order. I do not see that the question whether there is an appeal to the Speaker comes up at all. There is no question of appeal to the Speaker.

Hon. Mr. LANDRY—It is not settled. I quote from the parliamentary debates of the British parliament, third series 332, page 1011 :

Mr. Speaker—I may as well answer this question at once, although I might properly refuse to answer it, as it is in the nature of an appeal from the chairman of a committee to the Speaker, which is quite unusual. There is no such thing as an appeal from the chairman of a committee to the Speaker ; but as a matter of courtesy of the hon. member I may say that the proper course was followed. These words are not a preamble.

This was in reply to a question as to whether it was not competent in committee to make such a motion.

The SPEAKER—Why did not the hon. gentleman go on and read the whole of it ? The Speaker ruled that the appeal was to the House and not to the Speaker.

Hon. Mr. LANDRY—The remainder of the quotation is :

These words are not a preamble in the strict or even ordinary sense of the term, and the practice is that in money Bills and Bills of this nature the preamble is never put.

That is all. In the English 'Hansard,' fourth series, volume 9, page 427, we find this :

Mr. Speaker—It is clearly not a question for me to decide, it is a question for the chairman of the committee, from whose decision there is no appeal.

This was a decision on a point of order raised by Mr. Sexton, who asked whether a question put by another member did not involve a question of interpretation and other questions which must be decided by the chairman of Ways and Means. What I contend is, that in this House we are governed by the rules of the House of Lords when we have no rule of our own. That is provided for in rule 124, which says :

In all unprovided cases the rules, usages and forms of proceeding of the House of Lords are to be followed.

I have quoted from May that there is no appeal from the decision of the chairman of the committee to the House. I give a third reason why this amendment should not be accepted ; the first is, because it is not relevant, the second because it is an interference with what took place in committee, and third, because it is moved by a member who has lost his right to move an amendment, having already spoken on the motion.

Hon. Mr. BEIQUE—The hon. Speaker decided that point. The exception was taken, and it was passed upon, and it is too late to raise that now.

Hon. Mr. LANDRY—The hon. member from de Salaberry rose on Monday, and we find him reported in the Debates as follows, speaking on the seventh report :—

Hon. Mr. BEIQUE—The seventh report, which is now before the House, has reference to a motion which was made by myself before the committee, that the resolution passed by this honourable Senate be carried out, to wit, that two witnesses, one Cameron and one Cannon be examined by the committee.

In the middle of the next page you will find another paragraph of the hon. gentleman's speech, and also in the second column in the second page, he makes a third and fourth speech, and at the bottom of the page he says :

Hon. Mr. BEIQUE—If I am in error, we would have to wait until the chairman of the committee formally reports, in accordance with the motion of the hon. member from Stadacona, to wit, that the evidence be reported to this honourable House ; but, anyway, in one case as in the other, it is premature to take this seventh report into consideration, because it was agreed unanimously by this House that it was to be taken into consideration only when the evidence is taken up.

Further on, on page 970, we find these remarks of the hon. gentleman :

Hon. Mr. BEIQUE—If it is the desire of the House to take up the question now, I am going to move an amendment to the motion of the hon. gentleman, but I thought it my duty to call the attention of the House to the understanding arrived at the other day, and I am in the hands of the House. I drew attention to the fact that it was understood the other day that this seventh report would be taken up when the evidence was taken up, but if it is the desire to dispose of this matter at once I am ready to move an amendment to the motion which has been offered by the hon. gentleman from Victoria division, so that we may proceed at once with the matter, and dispose of it.

Instead of making this motion, he took his seat ; he did not move his amendment. The hon. member from Marshfield rose and made a speech, and then further on the hon. member from de Salaberry proposed his motion in amendment. Against those pretentions I will quote from Bourinot, page 469. He says :

It is the practice in the Canadian House for the member who makes a motion to give the name of his seconder, who may, if necessary, lift his hat as evidence that he has intimated his consent, and under such circumstances he is allowed to speak at a subsequent stage of the debate on the question. But if a member who moves an Order of the Day or seconds a motion and rise and say only a word or two—that he moves the Order or seconds the motion—he is precluded from again addressing the House, according to a strict interpretation of the rules. In moving an amendment a member is obliged to rise, and though he may only propose his amendment, he is considered to have exhausted his right to speak on the question before the House. On the same principle when a member rises and simply reads a substantive motion to the House he is considered to have spoken to the question, but he may claim the right of reply at a later stage.

Now if we refer to Denison's and Brand's Decisions, page 173, we find this :

An hon. member having made a motion or spoken or moved an amendment, cannot rise again and speak or make a motion.

And on page 12 :

A member who has spoken without moving his amendment cannot move that amendment subsequently, but must place it in the hands of another hon. member.

An hon. member who has spoken to a question cannot, at a later stage move an amendment.

Then the following case is given :—

Mr. O'Donnell (for Mr. Sullivan) having moved an amendment which he subsequently withdrew, rose to move the amendment which appeared on the paper in his name, when Mr. Speaker decided that he could not move it, as he had already spoken to the question before the House.

I think with these decisions, apart from the fact that the amendment is not relevant —because if the amendment is carried it applies to evidence which is not before the House—that the hon. member is not in order. What is before the House actually is a motion on the question of an appeal from a decision given in a select committee. The motion is not relevant; it is an interference with what took place in the committee, and it is moved by a member who has lost the right to move his amendment, because having stood up to move his amendment he sat down, gave way and lost his right.

Hon. Mr. BEIQUE—I shall answer briefly two of the grounds taken by the hon. member. As far as the second ground is concerned, I think it perfectly unnecessary to answer his argument, because the point was raised and decided. At the outset it was decided by the Speaker, and an appeal was made to the House, and the decision of the Speaker was sustained. Therefore, the hon. member cannot raise it again. He attempted to raise it again after the decision, and I took the point that it was attempting to raise the same question for other reasons which he had not given at the outset, and the hon. member did not persist. Now, taking the last ground, that I have spoken already, and am, therefore, not entitled to speak again. I did not speak to the motion. I spoke on three or four occasions merely for the purpose of calling the attention of the House to the fact that an understanding had been arrived at by hon. members unanimously, to this effect, that the seventh report should be taken into consideration only when the final report was taken up. I spoke on that question, and that alone. I wound up by saying, however, if it was the desire of the House that the question be taken up and disposed of I was prepared to take it up. Then the hon. member from Marshfield rose and expressed a desire to that effect, and in compliance with that desire I said, 'I have no objection to take up the question, and I am prepared to move an amendment.' I was asked by the hon. member from Victoria, B.C., to read the amendment, so that it might be better understood, which I did. The hon. member from Stadacona then rose to a point of order, and the report of the discussion that took place appears at page 971 of the debates:

Hon. Mr. LANDRY—I rise to a point of order. The hon. gentleman has already spoken once.

Hon. Mr. BEIQUE—No.

Hon. Mr. LANDRY—He did, and when I made the objection just now, he sat down, because he had already spoken once.

Hon. Mr. BEIQUE—Let me explain. I got up merely to call the attention of the House to the fact that the matter was to be taken up when the evidence was being considered. I did not speak to the motion at all. I merely rose for that purpose.

Hon. Mr. LANDRY—That is speaking and I ask the ruling of the chair.

The SPEAKER—I do not think that should be considered as speaking.

There was a ruling on the very point which the hon. gentleman is raising again. The hon. gentleman should be satisfied with the innumerable points of order that he is raising without repeating them, giving us a second, a third and sometimes a fourth edition on the same points. As far as the first reason is concerned, that is easily answered. The seventh report, which gave rise to a motion made by the hon. member from Victoria, to wit, that the report be adopted, and to which the amendment I moved and which is now before this honourable House, was made, embodies the decision of the committee, that exhibit 36, the exhibit in question, be admitted as evidence for the purposes mentioned in the motion of the hon. member from Stadacona; that is the motion which forms part of the seventh report. That motion is brought up by the seventh report, and there is the objection also which I took to that exhibit forming part of the proceedings. The chairman overruled my point of order, and there is my intention of appealing to the House from the decision of the chairman. There is also in that report, and forming part of it, the evidence containing the document in question, 'and a copy of the said evidence as herewith submitted.' We have now to deal with the motion of the hon. gentleman from Victoria, that this report be adopted. If that motion was to pass unchallenged, what would be the consequence? This honourable House would adopt the evidence, would make it part of its proceedings, and would confirm the resolution of the committee admitting this document as evidence. Surely it was ger-

mane to the motion that the report be adopted, to wit, that this evidence be accepted by the House, and especially that this document be admitted as evidence—it was germane to that motion when I moved that it be not received, but that the motion be amended by declaring that that document, No. 36, be expunged from the proceedings of the committee.

Hon. Mr. LANDRY—That is not the point of order ; that was decided in committee.

Hon. Mr. BEIQUE—I had two recourses; I had the recourse which I intimated I would at first take, of asking that the decision of the chairman of the committee be overruled by the House. It would not have affected the document, but merely the motion of the hon. member that the document be received as evidence for a certain purpose; the document would have remained there all the same, and the committee would have had to take up the matter again. It would have left the matter entire before the committee. But the committee having ceased to exist, my appeal would have had no purpose, and by my amendment I go to the very root of the question, not to send the matter to the committee to be dealt with by the committee, but inviting the House, the supreme body, to decide whether that document should be received in evidence or not.

Hon. Mr. CLORAN—I find the explanation of the hon. member from de Salaberry very slim and of a very quibbling nature.

The SPEAKER—I must ask the hon. gentleman not to use language of that kind. Sharp and taxing language is calculated to lead to unpleasantness.

Hon. Mr. CLORAN—Such language has been used in the debate before now, and I do not see any difference between the use of the word quibbling yesterday and the use of it to-day. If it be objectionable it is a pity attention was not called to it before. I adhere to the expression 'slim arguments' used by the hon. gentleman from de Salaberry. In the first place, he combats one of the reasons raised by the hon. member from Stadacona by saying that he did not speak while this motion to adopt the report was under consideration in this House. If anybody will take the trouble of going through the debates, he will find the hon. gentleman spoke once, twice, three times, four, five, six, seven——

Hon. Mr. LANDRY—Oh, that is enough.

Hon. Mr. CLORAN—We will get the exact number—eight. On the eighth occasion he says, 'If it is the desire of the House to take up the matter now I am going to move an amendment.' That was the time he moved the amendment.

Hon. Mr. FERGUSON—It is due to ourselves that this House should be protected. The Speaker decided that the hon. member from de Salaberry had not spoken in a sense which precluded him from speaking again. Why then does the hon. gentleman discuss it again? It is certainly out of order to challenge the decision of the chair.

Hon. Mr. CLORAN—I do not know that any decision of the chair was rendered to-night. I am not alluding to any past debate.

Hon. Mr. FERGUSON—It was decided when the hon. gentleman raised the point of order the other day. The Speaker decided that the hon. member from de Salaberry was within his right, that he had not spoken in any way to preclude his making a motion. Now, if that is right, surely this House must protect itself against challenging the decision of the chair, and taking up so much time in going over a point that has been already settled. Surely we must protect ourselves.

Hon. Mr. CLORAN—Certainly that is what we are trying to do.

The SPEAKER—The hon. gentleman is out of order, but he has the floor.

Hon. Mr. DANDURAND—A point was raised by the hon. member from Marshfield, and I should like to have a decision by the Speaker.

Hon. Mr. CLORAN—The hon. gentleman from de Salaberry has given his answer to the point of order, and now the hon. member from Marshfield wants the House to protect itself against what ?

Hon. Mr. FERGUSON—Against challenging the decision of the Speaker. I asked for a ruling.

The SPEAKER—A ruling has been asked for. The hon. gentleman is undoubtedly out of order in undertaking to declare that a ruling which I gave two days ago was not correct. That is practically what it is. I ruled that the hon. member from de Salaberry had the right to make the motion which he did, and the hon. gentleman is simply reflecting on my decision.

Hon. Mr. CLORAN—I bow most respectfully to the decision of the chair, but I regret to find that both the hon. member from Marshfield and the Speaker are under a misapprehension as to the point I am taking. I am not calling in question the decision of the chair, which I respected the night before last and respect to-night.

The SPEAKER—The hon. gentleman, I understood, rose to discuss the point of order raised by the hon. gentleman for Stadacona.

Hon. Mr. CLORAN—I am giving information, but apparently I cannot give understanding. That was told to me here one evening, and I am glad to repeat it to the House. If I fail to make the hon. member for Marshfield understand the point I am making, it will only devolve on me to use a little more effort, that is all. The hon. member from Stadacona has made to my mind, a clear point of order. The hon. member from de Salaberry has a perfect right to answer that point of order and has made the best of his case. I consider the best of his case a very poor statement. The reason is this: he wants to convey to the House that he did not speak to the motion, when I find in the debates—and this is not attempting to reflect on the decision of the Speaker——

Hon. Mr. KERR (Toronto)—I think hon. gentlemen will all see that this is really a series of running comments on the decision given by the Speaker. I appeal to the hon. gentleman from Victoria to respect the Senate.

Hon. Mr. CLORAN—I regret exceedingly that the attitude of the hon. member from de Salaberry and the hon. member from Marshfield is concurrent with the attitude of the Speaker. As I have distinctly stated, I respectfully bow to the decision of the Speaker, and do not want to challenge him in every respect, but when I find an hon. member whose attitude is challenged by a colleague who has given his answer, and an answer which I do not admit to be proper, am I to be held out of order because the remarks I have to make in answer to his statement, not on account of any wish on my part, reflect on previous rulings. When the hon. gentleman from de Salaberry stated that he had not spoken to the motion—as a matter of fact, the debates show that he spoke nine times. All the authorities quoted by the hon. gentleman from Stadacona bear him out in this, that once a senator has spoken one word—and it has happened to me,—but simply having risen, and when called to order, on again rising, is not allowed to move an amendment. The hon. gentleman from de Salaberry has spoken not only one word but has spoken eight times. His speeches are on record in the debates, and when the hon. gentleman from Stadacona puts these facts before this honourable House and before the Speaker backed by the authorities which he has quoted after close study for the last two weeks, he is asserting the rights of each individual senator, and it is not proper for any hon. senator to ask the Speaker to protect this House against what is their privilege and their right. That is the first point. Now, in regard to the relevancy of the motion, all hon. members have to do is to read the report. I shall not read it. It appears on page 642 of the Minutes. They will find the report of the Select Committee, the consideration of which I moved in this honourable House. That was under consideration for an hour or two, and finally the hon. gentleman from de Salaberry moved an amendment, which I, jointly with the hon. member from Stadacona, considered to be completely irrelevant, to the motion I made, and cannot be attached. It may be—well, I cannot use the word; I do not know the word to use, but I would not dare use the word which has been used—sharp practice, but I do not know why this thing is brought up in this way. I never use a word reflecting on the character of hon. senators.

The SPEAKER—If the hon. gentleman will confine himself to the question of order——

Hon. Mr. CLORAN—I am confining myself to the debate raised on the floor of this House. I am now on the question of the relevancy of the motion made by myself on behalf of the committee, that their seventh report be considered, and I hold, with the hon. gentleman from Stadacona, that the amendment of the hon. gentleman from de Salaberry is not relevant. That can be ascertained by putting the two together, the amendment as written and drafted by the hon. senator, and the report of the committee. Although a young member of this House, I stand up for the rights of committees. The hon. member from Stadacona has quoted numerous authorities where the rights and privileges of a committee, and the chairman of a committee, should not be interfered with by the House or by the Speaker. He has quoted numerous authorities, the best that English parliamentary history can give us, and it is there laid down that the decisions of the chairman of a committee, especially where they are endorsed by the committee, should not be interfered with by the House or by the Speaker. That is parliamentary history. It is parliamentary procedure. That is the endorsation of centuries of parliamentary procedure, but for some hidden purpose these opinions, these decisions of the chairman, the work of the committee, are challenged openly before the Speaker and before this House, without any fair or full knowledge of what transpired before the committee. I hold that the hon. gentleman from Stadacona discharged a duty to this House, and to the parliamentary privileges of the Senate, when he quoted the authority of English procedure in this matter, and proved that neither this House nor the hon. Speaker has the right to interfere with the work of the committee, nor the decisions of the chairman, except on grave occasions. These are the opinions for which I now stand, and as I stood this afternoon, and for the opinions of the hon. leader of the opposition in a matter that would seriously affect the privileges of parliament.

Hon. Mr. SCOTT—Order. I am not prepared to tolerate any longer the lecture the hon. gentleman has been giving the hon. members of this House, as to their duty. I think they knew their duty before the hon. gentleman was born.

Hon. Mr. CLORAN—I do not propose to accept a lecture either. I am standing here backing the opinion of a large number of hon. gentlemen, and I do not want to be lectured.

Hon. Mr. KERR (Toronto)—The hon. gentleman is entirely out of order.

The SPEAKER—Better let the hon. gentleman proceed.

Hon. Mr. SCOTT—He will never finish.

The SPEAKER—If the House is ready for my decision, I am ready to give it. The hon. gentleman has given three reasons—I had better be careful—three alleged reasons why this motion is not in order, as I understand.

Hon. Mr. LANDRY—I did not say alleged.

The SPEAKER—First, that the amendment is not relevant. I think the hon. gentleman is probably—I do not wish to use too strong a term—confounding the motion of which the hon. gentleman from de Salaberry has given notice, that he would appeal from the decision of the chairman of the Select Committee.

Hon. Mr. LANDRY—No, not at all.

The SPEAKER—The first ground taken, is that the amendment is not relevant to the motion. The motion made by the hon. gentleman from Victoria, was that the seventh report of the committee to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York be concurred in. That report was one which covered, as the hon. gentleman told us, part 5 of the evidence.

Hon. Mr. LANDRY—No, no.

The SPEAKER—I spoke from memory. I paid a good deal of attention to the speeches which the hon. gentleman from Victoria made——

Hon. Mr. LANDRY—It is a special report, for that point of order.

Hon. Mr. FERGUSON—It included the evidence.

The SPEAKER—The report reported the evidence. It brought the evidence before the House. This evidence was before the Senate, and the hon. gentleman from de Salaberry then moved in amendment 'that the report be not now adopted, but that all

the words after the word 'that' be struck out and that the following be substituted therefor. The document exhibit No. 6 mentioned and referred to in the said seventh report, is not admissible as evidence of any statement therein contained, and should be expunged from the evidence reported to this House. The motion of the hon. gentleman from de Salaberry is practically that this document should be expunged from the evidence. No hon. gentleman in this House will undertake to say that when a report comes before the Senate containing evidence, the Senate has not the right to expunge from that report anything which it pleases; so that the amendment is perfectly relevant. The report brings up the evidence, and asks the House to accept that evidence, as the evidence which should be before it, and the amendment proposes to strike out a certain portion of the evidence. I do not think an amendment could well be more relevant to a motion than that is. So that on the ground of irrelevancy the point of order is not well taken. Then the hon. gentleman took the ground that there is no appeal from the decision of the committee. That might be a good enough ground to take if the hon. gentleman from de Salaberry had moved by way of appeal against the decision of a committee or the chairman of a committee, but he did not. He has moved a substantive motion with respect to the evidence which is before the House, and which he has a perfect right to move, and there is no necessity to consider the other appeal. The authorities which the hon. gentleman cited were very good authorities, but they do not happen to be relevant to this question. Then as to the fact that the hon. gentleman from de Salaberry had spoken, he may have spoken twenty times, but as a matter of fact he moved this resolution. The question of order was raised when he moved the resolution, and it was held, rightly or wrongly, that he had the right to move the amendment, and that was the time to take the objection. But to take the objection two days afterwards that the hon. gentleman had spoken twice, and consequently could not move the amendment, must strike hon. gentlemen as being perfectly absurd on the face of it, particularly in a House like this, where we are not very strict about rules. Therefore, my decision is that the points of order of the hon. gentleman are not well taken.

The SPEAKER.

Hon. Mr. LANDRY—Hear, hear.

Hon. Mr. DOMVILLE—Of course the hon. gentleman from de Salaberry is responsible for this long debate, precipitated on the House by what has been considered an unusual course, although the hon. Speaker has ruled in his favour, and I am naturally bound to accept it; but the hon. Speaker has ruled that this motion is in order, because it is to expunge a part of this report, and I had started reading this report, and the cutting out of a portion of it was going to materially interfere with the whole context. If it is the wish of the House I shall move the adjournment of the debate.

The motion was agreed to.

DELAYED RETURNS.

Hon. Mr. LANDRY—I beg to ask the hon. Secretary of State when I may expect to get the returns I moved for, for which the order of the House was given, relating to the 'Gauss' and the 'Neptune,' to Joseph Painchaud and a few others. I want to get them before the House prorogues.

Hon. Mr. SCOTT—I have done all I could. I think the hon. gentleman is entitled to the returns. I have been very much annoyed about it, and I need not state the views I expressed to the department. They have promised to send these returns over to me, but I have not received them, and I cannot do anything more.

Hon. Mr. LANDRY—For the information of the hon. minister I may state that last year before the House prorogued the return for the 'Neptune' was ready in the Marine Department. I asked for it early this session, and I know it is ready.

Hon. Sir MACKENZIE BOWELL—I should like to call the attention of the Secretary of State also to a return for which I moved, in connection with the reports that were made by Col. Prince on the investigation of the charges made in reference to the 'Gauss,' and I should like if possible to get the return in connection with the ice-breakers., I also called the attention of the hon. gentleman the other day to the return which was moved for by the hon. gentleman from Stadacona with reference to

the appointment of honorary colonels. That of course was a year or two ago.

Hon. Mr. SCOTT—That return was brought down.

Hon. Sir MACKENZIE BOWELL—When?

Hon. Mr. SCOTT—Last session.

Hon. Sir MACKENZIE BOWELL—Could the hon. gentleman tell me where it could be found?

Hon. Mr. SCOTT—Yes, I have a memo. on my desk to give the hon. gentleman. I will produce it in the morning. It went to the Printing Committee, and they ordered it to be printed, and it is printed in the appendices. I had it looked up in order to give the hon. gentleman the information.

Hon. Sir MACKENZIE BOWELL—I should like the hon. gentleman to furnish the following information for the Senate when the question of the purchase of the Eastern Extension Railway is under consideration. A Bill has been introduced in the Lower House for the purchase of that line, running from Chatham to Fredericton, also the taking over of the St. John bridge. If the hon. gentleman could have the information furnished, with the information showing the original cost of the road, and the bounties and subsidies which the company had received, and the cost of operating the road per year for a number of years past, together with receipts, in order that we might be enabled to understand thoroughly the responsibilities that we are assuming in the purchase of that road.

Hon. Mr. SCOTT—I shall endeavour to get all that information.

Hon. Sir MACKENZIE BOWELL—If the hon. gentleman would also ascertain what is the weight of the rails that have been used in the construction of the road, together with the condition of the road at the present moment, because it may be in the same state as the Drummond County was in, which cost a million or two to put in repair. I think the Senate would like to have the information to which I have called attention, to enable them to deal intelligently with the question when it comes before them. I am not going to discuss the propriety of it now.

Hon. Mr. SCOTT—I will endeavour to get it. In regard to the bridge, hon. gentlemen will remember, we are the owners of the bridge. We had a mortgage on it, and the interest has not been paid, and we simply took it over. The rails were only sixty pounds to the yard, I think. Perhaps I am mistaken. I know they were not higher than that.

The Senate adjourned until eleven a.m. to-morrow.

THE SENATE.

Ottawa, Thursday, August 4, 1904,

The SPEAKER took the Chair at Eleven a.m.

Prayers and routine proceedings.

THE COPYRIGHT QUESTION.

MOTION ALLOWED TO STAND.

The notice of motion being called:

By the Hon. Mr. David:—
That an humble address be presented to His Excellency the Governor General; praying that His Excellency will cause to be laid before the Senate copies of all correspondence, petitions and documents in the hands of the government, being connected with the copyright question, and the law on the subject; also, for a statement of the number of foreign books which have been reprinted in Canada in accordance with our laws on copyright.

Hon. Mr. DAVID—I would like to have this motion stand.

Hon. Sir MACKENZIE BOWELL—I understood the hon. gentleman had the report to which this motion refers handed to him yesterday?

Hon. Mr. DAVID—Yes, I have part of the return, but I am not in a position to draw conclusions from those documents. A good deal of time will be required for consideration, and I ask that the motion be allowed to stand once more for the last time.

Hon. Sir MACKENZIE BOWELL—I have no objection to the motion standing, but I am calling the attention of the House to the irregular way in which these reports are laid on the table. I placed a notice on the paper a short time ago for a return, and before I could make the motion the hon. Secretary of State said he had the document ready for me. Not giving it proper reflection, I withdrew

my motion, and that removed it altogether from the records of the House. In this case the hon. gentleman gave notice of the motion for papers on a very important subject. I am very glad he did, so, because it is a subject which has agitated this country, more particularly the publishers, for a number of years. Then when the motion is called, the hon. gentleman rises in his place and says 'I have that return.'

Hon. Mr. WILSON—It is hardly fair to raise this question in the absence of the hon. Secretary of State. Perhaps the leader of the opposition will wait until he comes in.

Hon. Sir MACKENZIE BOWELL—I have said already all that I intended to say, but I do not know that the business of the House has to be stopped, particularly at this stage of the session, because the ministers of the Crown are not here. It is their duty to be here.

Hon. Mr. WILSON—There are times when a minister cannot be in his place.

Hon. Sir MACKENZIE BOWELL—I do not care——

Hon. Mr. WILSON—We ought to care. We ought to consider the rules of courtesy which one gentleman should show to another.

Hon. Sir MACKENZIE BOWELL—I do not propose to be read a lecture by the hon. gentleman as to what constitutes gentlemanly conduct. I appreciate what the hon. gentleman said. I felt the force of what he said before I rose—the absence of the hon. Secretary of State—but had I not called attention to the fact then, I would have had no opportunity to do so again unless I encroached on the time of the House. I had no right to do so. I know my duty here, and I do not think the hon. Secretary of State or any one else will accuse me of taking advantage of his absence, or treating him in what the hon. gentleman calls an 'ungentlemanly manner.'

Hon. Mr. WILSON—I do not think the leader of the opposition should imagine I was reading him a lecture. I was merely calling attention to the fact that the leader of the House was not in his place——

Hon. Sir MACKENZIE BOWELL—I said he ought to be here.

Hon. Mr. WILSON—I called the attention of the hon. leader of the opposition to the fact that sometimes people cannot always be in their place. The Secretary of State is now in his place, and it is an easy matter for the leader of the opposition to refer to the matter and not imagine that I was trying to read him a lecture. He is about the last man to whom I would try to read a lecture.

The motion was allowed to stand.

THE LIEUTENANT GOVERNORSHIP OF PRINCE EDWARD ISLAND.

INQUIRY.

Hon. Mr. FERGUSON rose to :

Call the attention of the Senate to the delay which has occurred in filling the office of Lieutenant Governor of Prince Edward Island, and will inquire of the government when an appointment will be made to that position ?

He said : The vacancy, I think, stands since the 23rd of May. It is true, the late Lieutenant Governor continues to act until his successor is appointed, but three months have expired, and it is time that we should know whether Governor McIntyre is to have a second term, or a new appointment is to be made.

Hon. Mr. SCOTT—I do not think there has been any improper delay in this matter. The history of the appointments of Lieutenant Governors, and their successors shows that neither government has been prompt to remove a Lieutenant Governor at the expiration of his term. Sir Leonard Tilley held his position after a second term for three years. John Beverly Robinson held his for two years. Mr. Howland was appointed on the 24th February, 1894, and this government did not think proper to remove him or appoint a successor until May, 1899. He retained the office over three months after the expiration of his term. In this case the period is not yet three months. I mention these cases to show the practice that has prevailed in the past. I need not go beyond the immediate predecessor of the present Lieutenant Governor, who held this position one month beyond the term and nobody objected. There has been a pressure of parliamentary business this session, and everything has been running at high speed. The subject has not been brought up or referred to. It has

not been forgotten, and it will be attended to as soon as parliament rises.

Hon. Mr. FERGUSON—I do not think my hon. friend is correct in saying that when similar cases occurred in the past no attention was paid to them. If my memory serves me, in the case to which the hon. gentleman refers, the Lieutenant Governorship of Ontario, the opposition made a dead set to have a successor appointed. It was claimed that the Lieutenant Governor's term having been extended, it gave the government improper control over him.

Hon. Mr. SCOTT—That was two years; there is a great difference between two years and three months.

Hon. Mr. FERGUSON—The length of time does not at all settle the matter. It might be possible to do more harm in three months than in two years.

QUEBEC AND LEVIS FERRY.

INQUIRY.

Hon. Mr. LANDRY inquired :

1. Is there a contract between the government and the person who actually transfers baggage from the Quebec and Lévis ferry-boats to the trains of the Intercolonial Railway, or from the trains of the Intercolonial Railway to the said ferry-boats ?
2. If there is a contract, what is the amount of it, its duration, and who obtained it ?
3. If there is no contract, who at present makes this transfer, and on what conditions does he make it ?
4. In the latter case, why have tenders not been asked for ?

Hon. Mr. SCOTT—The replies are as follows :—

1. There was a contract entered into in January, 1899, between Her Majesty and Napoleon Hallé and Narcisse Marceau for hauling baggage from the Quebec and Lévis ferry-boats to the trains of the Intercolonial Railway, and vice versa.

2. The contract price for hauling the baggage was eight cents per load. The contract was to terminate upon either of the parties thereto giving one month's notice.

3. In February, 1904, Messrs, Hallé & Marceau gave notice that they could not continue to do the work at the rate named in the contract, and at the end of a month thereafter the contract terminated. Tenders were then invited, but no offers were received. An arrangement was then made with Messrs. Hallé & Marceau to continue to do the work at fourteen cents a load, which was the lowest price they were willing to perform the service for.

4. Answered by number 3.

Hon. Mr. LANDRY inquired :

1. Did a person named Rouleau, of Lévis, once have the contract for the transfer of baggage from the trains of the Intercolonial Railway to the ferry-boats between Quebec and Lévis, and vice versa ?
2. Did the government afterwards give this contract to Messrs. Hallé & Marceau ?
3. In what year, and for what reasons, was this contract taken away from Mr. Rouleau ?
4. Have Messrs Hallé & Marceau relinquished their contract to the government ?
5. Why ?
6. Was it on the expiration or before the expiration of the said contract ?
7. Who succeeded Messrs. Hallé & Marceau, and who is now doing the work for the execution of which they had the contract ?

Hon. Mr. SCOTT—The reply to the first question is :—

In March, 1897, a contract was entered into with Messrs. Rouleau & Begin for the transfer of baggage to and from the Quebec and Lévis ferry-boats and the Intercolonial Railway.

2. Yes.

3. In December, 1898. Complaints were received by the minister that Messrs. Rouleau & Begin were not doing the work satisfactorily; therefore a form of surrender of the contract was sent them which they signed. Tenders were then invited and the contract was awarded to Messrs. Hallé & Marceau.

4. Yes.

5. Because they could not perform the work at the price named in the contract.

6. At the expiration by notice.

7. No one. Messrs, Hallé & Marceau continued to do the work at an increased price.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

INQUIRY.

Hon. Mr. DOMVILLE inquired :

If the government is aware that the House of Lords in England in the case of Foster vs. the Mutual Reserve Fund Life Association of New York on appeal from the Court of Appeal there has given judgment against the company ?

Hon. Mr. SCOTT—I heard of it as I came into the chamber a few minutes ago. I did not hear the facts and I do not know anything of the merits of the case.

FRENCH VERSION OF MILITIA RULES AND REGULATIONS.

INQUIRY.

Hon. Mr. LANDRY inquired :

When will the French officers of the French militia of Canada be put in possession of a French translation of the Rules and Regulations for the militia and of the last volume of Infantry Exercises ?

Hon. Mr. SCOTT—I must confess I had not seen this notice before coming into the House, and I have had no opportunity of making inquiry about it. I presume the French translation should be made as rapidly as possible, contemporaneously with the English.

Hon. Mr. LANDRY—I do not want suppositions ; I want a reply to my question—is it to be done or not to be done ? I suppose the same answer will apply to all questions I have on the order paper, that the minister has had no time to look at them.

Hon. Mr. SCOTT—This is the first time I have seen them. I did not get the order paper until this moment. I telephoned to the Bureau to find out if it was published.

The motion was allowed to stand.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

MOTION.

Hon. Mr. MACDONALD (B.C.)—Before the Orders of the Day are called I wish to take advantage of the decision rendered by the Speaker yesterday, to make a motion without notice. I now propose to move with regard to the notice of motion given by the hon. member from de Salaberry yesterday. It appears in the Minutes, and is therefore a proper subject to come before the House on the ruling of the Speaker.

The SPEAKER—I ruled that a question of privilege could be taken up without notice.

Hon. Mr. LANDRY—That is a question of privilege.

Hon. Mr. MACDONALD (B.C.)—I do not agree with the ruling at all, but I take advantage of it to submit a motion without notice. My own belief is that notice should be given of every motion in this House, and notices of motion should not be discussed before they are moved by those who have given notice of them. My intention is to move :

That this House is not in a position to pronounce for or against the integrity of the transactions of the Mutual Reserve Fund Life Association of New York in Canada, and therefore decline to accept the motion relative to such transaction placed on the Order paper by the honourable gentleman from de Salaberry.

The motion which appears on the paper asks this House to give a decision upon the management of the Mutual Reserve, and assumes that the company has not been guilty of wrong-doing. I am sure the House is not ready to come to a conclusion. The evidence has been placed before us, but who has analysed it to be able to form a conclusion ? We have our own ideas, but I for one could not possibly say that this company have been guilty of fraud and dishonesty or that they have been entirely innocent. The notice put on the paper by the hon. member from de Salaberry is :

That he will move the following as being the proper conclusions to be drawn from the evidence reported to this House by the Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York, namely :

Then he goes on to recite facts brought out in the investigation, the intention being to whitewash the company. I think the hon. gentleman is trifling with the privileges of this House, and with his own acuteness of intellect, to ask the Senate to pronounce a verdict when they cannot possibly do so. The best thing the hon. gentleman can do is to withdraw this motion.

Hon. Mr. BEIQUE—If the hon. gentleman will permit me, I am disposed to tender an apology for having assumed that he was expected to be prepared to form a judgment on the investigation made by the committee, and on the evidence before this House ; but I do expect that there are gentlemen in this honourable House, who are able to form their own judgment on the matter.

The SPEAKER—I could not put that motion, because it is quite out of order.

Hon. Mr. LANDRY—Would the hon. Speaker state the rule ?

The SPEAKER—I have answered enough of the hon. gentleman's questions already. It is not fair to be continually asking those questions.

Hon. Mr. LANDRY—The rules of this House say that when a question is raised and the Speaker is asked to decide, he must decide and cite the rule. I ask him to do that.

The SPEAKER—It is a very simple rule; notice is required of every motion except certain ones which, yesterday, were referred to as set out in Bourinot; and this is not a motion which is exempt from the obligation of notice, that is all.

Hon. Mr. LANDRY—Hear, hear.

The SPEAKER—It is not a motion which affects the privileges of the House. It is a matter with respect to the ordinary business which does not require two days' notice, but does require one day's notice.

Hon. Mr. LANDRY—Hear, hear.

Hon. DeBOUCHERVILLE—The Speaker has no right to give a decision unless he is asked. He has not been asked to give a decision.

The SPEAKER—The hon. gentleman is probably correct.

Hon. Mr. MACDONALD (B.C.)—Hon. gentlemen will remember that the hon. member from Rothesay was quite in order in addressing the House on a motion the other day, and a motion was accepted against his motion, though no notice of it had been given. It could not be a question of privilege, because there was nothing offensive said by the hon. gentleman from Rothesay. It was a plain business resolution, according to the rules of this House, yet the Speaker rules that a motion could be made against that without notice being given. I am now ruled out of order for following the line laid down in that decision. Where is the common sens? I cannot see it.

Some hon. GENTLEMEN—Order, order.

The SPEAKER—Orders of the Day.

Hon. Mr. LANDRY—Before the Orders of the Day are called, I wish to direct attention as a matter of privilege to something which occurred this morning. We want copies of the Minutes of Proceedings and cannot get them. An order has been given not to distribute copies of the minutes to members of this House. I want to know who gave the order?

Hon. Mr. SCOTT—I am quite sure that nobody in authority gave any such order. There probably were none there. I tried myself to get a copy, and even telephoned to the Printing Bureau and made some pretty sharp observations because the minutes were not up in the morning.

Hon. Mr. LANDRY—The hon. gentleman was an innocent victim because at the time when I was given that reply, the minutes had been delivered here and had been distributed in the House.

The SPEAKER—I think I can explain what happened. I have just been informed by the Clerk that he instructed the postmaster that the hon. gentleman from Rothesay needed a certain number of copies of the minutes, and he was not to give away the copies of the minutes until the hon. gentleman had got what he required. The usual distribution had taken place amongst the members when this order was given to the postmaster.

Hon. Mr. FERGUSON—Do I understand that a preference is given to the hon. member from Rothesay; that he is to get documents that are not accessible to other members?

Hon. Mr. DOMVILLE—I am an innocent victim also. I mentioned the trouble I had the other day to get copies. I sent a messenger down to the Bureau and asked to have them printed at my own expense, but I have not yet had an answer from the Bureau.

Hon. Sir MACKENZIE BOWELL—I am in the same position as the hon. Secretary of State. When I went to the post office this morning to get the minutes, they were not to be found in the usual place. I asked the postmaster if he had received them. He said 'yes', and handed me one. I want to call attention to the fact that I have not yet received a copy of the very first Bill on the order paper; the next is not printed at all, and none of them are printed in French.

Hon. Mr. SCOTT—I have copies of the Bills on the order paper here. Going to the post office is not a safe way. The postmaster should call attention to the fact when Bills are received.

Hon. Mr. LANDRY—Are those Bills printed in French?

Hon. Mr. SCOTT—I do not know.

Hon. Mr. LANDRY—Well, I shall object.

Hon. Mr. SCOTT—The Printing Bureau is not to blame. The men are working there night and day—all the staff that can be put on. Last night I gave orders that Minutes of Proceedings and Bills for the Senate should have precedence as we were to sit this morning. They promised to have them here at ten o'clock this morning. Apparently they were delivered, but were not distributed, because, when I spoke just now, one of the pages came and placed on my table copies of all the Bills.

Sir MACKENZIE BOWELL—What the hon. gentleman says may be quite true, but we have not received copies. I find only a copy of Bill 152 on my file.

The Order of the Day being called for the second reading of Bill 152 'An Act respecting an arbitration between His Majesty and the Grand Trunk Company of Canada.'

Hon. Mr. LANDRY—Is that Bill printed in French?

Hon. Mr. SCOTT—I am not aware if it is.

Hon. Mr. LANDRY—Well, I object.

The SPEAKER—If objection is taken, that will have to go over. The shortest way would be to say that all the Bills on the order down to No. 6, shall stand, because they are not printed in French.

Sir MACKENZIE BOWELL—Some of them are not printed at all.

Hon. Mr. SCOTT—I find they are all printed. It has not been usual to insist on impossibilities at this stage of the session. It is impossible with the pressure of work on the translators branch and on the Printing Bureau, to keep up with the formal rules of the Senate. Of course if hon. members insist on that, this House may as well rise as remain here, because it is not possible, I care not what staff you have, to do everything in a moment. The Proceedings and the Bills are more promptly printed here than in any part of the world. I say it advisedly, because I have had occasion to inquire into it. At Washington and London they are generally twenty-four to thirty-six hours behind the regular time. Here it is perfectly marvellous the rapidity with which the proceedings of the House are printed. On one occasion the debate in the House of Commons, lasting until five o'clock in the morning, and embracing 100 pages of Hansard, was on the desks of members at eleven o'clock that same day, six hours after the House rose. That is a feat that is not performed anywhere but in Canada. Hon. gentlemen ought to be reasonable at this stage of the session. Of course we can avoid the difficulty by postponing prorogation. I do not question the right of hon. gentlemen to take all the exceptions they chose, but it has not been usual in past years, at this period to do so, except in matter of primary importance. The Bill under consideration is not a matter of primary importance. It is ratifying an arbitration that is to be carried on between the Grand Trunk Railway Company and the Dominion, a very old subject rising out of the transfer of the Rivière du Loup branch.

Hon. Sir MACKENZIE BOWELL—The remarks of the hon. Secretary of State are quite correct. To use his own language, it is impossible to have the volume of business sent to the Printing Bureau ready for distribution in so short a period. While that is impossible, it is just as impossible for any one to legislate upon those Bills without ever having seen them. There is only one solution of the difficulty, and that is the one I suggested last year, to accept the Bills without any consideration, which I for one do not propose to do.

Hon. Mr. McMULLEN—At this period of the session, I am quite sure that on both sides of the House there ought to be a general feeling to forbear from sticking on technicalities and preventing work being done. For my part I am willing to facilitate business in any way I can. I quite agree that it would be better if all the rules of the House could be complied with, and I believe the Secretary of State has made the best effort he could to have everything before the House and prepare for the closing. I will say frankly, and it is just as well I should be frank, unless all this discussion regarding the New York Mutual Reserve Fund Life Association is absolutely dropped,

it is utterly hopeless to expect this House will rise for two weeks. I know the feeling, and I can tell the hon. member from de Salaberry, if he is going on with his resolution, this House is here to stay for two weeks. nothing short of it. I would recommend those who have charge of these questions to drop the controversy. The Bill has gone through the House ; if they pass it in the Commons let it go, but if we are to get out of this House inside of two weeks, we had better drop the whole thing. If not, the man who introduces new matter and lays the foundation for further discussion, as the hon. member from de Salaberry has done, will have to assume the responsibility of keeping this House in session for two weeks yet.

Hon. Mr. LANDRY—Hear, hear. I maintain my objection.

Hon. Mr. BEIQUE—I am able to take care of my own responsibility if the hon. member will do the same thing for himself.

Hon. Mr. ELLIS—I have received a copy of Bill 152 in French.

Hon. Mr. LANDRY—I have not received it.

Hon. Mr. ELLIS—The hon. member can have my copy if he wishes.

Hon. Mr. LANDRY—But it has not been distributed.

Hon. Mr. CASGRAIN (Windsor)—Yes, I have a copy of it here.

CLAIM OF L. P. TANTON.

INQUIRY.

Hon. Mr. SCOTT—The hon. member from Marshfield has a notice on the Orders :

That he will inquire of the government what settlement, if any, has been effected regarding the claim of Louis P. Tanton, of Charlottetown, P.E.I., for loss sustained by him owing to detention of perishable goods while in transit over the Intercolonial Railway ?

While the House has no business before it I may say to the hon. gentleman that I have received an answer to this inquiry. It is as follows—no settlement of the claim has been effected—Mr. Tanton was offered sometime ago $120, without prejudice, in full settlement, which he declined.

Hon. Mr. FERGUSON—I am quite surprised that my hon. friend should have given that reply to-day. I have quite a correspondence with the minister on the subject, and finally it was understood between us that I would put a notice on the order paper. He explained to me that he was not able to get a moment of time to consider the case, but he expected to reach it soon and would give it his attention. It was understood that I should put a notice on the order paper, and it was to stand, in the hope that he would reach it before the end of the session. The answer now is not in keeping with our understanding. I ask therefore that the notice stand until the minister can carry out his assurance to me, that he will deal with it at the earliest possible moment.

Hon. Mr. SCOTT—I thought I was complying with the hon. gentleman's wishes. I was not in the plot.

Hon. Mr. FERGUSON—That is all right.

GRAND TRUNK RAILWAY ARBITRATION BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of :

Bill (152) An Act respecting an Arbitration between His Majesty and the Grand Trunk Railway Company of Canada.

He said : This is a purely formal Bill. It is ratifying in advance any award that may be made by the arbitrators appointed or to be appointed—I do not really know whether they are appointed or not.

Hnn. Sir MACKENZIE BOWELL—Did the hon. gentleman say ratifying in advance?

Hon. Mr. SCOTT—Yes, ratifying whatever award they may make. That is the usual way, if we are going to make an honest arbitration of it. Although we validate it, still there is an appeal to the Supreme Court. It is valid only to that extent. If either party wishes to appeal to the Supreme Court, they can do so. Perhaps I am wrong in putting it quite as strongly as that. The clause reads :—

4. Notwithstanding anything in the said agreements, the said arbitrators, or a majority of them, may render their award at any time within three months after the final hearing of the evidence and argument ; but this period may be extended, either before or after its expiration, by any judge of the Supreme Court of

Canada, on the application of either of the parties.

It is not an appeal. It is simply enabling the judge of the court to extend the period for making the award.

Hon. Mr. FERGUSON—This arbitration is to take in a very much wider area than was explained to us by my hon. friend when the Bill was read the first time. I understood my hon. friend to say that it proposed to deal with the settlement of questions that had arisen in reference to the purchase of the Rivière du Loup branch of the Intercolonial Railway in 1879.

Hon. Mr. SCOTT—That was the main point. There was a subsidiary point.

Hon. Mr. FERGUSON—Whether it is the main point or not, it is perhaps almost impossible for my hon. friend to know, unless he knows a great deal more than we do, for I notice it also proposes to deal with another agreement made in 1899, which is the Drummond County transaction and which we know is a very important matter, and under which it is very likely some serious questions have arisen. It also deals with the supplementary traffic agreement of which we heard so much when the Drummond County Railway Bill was finally passed by this House. Hon. gentlemen will refresh their memories as to the terms of that agreement, and a very serious amendment which was made in this House to that agreement, and which facilitated the acquiring of the Drummond County Railway. I am told on excellent authority that the Hon. Mr. Blair complained bitterly as to the manner in which the Grand Trunk carried out the supplementary agreement with the Intercolonial Railway; that, practically, the latter road got little business of any account in consequence of it; that the Grand Trunk did not give them the business they expected to get, and he complained very much of the result to the Intercolonial Railway from the traffic agreement. I suppose these complaints of Mr. Blair are some of the matters to be referred to this arbitration. If that is so, it would be interesting for us to know how the commission is to be constituted; who are to be members of it; if the government have advanced that far in the matter, so that we may know whether a proper tribunal is to be created. I think it is important we should know all this. Beyond what Mr. Blair stated publicly a year or so ago, with regard to the manner in which the Grand Trunk had carried out that supplementary traffic agreement in regard to delivering freight to the Intercolonial Railway at Montreal—with the exception of that complaint, I have not known that any questions existed between the government and the Grand Trunk Railway with regard to any of these transactions. However, I presume what formed the burden of Mr. Blair's complaint at that time is now going to be adjudicated upon. It would be useful for the House, and important for us to know, before we pass this Bill, somewhat about the tribunal, how it is to be constituted, and, if possible, that we should know a little more than we do with regard to what the matters in dispute really are, and especially with regard to that traffic agreement.

Hon. Mr. SCOTT—I presume the traffic agreement is that set out in the Act of 1899. It contains a great many clauses—I think about fifty separate clauses. It is a very long Act, and a great deal of it is technical matter connected with the traffic of a railway; but I should not like to describe it. I should not feel equal to it, and it is quite natural that difficulties would arise. It was foreshadowed at the time by those who were not favourable to that connection, that the Grand Trunk Railway impulse would naturally be to send as much traffic as possible to Portland. The subject-matter of the dispute will be based largely on the various clauses set forth in the agreement of 1899, and they arise, probably naturally, from the foreshadowing of many gentlemen who took an interest in the debate, and who pointed out with a great deal of truth and justice that the Grand Trunk would naturally favour the line to Portland for goods going abroad. I presume it arises out of that. I do not profess to know what the contents are. They are technical matters altogether within the knowledge of the traffic department of the company, and whatever they are, the safer and better way will be to refer them to arbitration. We must assume the arbitrators will be men of probity and honour. They have not been named, and I do not know whom they

have in view. I do not know that they have been named without my knowing it, and therefore I am quite unable to foreshadow who may be appointed.

Hon. Sir MACKENZIE BOWELL—The provisions in this Bill are not of the character that my hon. friend indicated when he first made the motion, his explanation being of a very formal character. What the hon. gentleman has said is quite correct that when the Bill was passed in 1899 for the purchase of the Drummond County Railway, many objections were taken to it, among them that it was not sufficiently explicit as to how the delivery of the western freight destined for the maritime provinces was to be carried out. It was then pointed out that the Grand Trunk having a line of its own from Montreal to Quebec, and also a line from Montreal to Portland, the probabilities were that unless the clauses were drawn so clearly that there could be no misunderstanding, that the Grand Trunk Railway would very naturally divert the trade to Quebec by their own road or to Portland by their own road. I am very glad to hear the hon. gentleman at this late day acknowledge the correctness of the position we took at that time, and had it not been for the position we took at that time, and had it not been for the very important amendments which we insisted upon at that time, that traffic would have been in a very much worse position than it is now. So much for the past. Can the hon. Secretary of State inform the House—it is information which I think we ought to have, as to what the character of the difficulties is that have arisen between the Grand Trunk and the Intercolonial Railway in the transference of western freight for the maritime provinces at Montreal? Difficulties must have arisen, or there would be no necessity for this Bill. I think we are entitled, before we proceed with the Bill and pass upon it, to have that information—what the disputes are, and under which clause of the Act to which my hon. friend has called attention these difficulties have arisen. Those are very important points, if we desire to deal intelligently with this measure. We ought to know before placing a law upon the statute-book, authorizing an arbitration upon certain disputes which have arisen, what those disputes are. Disputes having arisen, I do not know any better system that could be adopted than that which is proposed in this Bill to settle them. Because I have no doubt the Grand Trunk Railway has taken advantage of every defect or defects which there were in that Act in order to retain to themselves a trade and traffic that should otherwise, or was intended otherwise, under that Bill, to be handed over to the Intercolonial Railway. Results have just proved what we predicted they would prove; had it not been for the persistent efforts of this House in making the very important changes which we did make compelling the Grand Trunk to make certain concessions which we thought they ought to make in the interests of the country, we would have had a great deal more difficulty. Can the hon. gentleman make us this promise, that in case this goes through to-day, that when we go into committee, which will have to be at the next sitting of the House, he will obtain the information to which I have called attention—which are the causes which have led to the framing of this Bill, and the difficulties that have arisen in the carrying out of the old Act?

Hon. Mr. SCOTT—I would be very glad if I could get the information. I do not know that I can. I presume Mr. Schreiber is the only person who could give me the information. I shall telephone him.

Hon. Mr. FERGUSON—I should like to know why it is that these difficulties with regard to the traffic should not be referred to the Railway Commission? We have a full equipped Railway Commission for the purpose of settling all such matters as that. Why should not these difficulties with regard to traffic be referred to that commission, instead of having an independent arbitration established?

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

GENERAL INSPECTION ACT AMENDMENT BILL.

ORDER OF THE DAY POSTPONED.

The Order of the Day being called:

Second reading (Bill 124) An Act to amend the General Inspection Act.—(Hon. Mr. Scott).

Hon. Mr. LANDRY—I object. The Bill has not been distributed.

Hon. Mr. ELLIS—I have a copy of it. which I shall send to my hon. friend.

Hon. Mr. BERNIER—It has not been distributed, and I object.

The SPEAKER—When a Bill has been distributed, it makes no difference whether it is marked on the order paper as distributed or not.

Hon. Mr. BERNIER—I think it is not sufficient that one member has a copy of it. It must be distributed.

Hon. Mr. SCOTT—I think it is perfectly disgraceful the way Bills are distributed. The Postmaster gets copies of the Bills and keep them in the post office. It is disgraceful.

Hon. Sir MACKENZIE BOWELL—It is thoroughly understood that the order paper is the document which is to guide us in the transaction of business, and it is not sufficient that the Bills should be distributed when asked for after the Order of the Day is called.

Hon. Mr. SCOTT—I think that proposition would be absolutely unreasonable ; we must have the Orders of the Day printed in advance. You cannot leave them off. We have often had Bills put on the order paper when they were not distributed, and therefore it was thought better they should not put them on. Surely my hon. friend would not contend when they are on the order paper and are really in the hands of hon. gentleman that his objection should prevail ?

Hon. Sir MACKENZIE BOWELL—Certainly I do object. How can any member know the contents of a Bill the moment it is laid on the table, unless he is a clairvoyant ?

Hon. Mr. SCOTT—If there are only two or three hours between one meeting and another this difficulty must arise.

The SPEAKER—What is to be done with item four ?

Hon. Mr. LANDRY—We are on item six. Item four stands.

The SPEAKER—What is proposed to be done about item four?

Hon. Mr. LANDRY—I thought the Clerk had read down to item six. I will call upon the Clerk at the table to say what is the last number he read ?

The CLERK OF THE HOUSE—No. 6.

Hon. Mr. SCOTT—Call item No. 7.

Hon. Mr. ELLIS—The hon. gentleman does not object to No. 6, does he ?

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS COMMITTEE.

FIFTH REPORT READ.

Hon. Mr. WATSON moved concurrence in the fifth report of the Standing Committee on Internal Economy and Contingent Accounts of the Senate.

Hon. Mr. ELLIS—I move that this report be amended by adding the following :

That the salary of Mr. R. W. Stephen, deputy clerk, and second clerk assistant be increased four hundred dollars per year.

I will not talk much about it further than to say that this officer has been here a good many years without any increase of salary.

Hon. Mr. SCOTT—I think it would be better if it were taken by smaller stages. What is the salary now ?

Hon. Sir MACKENZIE BOWELL—$1,800. The gentleman referred to is one of the oldest officials in the House, and others who have had less responsibility had been raised to the maximum of the class. Whether he should receive an increase of four hundred at once I am not prepared to say, but I do think that in justice to the clerk referred to, he ought to have been considered. I am under the impression that it was not brought before the Contingent Committee or probably they would have considered it favourably. If the House thinks that four hundred dollars is too much, some recognition of his services ought to be made.

Hon. Mr. SCOTT—I am quite in accord with the views the hon. gentlemen expressed, but on a former occasion a motion was brought forward to increase a clerk's salary by six hundred dollars. Those things create jealousy and ill-feeling. Nobody doubts the integrity of the hon. gentlemen in question but I think it is in the interest of the officials that no sudden jumps of that kind should be made. We might increase it by two hundred dollars, with the understanding

that we will increase it two hundred dollars next year.

Hon. Sir MACKENZIE BOWELL—Hear, hear. I think if the hon. gentlemen would accept the suggestion of the hon. Secretary of State, there would be no difficulty in passing it—that the salary be increased two hundred dollars this year and two hundred dollars next year.

Hon. Mr. WATSON—I do not object to the House taking any action they see fit, as they are all well informed as to the duties of the gentleman named, just as well informed as the committee. There were several applications at the last meeting of the committee for increases of salaries, and as it was the last meeting, and particularly as there was a meeting called to increase salaries some weeks ago, it was decided not to take any applications at the last meeting. I have no objection to the House taking whatever action they see fit, as every hon. gentleman is well aware of the duties performed by the clerk at the table.

Hon. Sir MACKENZIE BOWELL—If we amend the motion to increase the salary by two hundred dollars and two hundred dollars next year, and say that it be increased annually until it reached the maximum of the class at $2,400, which would take two years, I think the chairman of the committee would consent to that.

Hon. Mr. BERNIER—I do not object to the increase of salary to Mr. Stephen, but it seems to me there is another gentleman who ought to have something. I refer to Mr. Gibbs, the Accountant, who has much work to do, and a great deal of responsibility, and is not sufficiently paid.

Hon. Mr. ELLIS—I do not wish to enter into any discussion in the House; but that to which the hon. Secretary of State refers, when the salary of a third class clerk was largely increased, was an irregularity and now the second class clerk; the gentleman who holds the position of deputy clerk in this House, is practically inferior in salary to another gentleman of the same class. It does not seem to be fair, and I propose to remedy it. I move that before the report is adopted the following clause be added:—

That the salary of Mr. R. W. Stephen, deputy clerk and second clerk assistant, be increased two hundred dollars for the present year and that it be increased annually until it reaches the maximum of the chief clerk.

Hon. Sir MACKENZIE BOWELL—Be increased an equal sum annually ?

Hon. Mr. FERGUSON—It should say increased annually to an equal amount, the annual increase might not be two hundred dollars.

The SPEAKER—I read the resolution as it was placed in my hands. 'Increased annually' would imply that it was to be increased at the same rate. It might read 'By an equal yearly increase'.

The motion was agreed to.

Hon. Mr. BERNIER—I beg to move that the salary of Mr. Gibbs be increased annually two hundred dollars from the first of July last.

Hon. Mr. MACDONALD (B.C.)—I second that motion with great pleasure.

Hon. Mr. SCOTT—Would it not be better if those matters were left to the committee. I quite understand the work of Mr. Gibbs, and I will undertake to recommend next session to give him an increase of salary. We know that members have their favourites, but if we do what is right we would like to even up all round. If we even up in one direction we should even up in another. If my hon. friend will permit the matter of stand untill next session I would favour it myself.

Hon. Mr. LANDRY—The hon. gentleman would have no objection to date it from the same day ?

Hon. Mr. SCOTT—I have no objection to do that.

Hon. Mr. SCOTT—If not, I hope my hon. friend will be here to express my views. We found the same difficulty in the civil service, and we were obliged, when the recent estimates came before use, to cut down the recommendations made by individual ministers in order that there might be some universal system of advancement. Where individual increases are made, it creates jealousy all round and a feeling of partialty. We all hear of it. Every advance is taken up by four or five others who say 'You are not dealing fairly by me, and we have no end of trouble about it.

Hon. Sir MACKENZIE BOWELL—There is not a doubt of the correctness of what the hon. gentleman has said. Those who have been in his position know well what the troubles and difficulties are, but, unfortunataely, we have this precedent in one case in which we put an officer in a position to receive his annual increments until his salary reaches the maximum of a chief clerk. No one objects to that; but there are just as strong reasons why the same principle should be applied to the officer to whom the hon. gentleman from St. Boniface has called attention. I think one reason why that gentleman's salary has not been increased in the past has been from his excessive diffidence. The chairman of the committee will concur in what I am about saying, that he is not a man who is continually pushing himself forward, although he occupies a very important position, and I think we might stretch a point to the extent of accepting the motion made by my hon. friend. But it would have to be limited. The way the motion has been worded, his salary would go on increasing two hundred a year to all eternity, if he lived that length of time. I hope the principle suggested by the hon. Secretary of State will be rigidly carried out, and then nobody will be taken by surprise. But let us go a step further in this case and treat these two officers as they should be treated with the limitation that the increment shall stop when it reaches the maximum of his class, a first class clerk.

Hon. Mr. WATSON—The very precedent that is laid down here is one that is going to bother us in the committee. One special meeting was called to consider salaries, and the whole matter was discussed. Every member had a right to express an opinion, and several suggestions were made to increase salaries. The whole matter was considered, and we agreed on certain things and the House moves an amendment to increase the salary. If the House sees fit to do so, we cannot help it, but this will lead to other gentlemen saying 'We have been in the employ of the Senate a long time; you increased one man's salary two hundred dollars and another four hundred dollars, and we are entitled to the same.' And instead of having the log rolling in the committee, we shall have it in the House. Mr. Stephen is a very efficient officer, with responsible work, and as to whether eighteen hundred dollars was sufficient remuneration that was a matter for the House. The committee considered it sufficient, but if the House thinks differently very well. I have no objection to Mr. Stephen's increase. He is a hard-working officer. I am not going to raise any objection if the House increases Mr. Gibbs' salary. We are simply leading to trouble next session, and instead of having the members of that committee asked by different officers for increase of salary those requests will be transferred to the House.

Hon. Mr. SULLIVAN—I think every member in the House can form as good an opinion as any member in the committee. If the chairman has any special reason or information that would throw more light on the subject to influence them in these matters, I should be very happy to hear it. These two cases are exceptional entirely. Mr. Stephen has been treated badly, I won't say unjustly, but he has been passed over. In my opinion he has not been treated as he should have been. With reference to Mr. Gibbs, as the hon. leader of the opposition has said, he is too proud and feels his position so keenly, that he would not even ask. I never knew him to suggest to gentlemen with whom he was brought in close relationship or to hint at one cent increase in his salary. These are exceptional cases. Justice should be done to them. It is not a question of favour; it is only giving what has been given before.

Hon. Mr. WATSON—Probably the strongest recommendation made to me as chairman of that committee for an increase of salary, was in reference to the Law Clerk. Perhaps some one will rise now and move that the salary of the Law Clerk be increased?

Hon. Mr. SULLIVAN—He is not an exception. That is a different case.

Hon. Mr. McMULLEN—I entirely agree with the statement that has been made by the chairman of the Internal Economy Committee. If you are going to have a committee at all, and we are going to refer all the questions that properly come before them to that committee, then some little respect

should be paid to the report which they present. I do not wish to deprive any member of his right where any grievous wrong has been done to call attention to it, but I can assure the House that full consideration was given to these applications when they came before the committee, and from my short experience I find that we have applications every year. It seems to be a standing rule to make application for increases. There may be cases where some of the officials are not paid as well as they ought to be, but I can assure the House that as far as I know, the committee are desirous of giving full and careful consideration to all such applications. This year it was considered that it would be better to allow matters to stand as they are, and if anything at all is done in the way of increasing salaries it should be taken up earlier next year and careful consideration given to the whole question. In view of the promise of the hon. Secretary of State that in the interim the government itself will give careful consideration to those questions and be prepared to make certain recommendations to the committee, if we should live to meet again, in that way general satisfaction will probably result. If we are going to adopt the course suggested what will happen? Every year when we have a meeting of the Internal Economy Committee, each gentleman who has not received an increase will approach some member and say 'I wish you would move for an increase of salary.' If we established this practice, I do not know where it will end. In the face of the pledge the hon. Secretary of State has given, the House should be satisfied. If it is done in that way, no offence will be given to any one and justice will be done to all.

Hon. Mr. BERNIER—There is some force in what the hon. gentleman has said, and also in what has been stated by the hon. Secretary of State, that such recommendations should come from the committee rather than from an individual member; but it will be noticed that already an exception has been made to that rule in the increase of the salary to Mr. Stephen, to which we did not object. Mr. Gibbs is in the same position, and he should get his increase. As to the work of the committee, I might say to the hon. gentleman that at the beginning of the session, when the question of raising salaries came before the committee it was understood that the question would be taken up after some time, and there was a kind of understanding that the adjustment of the salaries would be made; but it turns out that the committee has taken the matter into consideration and there is no increase at all. That is the reason why we think that some clerks who are in an exceptional position should have their salaries increased by the House.

Hon. Mr. ELLIS—I think the proposition is that two hundred dollars is to be added to the salary of Mr. Gibbs, and to stop at that.

Hon. Mr. BERNIER—Yes.

Hon. Mr. WILSON—It strikes me that with the positive assurance of the leader of this House as to what he will do at the ensuing session, and the difficulty in which these resolutions will place us, Mr. Gibbs should be satisfied, and no doubt the promise will be carried out. If we adopt the method suggested, as the chairman of the committee says, there will be no end of trouble; applications will be forthcoming continuously and what is our committee for? Is it to look into those matters and come to a decision? I suppose likely that is the object.

I would even go further, that if this matter be left over till another session, and the committee admit that they might make a recommendation that the increase in Mr. Gibbs' salary should be retroactive, and that he should be given the $200, we should not be called upon to vote on a matter of this kind now.

Hon. Mr. WATSON—It is much easier discussing matters of salaries in committee where every man feels free to express himself. I quite understand that there is a delicacy about discussing those salaries and placing views on the Debates in the chamber. These matters were carefully considered; a special committee meeting was called for the purpose of considering them, and the report came in with nothing done, practically, so far as increases were concerned. Last year some increases were made, and some the year before. If we adopt the plan of proposing in the House increases of salaries, we are going to have trouble.

Hon. Mr. DANDURAND—Before the motion is put, I should like to state my per-

sonal feelings on the question that has cropped up. I am not a member of that committee. I think this a vicious way of proceeding in imposing upon the House the decision of such questions. We have appointed a committee. We have a sense of responsibility. Although we are not dealing with our own money, we should go into those applications and deal with them as any employer of labour would deal with his own staff. If any member can, when a report like this is made, rise in his seat and move that the salary of so-and-so be increased, where shall we be? It will be a grab game pure and simple. It seem to me we should proceed with more method. I never looked personally into those questons, but I feel that there should be some fixed rule about increases of salaries ; that this committee should lay down rules so that when an employee is given a position he will know the increases to which he is entitled and the outside limit. The committee has not done that to this hour. It is their bounden duty to start early and fix the salary at which an employee comes in and the amount of increase which he can expect, so that when this rule is there it will apply to the present staff as well as to the staff of the future, and employees will know what they can expect. It will be a kind of fixed contract. They will know what is the goal that they can reach. If we have any sense of responsibility, we should proceed that way. We have already been accused by the House of Commons of being most lax in our way of proceeding on this question. I have not examined into the complaint. I do not know how our salaries compare with the salaries of the officials of the House of Commons, but surely any legislative body of the importance of the Senate of Canada should direct its committee to lay down fixed rules by which we shall be invariably governed in the future.

Hon. Mr. MACDONALD (B.C.)—I think the hon. gentleman is right, everything being equal, that this matter should be dealt with by the committee ; but this gentleman has done his duty well ; he has been passed over for the past five years, and why should he not be placed in the same position as other officials, whose salaries have been raised ? I hope the House will see the justice of voting this increase.

Hon. Mr. DANDURAND.

The House divided on the amendment which was lost on the following division :

Contents, 13.

Non-contents, 15.

Hon. Mr. CASGRAIN (Windsor)—I forgot when I voted that I was paired with the hon. member for DeLanaudière.

Hon. Mr. ELLIS—I am paired.

Hon. Mr. DOMVILLE—I am paired if this is a government question.

Hon. Sir MACKENZIE BOWELL—It all depends on the character of the pairs. If it were government pairs and this is considered a government matter, the hon. gentleman's name should be struck off. If members are left to vote as they please on questions which are not government questions, they have a right to vote. The members must be the best judges themselves.

Hon. Mr. ELLIS—I have a general pair with the Hon. Mr. Baird.

Hon. Mr. McGREGOR—A week or two ago, I paired with the Hon. Mr. McKay of Truro. Since that I have been home, and have not seen him, and he is away now.

The SPEAKER—Does the hon. leader of the government regard this as a government question ?

Hon. Mr. SCOTT—No, except the government are responsible for the providing of the money. I fancy this Senate is independent as far as its officials are concerned. They can do as they please.

Hon. Sir MACKENZIE BOWELL—I think that is right.

Hon. Mr. LANDRY—I ask to have the names read.

The Clerk then read the names as follows :

Contents :

The Honourable Messieurs

Bernier,	Landry,
Bowell	Macdonald (P.E.I.),
(Sir Mackenzie),	Macdonald (Victoria),
Coffey,	McLaren,
Dobson,	McMillan,
Domville,	Sullivan.—12.
Ferguson,	

Non-Contents :

The Honourable Messieurs

Béique,	McHugh,
Black,	McMullen,
Church,	Scott,
Dandurand,	Tessier,

Fiset, Watson.
Godbout, Wilson,
Kerr (Toronto), Young.—15.
Legris,

The report as amended was adopted.

DELAYED RETURNS.

Hon. Sir MACKENZIE BOWELL—The hon. Secretary of State informed me yesterday that a certain return to which I had called attention had been printed in the Journals or Sessional Papers No. 99. I find by looking at the Journals for 1893 that that was one of the returns ordered not to be printed—page 277 of the Journals.

Hon. Mr. SCOTT—You can get it.

Hon. Sir MACKENZIE BOWELL—Yes.

Hon. Mr. MACDONALD (B.C.)—I shall give a notice of motion, but will not read it now.

Hon. Mr. YOUNG—It must be read.

Hon. Mr. LANDRY—No.

The SPEAKER—It is the practice to read it.

Hon. Mr. MACDONALD (B.C.)—It reads as follows :

That this House is not in a position to pronounce for or against the integrity of the transactions of the Mutual Reserve Fund Life Association of New York in Canada, and therefore decline to accept the motion relative to such transaction placed on the Order paper by the honourable gentleman from de Salaberry.

BILL INTRODUCED.

Bill (5) An Act respecting the Militia and Defence of Canada.—(Hon. Mr. Scott.)

PRINTING OF BILLS IN ENGLISH AND FRENCH.

Hon. Mr. KERR (Toronto)—I desire to call attention to a matter which I think is worthy of the attention of the House, particularly at this stage. A point of order was raised by an hon. member this morning, that certain Bills could not be proceeded with because they were not printed in the French language. That tempted me to see what the authority was on which that objection was taken, and I have looked into the British North America Act, which is the authority on the subject, and it does not apply to the case of printing of Bills at all. In order that there may be no misapprehension about it, I call attention to the 133rd clause of the British North America Act which is the foundation for the proposition that the Bills should be printed in French. It is as follows:—

Either the English or French language may be used by any person in the debate of the Houses of Parliament of Canada and of the House of the legislature of Quebec; and both those languages shall be used in the respective records and journals of those houses; and either of those languages may be used by any person or in any pleading or process in or issuing from any court of Canada established under this Act, and in or from all or any of the courts of Quebec.

The Acts of the parliament of Canada and of the legislature of Quebec shall be printed and published in both languages.

I do not find any authority in the British North America Act for saying that Bills should be printed in both languages. I find no rule of the Senate to that effect. Bourinot, at page 313, says :

All Bills shall be printed in two languages.

Therefore, it seems to me the matter stands in this way : that while it is the invariable practice to print them, when it comes down to dealing with the procedure in the House, I submit there is not a rule here which enables any hon. member to obstruct the House or delay the proceedings because a Bill is not printed in both languages. It is a very good custom, and it is a good thing to adopt such a rule.

Hon. Mr. LANDRY—I rise to a question of order.

Hon. Mr. KERR (Toronto)—The hon. gentleman can speak as often as he likes, and take all the technical objections he wishes, and the hon. gentleman beside him reproves every other hon. gentleman but himself. I want to say that the proposition which I make is that while I do not wish to infringe on a practice which has prevailed, when an hon. member rises to obstruct the whole business of the House——

Hon. Mr. LANDRY—I rise to a question of order.

Hon. Sir MACKENZIE BOWELL—It is not proper to accuse any hon. member of obstructing.

Hon. Mr. KERR (Toronto)—I do not wish to use the word 'obstruct' in an offensive sense.

Hon. Mr. LANDRY—Then do not use it.

Hon. Mr. KERR (Toronto)—But when an hon. member interposes to prevent proceedings going on, he can only do so under a rule of the House, and, while custom may prevail, it can always be dispensed with.

Hon. Mr. LANDRY—No.

Hon. Mr. KERR (Toronto)—The hon. gentleman again interrupts. I want to point out that there is that distinction between a rule and custom ; and, therefore, while it is desirable to have these Bills in both languages, yet, when an hon. member seeks to delay the proceedings of the House on that account, simply on a question of custom, the House can deal with the matter as it pleases, and it is not open to a technical objection. I thought perhaps I was doing a service to the House by calling attention to the only ground that I could see for it.

Hon. Mr. SCOTT—I regret very much indeed that a discussion should arise on a question of this kind. Since the union of the two provinces, in 1841, an invariable rule has prevailed that we certainly could not depart from. I was a member of the old parliament of Canada. This rule was strictly observed there. Subsequently, in 1867, it did not seem necessary to put the rule in any of our books, because it was, by common consent, recognized and could not be departed from, and I would be quite unwilling that it should be departed from at this stage.

Hon. Sir MACKENZIE BOWELL—My hon. friend did not read far enough. Page 310 of the last edition of Bourinot, section 5, reads as follows :

> The use of the French language in the proceedings of the legislature has, from the earliest days of parliamentary history of Canada, received the sanction of custom and law. At the first session of the legislative assembly of Lower Canada, it was resolved that no motion should be debated or put to the House, unless is was first read in English and French. As the Speaker of that day, Mr. Panet, was not well conversant with English, it was subsequently resolved that in all cases when the Speaker cannot speak both English and French, he should read it in either of the two languages most familiar to him, while the reading in the other language should be by the clerk or his deputy at the table.

That was the practice followed in the House of Commons, that when the Speaker was not conversant with the French language it was read by the clerk at the table. Bourinot proceeds :

> Every member has a right to introduce a Bill in his own language.

There is no question what the practice has been since confederation ; it has always been recognized as I understood the hon. Secretary of State to say, and I think it is singularly unfortunate to raise such questions in this chamber, composed as we are of two nationalities.

Hon. Mr. LANDRY—Page 308 of Bourinot reads as follows :

> The proceedings of the two Houses of Parliament are regulated by statute, by rules and orders adopted by themselves, and by those usages which have grown up in the course of time, and consequently become a part of their own practice, or are derived from the common law of parliament by which * * * they have consented to the guided in all matters of doubt.

The SPEAKER—As I understand it, the hon. gentleman from Toronto did not raise the question of order—he simply called attention to the matter.

The Senate adjourned until 3 p.m. this afternoon.

SECOND SITTING.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

MOTION.

The Order of the Day being called :

By Hon. Mr. Béique :

That he will move the following as being the proper conclusions to be drawn from the evidence reported to this House by the Select Committee appointed to investigate the position in Canada of the Mutual Reserve Fund Life Association of New York, namely :

1. The company was licensed in Canada from 1885 to 1899 to carry on business on the assessment plan, and from 1899 to this date on the level premium plan.

2. That part of the business of the company which is under the level premium plan, is fully protected by the deposit made with the government, as required by the Insurance Act.

3. From 1885 to the 31st December, 1903, the total income of the company in Canada, from its business on the assessment plan, amounted to $5,032,518, out of which $3,060,029 were paid in death claims and $999,865 in expenses in Canada, and $218,938 deposited with the government, leaving a balance of $753,686 to cover expenses of collection of the premiums and the contribution of the Canadian business to the general and head office expenses and to the general mortality fund.

4. The company's troubles are mainly due to the fact that its rates or assessments were too low, especially until 1895. Even with the advance which was made in 1895, varying from twenty-five to one hundred per cent, the rates remained at least twenty-five per cent less than the level premium system would have called

for ; and, taking the whole period of nineteen years during which the company carried on business in Canada, the average rates or assessments paid by its policy-holders were only from about fifty to sixty-six and two-thirds per cent of what the latter would have paid if they had been under the level premium plan.

5. The amount paid to or advanced by the company to agents, as commission, seem to have been at times abnormally high, which was not satisfactorily explained. Nevertheless, taking as a whole the period extending from 1885 to December 31st, 1903, the gross average expenses amounted to only $5.96 per $1,000 of insurance, per year, which compares favourably with other companies.

6. The total amount of death claims against the company in Canada, from 1895 to 1903, both inclusive, amounted to $2,278,207, on which the company paid $2,151,592, or 94·442 per cent.

7. The superintendent of the Insurance Department of the state of New York caused an examination to be made of the company's affairs, both in 1897 and in 1898 ; on the occasion of the latter examination, most of the charges mentioned in the evidence reported and now on the table of this House were investigated and found groundless, as will appear from the reports of the chief examiner, of the assistant actuary and of the superintendent of said Insurance Department.

8. Another examination of the affairs of the company up to the 31st December, 1901, was made by order of said Insurance Department of the state of New York, on the occasion of the reincorporation of the company, which was found to be solvent.

9. Apart from the fact that the committee has not had the advantage of examining into the books and papers of the company. as was done on the occasion of the New York inquiries, the evidence taken before and reported by the Select Committee would not justify any conclusions contrary to those of the chief examiner, of the assistant actuary and of the superintendent of the Insurance Department of the state of New York.

Hon. Mr. BEIQUE said, in rising to take up this motion : I desire to say that I realize to what an extent hon. gentlemen are tired ot this question.

Hon. GENTLEMEN—Hear, hear.

Hon. Mr. BEIQUE—If I were to consult only my own wishes, I would not have asked the House to give any more time to this question. but. rightly or wrongly. I believe we have a duty to discharge in this matter, and that we will fail in the discharge of that duty if we do not place on the minutes of this House the conclusions which should be drawn from the inquiry that has been made. Hon. gentlemen will bear in mind that insurance in this country, as in every other country, is a question of the greatest importance. I have only to refer to the last report of the Superintendent of Insurance, where it will be found that the amount of life insurance now in force in Canada exceeds $548,000,000, and that the amount of premiums levied annually exceeds $19,000,000. Hon. gentlemen will see that any question coming before this House affecting insurance, or which may have a tendency to discredit the management of insurance companies, is a question of considerable importance. When charges were made by a member of this House against the Mutual Reserve Fund Life Association, it became the duty of this House to inquire into those charges, because, rightly or wrongly, there were thousands of persons interested in that company who were under the impression that they had been victimized, that their money had been squandered, that they had not been properly treated, and it was in the interest of those policy-holders, as well as in the public interest that the truth be ascertained. We have only to consult insurance managers to ascertain that anything which reflects upon the management or reputation of any one insurance company is damaging to all insurance companies in the country. If the charges have been established, it is the duty of the Senate to say so. If, on the other hand, the charges have been disproved, it is incumbent upon us to declare our opinion to that effect, and prevent the damage which otherwise would result from this investigation, and the repeated attacks which have been made upon the company. There is another consideration in support of the motion I am going to make. It lies in the fact that these accusations have been preferred by an hon. member of this House, who happened to be in litigation with that company, and the fact that that hon. gentleman has deemed it advisable to sit in judgment throughout the investigation. It is for him to say whether his course was proper or not. I have no reflection to make upon him, but I say that the public is entitled to know, being aware of that fact, what the opinion of this House is, as to whether these charges have been substantiated or not. When I consented to act on the committee, I did it against my will, but one of the reasons why I consented to act, was because of the facts to which I have just called the attention of this honourable

House. I did it as a matter of duty, and neither on this occasion nor any other occasion shall I be found to shirk fulfilling my duty to its fullest extent. I have followed regularly the meetings of the committee. I have tried to follow these proceedings without allowing my mind to be biased on one side or the other. I have no reason to be biased ; I have not a cent of interest in the company. I did not even know of the existence of the company before the charges were made in this honourable House, but I found from the outset that members who had been policy-holders in the company—and I might be allowed to refer to my hon. friend the hon. gentleman from Mille Iles—were of opinion that there was a great deal of truth in the charges that were made. Their minds were biased against the company and hardly open to the answers which could be offered in defence. These facts rendered it the more necessary for those who were perfectly free, who have had no relations whatever with the company, to be careful and be the proper guardians of the interests of the policy-holders and of the public, because, I repeat, it is not only the interest of the policy-holders that is involved in this question, but it is the interest of all insurance companies in this Dominion. Having followed, as I did, the proceedings of the Senate with a determination of arriving at what I thought were the proper conclusions resulting from the evidence, I thought it was my duty to place those conclusions before this honourable House and invite every member of this House to examine such conclusions calmly with the references to the evidence which I shall be prepared to give, and not only to invite senators, but to invite the public and the managers of insurance companies with the evidence in their hands, to see whether my conclusions are proper or not. That is what I expect will be done, and it is with a sense of my responsibility that I now rise to submit these conclusions.

The first conclusion is contained in the first paragraph, which is as follows :

1. The company was licensed in Canada from 1885 to 1899 to carry on business on the assessment plan, and from 1899 to this date on the level premium plan.

This conclusion is indisputable ; it can be ascertained by the licenses which were issued by the Superintendent of Insurance. From 1899 to this day the company has not been doing any business on the assessment plan.

The second conclusion is :

2. That part of the business of the company which is under the level premium plan, is fully protected by the deposit made with the government, as required by the Insurance Act.

This conclusion also is indisputable, because it is the result of the Insurance Act, and one has only to refer to the Insurance Act to ascertain that it is the duty of the Superintendent of Insurance to see that at all times there is a deposit in the hands of the government sufficient to enable the government to fully reinsure all the risks in a given company carrying on business on the level premium plan, if that company was to come to grief.

The third paragraph is :

3. From 1885 to the 31st December, 1903, the total income of the company in Canada, from its business on the assessment plan, amounted to $5,032,518, out of which $3,060,029 were paid in death claims and $999,865 in expenses in Canada, and $218,938 deposited with the government, leaving a balance of $753,686 to cover expenses of collection of the premiums and the contribution of the Canadian business to the general and head office expenses and to the general mortality fund.

As to this paragraph, I desire to give in a very summary way the references to which I call the attention of every hon. member. The figures will be found in part 8, pages 20 to 24. At my request, the company was called upon to furnish a statement from year to year showing the total amount of income in Canada and in the United States separately, showing also the total amount paid in Canada on death claims each year, and the total amount paid in the United States, also each year ; likewise showing from year to year for the nineteen years they have carried on business in Canada, the amount of expenses in Canada and the amount of expenses in the United States ; also the amount of expenses at the head office and the salaries of officers and employees separately for each year, and the figures which are mentioned in paragraph 3 are to be found at the pages to which I have just referred, in exhibit No. 12 ; but the figures will also be found on pages 39 and following of part 3 of the evidence.

I now come to the fourth paragraph :

4. The company's troubles are mainly due to the fact that its rates or assessments were too low, especially until 1895. Even with the ad-

vance which was made in 1895, varying from twenty-five to one hundred per cent, the rates remained at least twenty-five per cent less than the level premium system would have called for; and, taking the whole period of nineteen years during which the company carried on business in Canada, the average rates or assessments paid by its policy-holders were only from about fifty to sixty-six and two-thirds per cent of what the latter would have paid if they had been under the level premium plan.

I claim that these figures cannot be disputed for a moment. That this company was organized under a false system, is acknowledged by everybody except Mr. Paterson, who was heard as a witness. I had the advantage of being present at the meeting of the Committee on Banking and Commerce, where I heard the representatives of, I believe, all the Canadian companies, some eleven or twelve in number, and they were all agreed on that fact, and they were all agreed that it was imperative for the Senate to try to come to the rescue of the policy-holders and remedy, as far as could be done by legislation, that wrong state of things. The fact is supported also by Mr. Stevenson, who was called as a witness against the company, by Mr. Wells, also a witness against the company, by Mr. Eldridge and Mr. Bradshaw, and the figures have been given by them. They will be found in the evidence of Mr. Stevenson, part 2, page 31; Mr. Eldridge, part 3, pages 66-67. I have not the reference to Mr. Wells' evidence at the moment, but will give it later on, Mr. Eldridge, part 8, page 19. As far as Mr. Paterson is concerned, I refer to his evidence in part 5, page 10, where I find this, speaking of the advance in rates in 1895:

By the Hon. Mr. McSweeney:

Q. How much was the advance?—A. The advance was, in some ages, about one hundred per cent. At the higher ages, it would be about a hundred per cent, and at the lower ages, ranging from twenty-five to fifty per cent.

By the Hon. Mr. Béique:

Q. Did it reach a higher premium than they would be charged under the level premium system?—A. It did not.

Q. About how much below did it remain in a rough way?—A. I should think it would be at least twenty-five per cent less, in most cases.

Therefore I have adopted, in this fourth paragraph, the very figures given by the witness Paterson. Then, as far as the figures from fifty to sixty-six and two-thirds per cent are concerned, they are taken from the evidence of Mr. Eldridge, part 3, page 38. Now let us take paragraph 5:

5. The amount paid to, or advanced by the company to agents, as commission, seems to have been at times abnormally high, which was not satisfactorily explained. Nevertheless, taking as a whole the period extending from 1885 to December 31st, 1903, the gross average expenses amounted to only $5.96 per $1,000 of insurance, per year, which compares favourably with other companies.

In this paragraph there are two different statements. Let me deal with the first statement, that the amount paid to or advanced by the company to agents as commission, seems to have been at times abnormally high, which was not satisfactorily explained. I think it is my duty in connection with this paragraph, to call attention to exhibit 42, which was filed by the witness Paterson, and which is the most serious piece of evidence to be found in the record. This exhibit shows the amount advanced or paid to agents as commission, and as far as I am concerned, I think it is very high, and I feel justified in saying that it appears from the evidence and from the reports of the Superintendent of Insurance in the state of New York that the company have suffered a considerable loss through such advances. When I say considerable loss, it may be five or six hundred thousand dollars, which is a considerable sum. The company, through its second vice-president, Mr. Eldridge, was called upon to answer that exhibit 42, but to my mind his answer is not satisfactory. It will be found in part 8, page 34 of the evidence:

Q. A statement has been filed by Mr. Paterson giving the proportion of commissions to insurance in force; have you any remarks to make concerning that exhibit 42?—A. Exhibit 42 purports to show the new business written and the commissions paid agents to each thousand of new business from 1890 to 1903, both inclusive. The criticism I wish to make of that is, that in computing new business for the years 1890 and 1891, being included new business paid for, new business not taken, and revived business. For the years 1892 to 1898, both inclusive, he included in new business, new business paid for and business not taken. In 1899 he included new business paid for, new business not taken, change and increase: in 1900 and 1901 he included new business paid for, new business not taken, change and increase, and revived business; and in 1902 and 1903 he simply included new business paid for, so that the basis of comparison is not the same throughout. He has taken from the sworn reports and sometimes he has taken some figures, and sometimes left out those figures for other years.

At the most this criticism attacks only very partially exhibit 42, and to my mind it is not a sufficient answer to meet the charge that an abnormal amount has been paid by the company to its agents, especially when we have it in the report of the Superintendent of Insurance of the state of New York that the company lost or is exposed to lose a few hundred thousand dollars through these advances. As far as the other statement contained in paragraph 5 is concerned, I claim that it is also based entirely on the evidence and on the statements which have been filed. I desire first of all to call attention to a paragraph in a document which was filed and put on record, and distributed amongst the hon. members of this House. It is entitled, 'General statement' of the company. On page 29 I find the following :

No companies have established a better reputation for good management and solidity than the Canadian life insurance companies. During the years that the Mutual Reserve has been doing business in Canada, excluding the year 1903, for which the full figures were not available at the time that this computation was made, the Canadian companies that were doing business at the time that the Mutual Reserve entered, or that were organized a very short time afterwards, thus excluding the recently organized companies, whose expenditures would be proportionately greater, have carried for an average term of one year $3,099,311,000 of insurance. They have collected as premiums on this $105,586.228, or an average of $34.07 per thousand. They have increased their assets in addition to the amount of interest they have received, from the premiums $28,056,337, or $9.05 for each $1,000 of insurance. They have paid to policy-holders $49,253,435, or $15.89 per $1,000, making the payments to policy-holders and the premiums devoted to increase of assets total $24.94 per $1,000, showing that for each $1,000 of insurance carried for one year, the amount used for expenses has been $9.13.

During the same period, the Mutual Reserve has carried on the assessment plan Canadian insurance for an average of one year to the amount of $305,125.875. It has collected thereon premiums to the amount of $4,937,223, being for each $1,000 of insurance carried $16.18. It has paid to its policy-holders in Canada $3,061,530, or $10.03 per each $1,000. Over and above interest receipts it has added to its assets $0.54 per $1,000 carried, making the total devoted to the payments to policy-holders and increase of assets, other than interest, $10.57, leaving $5.61 per $1,000 of insurance carried as the expense of doing the business.

The comparison which is made there between this company and all Canadian companies shows that the expense in the case of this company was $5.61 against $9.13, being the average of the Canadian companies.

Hon. Mr. BEIQUE.

Hon. Mr. McMULLEN—Were any statements presented to substantiate those figures?

Hon. Mr. BEIQUE—I was just coming to that. If the hon. gentleman will allow me, I think he will find that I shall answer the objections in advance. I myself confronted Mr. Paterson with a portion of the document which I have just read, and invited him to criticise it. It was part of the functions of the counsel of the committee, and of this witness, and Mr. Wells, the other witness who assisted him, to criticise this very document. They criticised it in several other respects. I called his attention to that part of the document, and invited him to make his criticism. His answer was that he had seen that, but that he had not verified the figures.

Hon. Mr. LANDRY—Where is that answer? Is it in the evidence ?

Hon. Mr. BEIQUE—I am unable to give the evidence at this moment. I have it in my notes, and I will undertake to give it to the hon. gentleman.

Hon. Mr. MACDONALD (B.C.)—Next session ?

Hon. Mr. BEIQUE—During this sitting. I was going to say that I believe we are entitled to infer from this answer that he did not offer any criticism, because no criticism could be made. But I find more than that; I find that those figures have been in print for years past before the Superintendent of Insurance of the state of New York, and therefore that all parties concerned have had ample time to criticise them. But we have more. Mr. Eldridge was called upon to produce the figures, and he did so under oath. Surely, unless those figures are contradicted we are bound to accept them. They are to be found in part eight of the evidence, pages 10, 11 and 12. In the statements produced will be found not only the average amount of expenses, $5.96 on the whole business of the company, but also the share of expenses that the Canadian policy-holders had to bear, from 1885 to 1895, $5.45, and from 1895 to 1903 inclusive, $5.60, which made it considerably below the average of the expense which the company generally had to bear, taking the

whole business together, to wit $5.96. Now I take paragraph six:

6. The total amount of death claims against the company in Canada, from 1895 to 1903, both inclusive, amounted to $2,278,207, on which the company paid $2,151,592, or 94·442 per cent.

These figures are to be found in part 5, pages 136 to 139. We have them year by year. We have a corroboration of these figures in the report of the Superintendent of Insurance of the state of New York, where we find it stated in a general way, that the company had paid all legitimate claims.

The paragraph is very short. It is at the end of the report of 1898, from which I read the following:

The result of the examination shows that the association is solvent and pays in full every death claim that is a proper charge upon the mortuary funds contributed by the members, and that in every case of settlement of compromise the character of the claim has been such as to make it the duty of the management to protect the members against an unjust demand.

I could pause here and ask whether this does not cover all the conclusions which should be properly taken on the inquiry in question. The committee was entrusted with finding the position of the company in Canada, and I think that this was properly ascertained by finding the amount of money collected from Canadian policy-holders, the amount paid to Canadian policy-holders, the amount paid in expenses in Canada, the balance which remained, the deposit in the hands of the government as belonging to the assessment plan, as well as the deposit belonging to the level premium plan. I think that we have in that the full answer to the mission which was given to the committee, and for my part, I doubt the propriety of the committee inquiring into the business of the company outside of Canada. It being a question between nations, I doubt the propriety of this honourable House inquiring, as this committee has done, and revising, or sitting in judgment, so to speak, on the repeated inquiries which have been made by the proper authorities in the state of New York, as well as in other states of the Union, especially as we have in our own statute-book a provision which enables the Superintendent of Insurance of the Dominion of Canada to go at all times to the head office of the company and cause any inquiry he chooses to be made from the books and papers of the company; I say that I doubt the propriety of calling upon that company or any other company to come here and attend the sittings of the committee for six or seven weeks at a very large expense, for the purpose of finding out what? Finding as to whether the investigations which were made by the Insurance Department of the state of New York were investigations which had been made in good faith, and whether the reports were correct or not.

Hon. Mr. McMULLEN—Will my hon. friend allow me to ask one question on that point. Did Mr. Eldridge not state in his evidence that every dollar of the assets of the comapny, whether in Canada or the United States, was liable and belonged to the policy-holders in every country?

Hon. Mr. BEIQUE—Mr. Eldridge stated that, but we do not require Mr. Eldridge to answer that question. We know that when any company does business, whether in England, in the States or in Canada, that it is liable for all its debts. It is rather a strange question to put. It does not follow that the Department of Insurance of the state of New York is not entitled to have its reports taken as being prima facie correct, and it does not follow that if these reports, or if the results of the investigations which have been made down there are to be questioned; that they are to be questioned through a committee of the Senate, instead of through the Superintendent of Insurance of the Dominion of Canada, who is the proper officer to make the inquiry in a proper manner, with the books and papers, and which would have avoided the abuse to which we have been witnesses during the six or seven weeks that this inquiry has lasted. Now, hon. gentlemen, I call your attention to this point. To-day it is a United States insurance company which is being investigated; to-morrow it might be a Canadian insurance company which would be treated in the same way in the United States, and I say that we have been creating a bad precedent in allowing a committee of the Senate to thus go into this matter in the way it was done, questioning the re-

ports made in the regular way, of the department of the state of New York. And I repeat that the proper course, especially between nations, would have been to have instructed the Superintendent of Insurance to cause the proper examination to be made of the books of the company at the head office. But the committee has made inquiry, the committee has reported the evidence, and I think that it is incumbent on us now to go further and take what we consider proper conclusions on the evidence. To my mind, the evidence has the effect of corroborating entirely the bona fide character of the reports which have been made as well by the Superintendent of Insurance of New York, as well as by the chief examiner, and when I say that, I do not want any hon. gentleman to infer that the company have been whitewashed by these reports. On the contrary, when reference is made to those reports, it will be found that the company's management has been criticised, and severely criticised, in several instances, and I may say that I put the question to Mr. Wells, and I will be able to give the references if desired, I invited him to say as to whether he had any criticism to make of the report of the Superintendent of Insurance and of that of the chief examiner, and his answer was that they were fair reports. (See part 4, page 143.) We have it in evidence that the company themselves were dissatisfied with the reports, and attempted to answer the criticisms which were made against their management. But what I submit is that the investigations were made repeatedly ; one investigation was made in 1895, another in 1897, and another in 1898, and another in 1901. On one occasion, we have it in evidence, that it was an investigation made by the chief examiner, which lasted some three months, with no less than twelve assistants, and that they examined all the books and papers of the company. I say that in the face of an examination of that kind, especially when we have not had an opportunity of examining into the books and papers of the company, that unless we have very strong evidence, which we have not at all, we are bound to accept the reports. And I say that the accuracy of those reports has not been attacked in any shape or form ; that there was no evidence brought against any portion of those reports. I therefore take up the seventh paragraph, which reads as follows :

7. The superintendent of the Insurance Department of the state of New York caused an examination to be made of the company's affairs, both in 1897 and in 1898 ; on the occasion of the latter examination, most of the charges mentioned in the evidence reported and now on the table of the House were investigated and found groundless, as will appear from the reports of the chief examiner, of the assistant actuary and of the superintendent of said insurance department.

Hon. Mr. CLORAN—May I ask the hon. gentleman a question ? Does he allege that that statement is based on the evidence adduced before the committee, or is it simply a fabrication of his own ?

Hon. Mr. BEIQUE—If the hon. gentleman wants an answer from me, he will have to make use of parliamentary language.

Hon. Mr. SCOTT—'Fabricate' is not a parliamentary word.

Hon. Mr. BEIQUE—I decline to answer any hon. gentleman who uses any such words as the hon. gentleman has used.

Hon. Mr. CLORAN—I will use the words the hon. gentleman desires if I can get the information.

Hon. Mr. SCOTT—The word 'fabricate' involves a lie.

Hon. Mr. CLORAN—If it is not based on the evidence, he must make or fabricate the statements. It means one and the same thing. Anybody who knows the dictionary will know that.

Hon. Mr. BEIQUE—You have the evidence, and my statement will not be challenged, that the charges were made by these witnesses Wells and Paterson under oath in 1899, that they were made both to the superintendent of the insurance department of the state of New York and to the Attorney General, on two different occasions. We have the evidence that after those charges had been made an examination was made of the books and papers of the company in 1899, and that everything was found correct, and we have the evidence of the chief examiner of the state of New York, his affidavit which was put in evidence, taken by the referee in the case against Paterson, to the effect, as mentioned in

paragraph 7, and which I shall read at once :

Hon. Mr. CLORAN—The hon. gentleman had better do so because the evidence will not bear out that statement.

Hon. Mr. BEIQUE. I am reading from the deposition of the Chief Examiner of the state of New York, sworn to on the second day of April, 1900, in a suit in the New York Supreme Court, city and county of New York. It is as follows :

MUTUAL RESERVE FUND LIFE ASSOCIATION

against

J. THOMSON PATERSON.

Proceedings before Stephen H. Keating, Esq., a referee duly appointed by order of Mr. Justice Lawrence to take deposition of Isaac Vanderpoel, held the 2nd day of April, 1900, at one thirty p.m., at the office of the referee, No, 32 Nassau street, New York city.

The referee takes the oath and files the same.

Isaac Vanderpoel, Esq., being first duly sworn by the referee, testifies as follows :

Examined by Mr. Elkus :

I am the chief examiner of the Insurance Department of the state of New York and have my office at No 11 Broadway, in the city of New York, which is the office of the Insurance Department of the state of New York in the city of New York. I am attending here because I have been served with the order of Mr. Justice Lawrence, dated March 31st, 1900, requiring me so to do. I have been connected with the said Insurance Department for the past thirty years.

In the year 1899 I received instructions from the Insurance Department to examine the Mutual Reserve Fund Life Association. I began such examination about May 15th, 1899, and continued the same until about August 15th, 1899. This examination was conducted by me assisted by about twelve assistants. I examined or caused to be examined all the books, papers and records of the association, including the minute books of the board of directors, and also generally examined various contracts. After such examination I made a written report to the Superintendent of Insurance. I was familiar at that time, with the charges filed by James D. Wells and John M. Stevenson with the Insurance Department against the Mutual Reserve Fund Life Association, and its officers. In such examination I investigated the said charges against the said association and its management, so filed, in so far as the books and records of the association were concerned, and in so doing found nothing which impaired the integrity or honesty either of Frederick A. Burnham, the president of the association, or of any one else associated with him in the management of the association at the time of such examination.

I found in my examination that the acts of the officers of the said association were always within their powers and prerogatives as defined by the association's by-laws or constitution, or as said acts may have been authorized by the directors of the association as evidence by the minutes of their proceedings.

At the time of such examination I was requested by Mr. Frederick A. Burnham, the president of the said association, to make my examination of the said charges and of the said association thorough and complete, and to the best of my ability I made a thorough and complete examination thereof. I was afforded every facility by the association and its officers to make such examination.

(Signed) ISAAC VANDERPOEL.

Subscribed and sworn to before me
this 2nd day of April, 1900.

(Sgd.) STEPHEN H. KEATING,
Referee.

Hon. Mr. CLORAN—The investigation was made, as far as the books were concerned, and the men who made the change were never brought up.

Hon. Mr. BEIQUE—The hon. gentleman is evidently unwilling to apply the same rule to all cases. In one matter he was satisfied to receive as evidence an article, a libel produced by a witness under oath, who never attempted to prove that he knew that any one item in that libel was true.

Hon. Mr. CLORAN—Have I a right to challenge a statement ?

Hon. Mr. BEIQUE—And he accepted that as evidence of charges, and in this case he is not satisfied with the examination made by the proper officer with twelve assistants, with an examination which is stated to have been made when the written charges were in his hands, when he swears that the examination which was made was thorough and complete and when he says that he inquired into all the books of the company——

Hon. Mr. CLORAN—If I have no right to ask a question I rise to a point of order.

The SPEAKER—No right to interrupt.

Hon. Mr. CLORAN—I rise to a point of order.

Hon. Mr. DOMVILLE—The point is not well taken.

Hon. Mr. CLORAN—Wait a minute. Has the hon. gentleman a right to put in my mouth a statement that I never made ?

The SPEAKER—The hon. gentleman who has the floor has not put any statement in the hon. gentleman's mouth.

Hon. Mr. CLORAN—Then it is my right to place before the House my statement.

The SPEAKER—The hon. gentleman should not interrupt.

Hon. Mr. CLORAN—I was raising that point of order.

The SPEAKER—That was not a point of order.

Hon. Mr. CLORAN—Then I respectfully take my seat.

Hon. Mr. BEIQUE—The hon. gentleman says the examination of the books and papers is not satisfactory. Let us take the principal charge on which so much time has been spent, and to which the hon. gentleman seemed to have attached much importance. What was the charge against Moss? It was in that case, as in all other charges, that the company had paid large amounts without any warrants, that they had misapplied the funds of the company. How are charges of that kind to be investigated if not by an examination of the books, if not by ascertaining from the cash-book what has been the income of the company, and by finding out how the cash has been applied from day to day, from month to month and year to year, and whether proper vouchers existed justifying all payments which have been made; and if the hon. gentleman will refer to the special report made by the chief examiner, it will be found that he specially mentioned that he has verified all the vouchers and examined all the books. Now, he might be suspected of having been biased, or of having been disposed to cover up certain items, but when we have the fact that he was assisted by twelve different persons, it would be very extraordinary, if the money of that company had been squandered, as had been suggested, that not one of these twelve persons who would be found to give the lie to this chief examiner. I would ask in what manner the hon. gentleman would indicate that the investigation should have been held, if not from the books and the papers of the company? I will not take up the time reading long extracts from the reports, but will confine myself to very few. Taking the one dated 16th May, 1898, from the chief examiner, I find the following:—

As per your appointment No. 1,104, I beg to report that I have completed the examination of the Mutual Reserve Fund Life Association of New York. The examination gives the condition of the association on December 31st last. This date was taken for the reason that there could be no material change in the association's total figures as between the close of the year 1897 and the 3rd of March last, at which date the examination was commenced. I have deemed it unnecessary to repeat here the various items going to make up the association's annual statement to December 31st, 1897,, as those figures are now on file, in all the states in which the association does business, and have been or will be published by these states in their annual report. The examination shows that the company's last annual statement was substantially correct. The variations in certain of the figures, as between those contained in the report and those shown by the examination are so trivial as not to warrant a reference to these differences in this report. The assets and liabilities are set forth in Exhibit 'F.' The association having been examined by this department in 1885, and again in 1895, it is unnecessary for me to go over any ground covered in the reports made upon the examination in question.

The report further says:

As the examiners of this department in connection with their previous examination of this association have found it necessary to criticise certain of its methods, as to the keeping of some of its books of account, I believe it is now due the association to say that in my opinion, the method now in vogue in the recording of its transactions from day to day, may be said to be concise, explicit and thoroughly intelligent system of bookkeeping. The condition of the books materially expedited the work of checking book entries with original vouchers, and lessened the time which would otherwise have been necessary to make the examination as thorough as I believe it has been.

I shall read again from the report of the chief examiner, and it will be found that he did not show any disposition to cover up the transactions of this company, that the report was very critical. I call attention to the following two pages, to which I attach importance, and to which I have given due consideration. It is as follows:

From the commencement of the business by the association in 1881 down to the execution of the contract of January 7th, 1897, or for some sixteen years, the total amount of agents' balance created was $529.459.93. For the eighteen months during which the contract I speak of ran, the agents' debit balances amounted to $244,954.07. The value of these balances owing the association is extremely uncertain. Of a total of $774,414, of these items accruing since its organization, it had marked off to the end of 1897, $419,235.24, or over fifty per cent of the total.

A reference to 'Account No. 4' indicates that the contract of January 7th, 1897, contemplated the payment of the general manager of a commission to him on new business in addition to the commissions provided for in the contract to be paid by him to sub-agents and the account shows this commission to have been so allowed him to the extent of $93,810.78 notwithstanding the fact that at the same time his sub-agents were becoming indebted to the association for moneys belonging to it and which they ultimately failed to remit.

These unpaid balances of 1897 form the larger portion of the $244,954.07 of agents' debit balance to which attention has been called. The value of these accounts could not be reliably ascertained at the date of the last examination, they having been then so recently created, but an examination of them at this late day must lead to the conclusion already given in presenting this matter to you, viz., that they are of nominal value only.

This, to my mind, strongly corroborates the charge which was made before the committee, that losses, and pretty heavy losses, had been made by the company through advancing money to agents. It was strenuously contended that the money had been misapplied in paying Moss commissions to which he was not entitled. I say this is disproved. I say we have clearly in evidence that Moss has not been paid a cent to which he was not entitled. The losses incurred were through advances to agents, but not to Moss. We have a statement, which has been verified by Mr. Eldridge, and which has been verified under oath by the chief accountant of the company.

Hon. Mr. McMULLEN—Would the hon. gentleman answer with regard to the fifteen hundred pounds which was drawn when Moss was in England ?

Hon. Mr. BEIQUE—I will answer any question of the hon. gentleman, but I cannot allow myself to be drawn away from my argument. I will be able to show that there is nothing at all in that, that it is a mere fancy of his imagination. I invite, and I say it here upon my responsibilty, any serious man to examine the evidence, and say if my statement is not correct. I repeat, it is a fancy in the mind of the hon. gentleman, as I shall be able to prove to the satisfaction of every member of this House, when he thinks that money has been misapplied in paying $7,200 odd to this man Moss in England.

Hon. Mr. McMULLEN—What a miserable lot of nincompoops we must have been that we did not understand that.

Hon. Mr. DOMVILLE—The hon. gentleman from de Salaberry is the only member of the committee who understands it, apparently.

Hon. Mr. BEIQUE—The accounts covering Moss's whole transactions with the company are to be found in part six, pages 8 and following. It will be found, by reference to those accounts, that Moss was charged with an amount of $246,846 for advances made to him for agents. Therefore, he has been charged with the full amount of the money which he subsequently paid to agents. He was charged with cash paid to agents during 1897 on 1897 business, $207,376 ; cash paid him during 1898 on 1897 business, $64,671 ; cash paid him during 1897 on account of commissions on 1897 business, $74,151 ; cash paid him January 15, 1898, on account of commissions on 1897 business, $2,392, and several other items which need not be enumerated, but which, added up, form a total sum of $628,141.35. Then the credits are gross premiums on 1897 business $475,225 ; gross premiums on 1897 business received and credited in 1898 $203,085, forming a total of $678,311. The amount of renewal commissions on five years plan which he was entitled to during five years, amounting to $64,804, and there is another item which brings this amount up to $66,142. Therefore, we have the total cash expended by the company through payments made to Moss or payments made to all the agents through Moss, and against that we have the total premium on which he was entitled to, about 85 per cent. It would be 85 per cent if that rate of commission had covered all contracts, but it is in evidence that there was a small part of the business on which it was less ; however in round figures he would have been entitled to 85 per cent. Instead of that it is shown that he received a fraction over 83 per cent. It follows from this, and it is the most conclusive evidence taken from the books of the company, which are proved to be kept regularly, that as far as Moss is concerned he has not received a cent to which he was not entitled. The amount to which the hon. member from Wellington has called my attention is charged in that account, and this amount I may dispose of immediately. The history of it is very simple. Moss went to England by special request, and by special request of whom? Of this man Wells, who is now setting out this transaction as being an irregular transaction on the part of the company. We have the letters of Wells on record. Those letters I hope my hon. friend has read. They are written to the president pressing upon him to send Moss to England for a special purpose, to take hold of the

organization in England for a time, to set the company on its feet and help its proper organization. When he was there he got into trouble. Apparently he was arrested for debt, and had either to remain in England or pay. The company had to be deprived of his services, or they had to advance him $7,200. This the company did, and it was good policy; it was proper management, and the amount appears in the account as having been advanced to Moss. We have it in evidence also that it was part of the bargain, that he was to be entitled to a commission on the business that was done by reason of his visit to England, and that the commission to which he was entitled fully covered the advance made to him. But, hon. gentlemen, is it serious, when a company is dealing with millions as this company was at that time, to take an item of this kind, and question the advisability of spending $7,000, for the purpose of sending that man to England or allowing him to return to continue the management of all agencies in the United States? There is no evidence that there was any error of management, but it would have been in the natural course of things if the witnesses who have been heard had been able to prove errors of judgment and losses for a much larger amount than that. I now come to the eighth paragraph;

8. Another examination of the affairs of the company up to the 31st December, 1901, was made by order of said Insurance Department of the state of New York, on the occasion of the reincorporation of the company, which was found to be solvent.

I need not read the evidence in that respect. It is uncontradicted. We have had the report of the chief examiner, and the report of the department. They are on record, and it was only as the result of his finding that the company was allowed to be reincorporated on the regular system in the state of New York in 1902. Then the last paragraph is as follows:—

9. Apart from the fact that the committee has not had the advantage of examining into the books and papers of the company, as was done on the occasion of the New York inquiries, the evidence taken before and reported by the Select Committee would not justify any conclusions contrary to those of the chief examiner, of the assistant actuary and of the superintendent of the Insurance Department of the state of New York.

I claim that this paragraph is also a proper conclusion to take, as being entirely supported by evidence, and as being also, for the reasons which I have mentioned, the proper position to take towards the Department of Insurance of the state of New York. I could take up the charges which have been placed on the order paper, and show the falsity of them, but I feel, at this time especially, it would be wasting the time especially, it would be wasting the time of this Honourable House, and I shall for the present confine myself to drawing attention to one of them only. It has been stated as evidence of extravagance in the management, that Mr. Eldridge had made a report to the effect that $500,000 could be saved in expenses, and that after he so reported no saving was made. His report has been put in evidence, and we have it stated in print, that not a cent has been saved, although in his own judgment $500,000 could be saved. I refer hon. gentlemen to part eight, page 22, to see the value of assertions of that kind. The recommendation as made by Mr. Eldridge is to be found at page 97 of part 4.

Hon. Mr. McMULLEN—Will the hon. gentleman tell us where that is referred to in the report made by the majority of the committee?

Hon. Mr. BEIQUE—It is referred to in No. 6.

Hon. Mr. WILSON—That is not before the House yet, the report of the majority.

Hon. Mr. McMULLEN—The hon. gentleman is reading from the evidence.

Hon. Mr. BEIQUE—Yes, I am reading from the evidence and the recommendation made by Mr. Eldridge is to be found in part 4, page 97. Then on page 99 I find the folowing evidence:—

Q. Was there any material reduction in the expenses of management after that?—A. In some items there was—not out of that, I do not think they were, but take the yearly report, it shows a reduction in some items. Take officers' salaries, I think the annual report shows a reduction, in that. In commissions to agents there was a large reduction. That showed the largest reduction, because the amount of business was very much reduced. Therefore the principal reduction in expenses came from that source.

Now, if hon. gentlemen will refer to the document filed and printed in part 8 at page 22, it will be seen that taking the expenses in 1898 they were $1,591,343, and in 1899 they were reduced to $1,185,729, a reduc-

tion of $405,614. There was a saving of over $400,000, yet we have here the assertion in print that although Mr. Eldridge claims that a reduction could be made, no reduction whatever had been made. I could take the charges one after another, and if necessary shall do so, and show that they are about equally unfounded. These are the only remarks which I felt it incumbent on me to offer in support of the conclusions which I have placed before the House. I feel I have discharged my duty, and that I would not have discharged it if I had failed to do what I have done. It would be most unfair to let a mass of evidence of that kind go before the public, and let everybody form his judgment on one individual assertion or on one portion of the evidence. It would be unfair to the company, and when I speak of the company I mean the policy-holders who have twenty odd millions of insurance in Canada—not policies actually in force, but policies which will be revived if the Bill which passed this House becomes law. I say it would be most damaging to those policy-holders, and liable to induce them to sacrifice their best interest, and it would be most damaging to all the insurance companies doing business in Canada. It is our duty, when we have taken the responsibility of appointing a committee, and allowing that committee to make a protracted inquiry, instead of throwing this mass of evidence before the public without comment, to declare what are the proper conclusions to take from the evidence, subject to the public or the parties interested, to say whether our conclusions are in accordance with the facts or not. I therefore move, seconded by the hon. senator from Marshfield, the motion which appears on the Minutes.

Hon. Mr. LANDRY—I rise to a point of order. I find in Bourinot, page 548, speaking of the reports of committees, says :

> It must, however, always be remembered that the report submitted to the House is that of the majority of the committee. No signatures should be affixed to a report for the purpose of showing any division of opinion in the committee, nor can it be accompanied by any counter statement or protest from the minority as such a report is as unknown to Canadian as to English practice.

I claim that this motion, made to-day by the hon. member for de Salaberry is a disguised minority report. He takes up the evidence and draws conclusions from it which he asks this House to support, showing that those conclusions come from the evidence taken by the committee. That is equivalent to a minority report. If the hon. gentleman has no right to come here and ask this House to adopt a minority report, he cannot do so indirectly. Consequently his motion is not in order.

Hon. Mr. YOUNG—Did not the hon. member give notice of the motion ?

Hon. Mr. BEIQUE—The hon. gentleman surely is not serious in denying the right of any member to invite the House to pass judgment upon the evidence ? The authority to which he has referred is not in point at all. I do not give this notice of motion as a member of the committee. It is not a committee report. It is as a member of this House, after having examined the evidence which is before the House, that I invite the Senate to pass judgment upon it. Suppose a majority report had been made—suppose that a report embodying conclusions had been made—let us take the one that was attempted to be made by the committee—would it not have been open to any hon. member of this House to move an amendment that other conclusions be arrived at ? Is it not equally elementary that it is open to any of us to move, in the absence of conclusions offered by the committee——

Hon. Mr. LANDRY—It is not the same thing at all.

Hon. Mr. YOUNG—Is it not a fact that the motion which my hon. friend has made was not suggested in committee ?

Hon. Mr. LANDRY—That is just the point I have been raising. He has no right to do indirectly what he is forbidden to do directly.

Hon. Mr. YOUNG—I was not a member of that committee, but am I correct in stating that the hon. gentleman never moved what he has moved in the House as a minority report. If so, I fail to see the connection which my hon. friend is trying to establish.

Hon. Mr. WILSON—Is it or is it not a report of the evidence ?

Hon. Mr. YOUNG—The evidence has been reported to this House and is under the control of the House. Any hon. gentleman has a right to bring up, based upon that evidence, any motion upon giving notice, under the rules of the House, that he desires. Therefore there is no connection with any minority report of the committee. I cannot see any analogy at all, because the hon. gentleman from de Salaberry gave the usual notice, the evidence being before us. He has drawn certain deductions from the evidence, and submitted them as a motion, and supported them by able argument, for the House to accept or reject, and I think other hon. gentlemen have taken the view that they have the right to do the very same thing. On the order paper can be found a document which did appear at an alleged meeting of the committee, so that while the House may accept or reject the hon. gentleman's view, yet the hon. gentleman has a perfect right, or any other gentleman upon giving notice, has a right to bring up the matter.

Hon. Mr. LANDRY—The hon. gentleman knows well what I said, that the hon. gentleman has no right to make a special report, and to ask the judgment of the House on this special report. He has no more right to do indirectly what he is forbidden to do directly, and that is an attempt to do in one way that which he had not the right to do in another way.

The SPEAKER—The evidence is before the House, and any member of the Senate can move a resolution, couched in parliamentary language, with respect to the effect of that evidence, and no hon. gentleman can point to any rule which says that an hon. gentleman who happens to have been a member of that committee, does not possess the same rights as if he had not been a member of the committee.

Hon. Mr. LANDRY—The consideration of the evidence is not before the House.

Hon. Mr. DOMVILLE—I have heard the learned dissertation of my hon. friend from de Salaberry. I followed it carefully, winding through the maze, if I may use that word—I do not know whether it is parliamentary—through the contortions of debate and argument—if that is not parliamentary I withdraw it, but as a layman it strikes me as a contortion, and it made me wonder where we were at, where we started, and where we propose to end. I quote now, from the debates at page 85, when I rose to move for the appointment of a select committee of five to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, with power to send for papers, persons, telegrams and records, and to employ clerical services and with leave to report from time to time. That was my motion. I might call the attention of hon. gentlemen to the fact that when I moved for this committee, I asked for three from this side of the House, and they were almost strangers to me here, as regards any idea as to what steps they would take or how they were impressed. I canvassed none of them. I asked for two from the other side; my long parliamentary experience having taught me that the minority of the House should have a representation, and I was informed that two would act on the committee and their names were given. That made five, three supporting the government, and two on the other side, giving the government a majority of one. If hon. gentlemen will turn up the debate, they will find that I was willing to accept any hon. gentleman. There was no choice on my part, no desire to canvass any hon. gentlemen as to whether they would support me and make a personal question either for or against the company, to support my charges or their defence. I placed myself in the hands of this honourable body—not myself but the policy-holders in Canada—in the hands of the Senate, to ascertain if they were entitled to redress. If they were not, then no harm was done. Later on, some very disparaging remarks were made concerning those five gentlemen, and they were characterized in language I will not quote now, because it is on the debates. Seven more members were added. Did I object? No, I had confidence in them, and accepted them, but as those seven were added to the committee, some hon. gentlemen suggested that another seven be appointed to the committee, and remove the impression before the country, and before the world, that that was a small committee, and with nineteen hon. members of this House on that committee, the members would have some minds of their own, and would be able to form a conclusion of their own on the merits of

the case. Was that an unfair position to take? Last year I said that I would endeavour to get on with this matter, but it was so late I had to withdraw it; I had given notice of a Bill, unfortunately, this year. Whether it was a correct thing to do or not, I shall not enter into the merits of that question, but a Bill was placed ahead of us, and passed this House, and we could not get it into committee, and on a tie vote in this House, where the Speaker voted as one, we had a division of 21 to 21, showing that irrespective of the committee, irrespective of those gentlemen that were characterized in such severe terms, this honourable body of independent men from the Atlantic to the Pacific, friendly and unfriendly in politics, they were there and in their independent position, not being under any obligation to their party, one side or the other, but viewing this matter as judges in the chamber, they divided, 21 against 21, in favour of and against the report. Does this show that it was entirely one-sided, as my hon. friend from de Salaberry has tried to point out from time to time? Does this show that this House was prejudiced? Has any one advanced the proposition here that I ever canvassed any member of this House to vote with me? If I did, let him rise now and say that I instructed him how to vote. I held no caucus in the lobbies, or in the upstairs rooms. I did not go out and talk at the bar on one side or the other as the case progressed, congratulating one side, or taking exception to the other side. I stand with clean hands in this House on this occasion. When we were before the committee I took no hand in the investigation at all, because there were stories drifting around the corridors—they were all brought to us; they were all retailed. There are so many people in the world who like to tell what they know. Sometimes it is true, and sometimes it is not. I did not telephone all over for members to come and vote. I did not wire that it was necessary to have everybody here. I sat on the committee as an impartial judge. I never interfered, except on one or two occasions. I thought I saw, and I am speaking now with great precaution—I thought I saw an intention, or it conveyed the impression that there was an intention, not to let us go on with the evidence which should have been adduced, to lay it before this honourable House. I think hon. gentlemen who served with me on that committee will substantiate what I say. The committee had a great many difficulties to work against. Our counsel was a K.C., a man of the highest ability, who has been to England, who has appeared before the Supreme Court, and there is not a lawyer in Canada who would pooh-pooh him. There are very few lawyers who will run down one another. They will stand by the profession generally. They will support one another because they never know when they may be together. To-day they may be fighting one another, and six months hence they may be together, dividing the costs, what they can get out of it. Therefore we will withdraw insinuations, and we will show statements made here, or impressions conveyed, and those impressions must be all conveyed with some idea or purpose, either to prejudice or to gain a sympathy. Sympathy is needed in this House. Who need any sympathy here? All the sympathy that is required is for the poor unfortunate people outside who have been defrauded. Perhaps my hon. friend from de Salaberry has taken his parliamentary right in proposing this motion, but it was after the other motion had been crowded out, when the committee reported there were 73, and where are the rest of them? They must evidently have been satisfied. They must have felt the business was going on in the proper way, and everything was done in accordance with the investigation, no undue influence brought to bear upon any of them. Therefore they felt that the committee was doing its duty and they supported the committee by not protesting. Hon. members may say what they like, but, as I said before, there was no intention of dissolving that committee, because they contended they must bring in the report, and there was the question of witness fees to deal with. They should have the opportunity of saying what should be paid or not paid. I think the stenographer's notes will show that the motion was that the committee rise and report—not that they report the evidence. There is not an hon. gentleman in the House who will not substantiate what I say now, that that was never moved, and I think it will be

found that it does not appear on the stenographer's notes in that form, however it did appear in the report, but it makes very little difference. The whole thing for the country and the whole thing for this House is, what that committee went there for. Did it go charged with a duty ; did it go charged not to condemn this company but to investigate, and if this company could clear the way and show they were right, was there an hon. gentleman on that committee who would have falsified his position by reporting something that was not true ? Look at the report. How marvellously guarded, nothing but an index to the evidence so that hon. gentlemen here, instead of having to read through the voluminous report of eight volumes, can turn quickly to the evidence that has been taken, and when that report was accepted here, this hon. House could have taken in two or three days, from that index, all the important evidence required to form a proper and right conclusion. Was that so ? No, it was not so. That report was crowded out. Day by day we had motions to do something, and they have never been moved yet, and we are in the dying hours of this session. Was that taking this House into their confidence ? Was that carrying out before the country an independent line of conduct ? What will the country say of this debate ? I suppose my hon. friend takes consolation in the fact that the country never knows what the Senate is doing and never bothers with their proceedings. That is a consolation, that with all these pleadings and speeches, they amount to nothing, because nobody in the country will read them, and nobody has access to them ; but they can be used for diabolical purposes outside. My hon. friend who claims a high position, or whose friends claim for him in Quebec, a high position as a professional man, has made his speech, and can that report of the debate not be used for diabolical purposes, as an argument to catch more victims in that spider-web. Then we come to where we started in this House, that this House and the country have to be the judges as to whether I was correct or not. I am not afraid of the country. I am not afraid even if the vote were against us here. I am not afraid of being—I was going to use the word stifled,, but it is not a proper word to use ; but if from some unforeseen circumstances that one can not foresee we are—my hon. friend suggests the word 'strangulated'—if it is not parliamentary I withdraw it—controlled is a better word, then what will the public say outside, so many hon. gentlemen in this House having fought their case ? Assuming hon. gentlemen vote against them—and it is a most peculiar thing, and we have heard that birds of a feather flock together—a most peculiar thing that every lawyer in this House, except the chairman of the committee, is arraigned against the policy-holders, and, whether they intended or not, their speeches and arguments here have been in defence of the company. Who asked them to defend the company ? Who asked anybody to come to that conclusion ? The hon. House was asked to investigate the charges which I made. I charge that the returns of the company have not been in accordance with the facts. This is a grave charge, which I have put on record, and I know the responsibility which I take in making it. I shall presently prove the suppression of papers before this House. The speech that was suppressed I shall prove—that is as I made it. I knew I placed myself in a position to be attacked by the whole press of Canada, but I have such unbounded confidence in the members of the House, that I felt I could depend upon them to investigate the matter, and if I could make out my case, that they would do justice not only to myself but to the widows and orphans. I am afraid my dependence upon them is weakened, because I never could have supposed that we would meet the opposition we had to contend with. We have nothing to do with the question whether this is a Canadian or foreign company. It is doing business in Canada, and the law affords it protection and it should also protect those who are in the hands of the company. In England, the Privy Council has decided that the company must pay back to the assured, principal and interest at four per cent, and also pay all charges in the lower court and in the Court of Appeal. I did not fabricate that, and while speaking of the word 'fabrication' which I used a while ago, I do not want to use an improper word. I refer to Worcester's dictionary :—Fabricate—fabricator, fabricatus, faber, a workman, the act of fabricating construction, the fabrication of a new government.

Hon. Mr. LANDRY—That is for next fall.

Hon. Mr. DOMVILLE—Then Worcester says 'Fabricator, one who fabricates, the almighty fabricator of the universe.' Surely my hon. friend should not have taken offence at that. Fabricator of the Senate would not be an unworthy word to use. I cannot see why there should be any feeling in reference to the use of that word. In the case of Angers against the Mutual Reserve which came before the Supreme Court here, all resting on this case, the decision was reserved as I have heard, not knowing from their lordships of the Supreme Court, with whom I would never attempt to discuss any points of this case. or ask them whether they were waiting to see the decision of the House of Lords, because if the House of Lords decided this case of Foster vs. the Mutual Reserve, which is analogous to this case, then the court must follow the decision in the Foster case, in the Privy Council, because under the legal reasoning they could not go to England on an appeal when the Privy Council had already decided it. When the House of Lords had rendered their decision and it was final then there would be no appeal from here to England, and the case must rest on their decision. I quoted from the case, and I need not go into it again. I endeavoured to place on the order paper yesterday a notice that I desire to ask the government whether they were aware that the decision of the Privy Council was against the company. That was the last appeal of the company. The decision in England was that there was no use going into the question of fraud or anything of that kind, as it had not been specially alleged, but that the whole case had been one of the most terrible fraud from top to bottom, and they ordered the company to pay back all the money that this man Foster had paid, with four per cent interest and costs to date. My hon. friend the Secretary of State—and I accept his word—says that he has only heard in the lobbies that judgment has been rendered. I have taken a great deal of trouble in this case, but I have not had sixteen lawyers behind me. I had one that was a match for them all. The Lord Chancellor called the company's policy tricky and intentionally ambiguous, and orders premiums returned. That is a telegram which I received.

Hon. Mr. TESSIER—Where did the hon. gentleman get that?

Hon. Mr. DOMVILLE—I got it half an hour ago.

Hon. Mr. MACDONALD (B.C.)—What is it called by Lord Salisbury?

Hon. Mr. DOMVILLE—The Lord Chancellor describes it as the telegram indicates, and that would destroy all the arguments of my hon. friend, if we might characterize it as special pleading. In that spirit of fair-play which my hon. friend states he is lined with all through, cut here and cut there, and take things pieces to pieces, I say that the thread of his argument is destroyed by the Lord Chancellor's designation of this company in England. And is it a fair position to place this House in? I knew this three or four days ago, and I had to trace it up bit by bit. Therefore, I think that to this House it has been a surprise. Hon. gentlemen here have not had a chance of knowing all this. But my hon. friend takes the responsibility of that, as I take the responsibility of the charges I made. The question has been disposed of in England, and the decision there will have a very great bearing all over this country, because the decision of the Privy Council must be followed here. Then where will that company be? It must be insolvent. Why? Because every policy-holder will demand his money back; if it can be recovered in England it can be recovered here. From whom will those unfortunate creatures recover? They cannot get it from the managers. They have gone through the funds and have left nothing. It has been proved in evidence that several of those gentlemen have gone through other companies, all of which have gone to pieces in the same way this seems to be going. Who is going to be responsible to the country? Will the hon. member from de Salaberry or the government be responsible for all the opposition we have had. If the company goes into liquidation, who will the liquidators be? They will be the policy-holders. For three years I have been writing about this matter, and it has become a matter of common report. It was published in the papers, because my hon. friend refers to a suit in New York where they arrested Mr. Wells, Mr. Paterson and Mr. Stevenson. But my

hon. friend says that was improper evidence, and asked to have it ruled out. He did not want the people to know what came out in that committee. He wanted them to see only the sliver side of the shield. With all his ingenuity, however, he has not gone as far as he expected to go or as far as it was hoped by somebody he would go. To show how widespread this matter has become, I may mention the fact that I have received to-day a letter from a gentleman in Rotterdam, Holland, which is as follows :—

Rotterdam, July 24, 1904.

To the Right Hon. Sir Domville,
Member of the Senate of Toronto.

Dear Sir,—For some days the post brought me a copy of the debates in the Canadian Senate about the Mutual Reserve Fund. I thank you very much and I cannot let to congratulate you with your victory. You have won the battle and in honourable manner. Afterwards widows and orphans will bless you and pray for a long and happy life.

I should like to read what the company has furnished. If one of the members of the Senate will yield his copy and give it to me, I shall be glad to study it. I think audi alteram partem, but I think too not much good about that bad managed company.

Recommending myself for your report, I thank you once more for your goodness in respect to me.

I am, dear sir,
Yours truly,
J. ADAMS, Jr.
Kortckade 97
Rotterdam, Holland.

That letter is a reward for anything I have done. That is an independant expression of opinion.

Hon. Mr. McDONALD—Was he a policyholder ?

Hon. Mr. DOMVILLE—Probably he was. I do not know anything about him, but it shows that the world is watching this investigation, and will draw a distinction between the gratuitous and honourable advocacy of the company by the hon. gentleman from de Salaberry, one of the three who objected to everything that might hurt the company, and all the other members of the committee who were unanimous in making the report. I am told that the hon. member from de Salaberry said the company was suing me. I will ask him if he made that statement ?

Hon. Mr. BEIQUE—I said the hon. gentleman was in litigation with the company. I did not say that the company sued him.

Hon. Mr. DOMVILLE.

Hon. Mr. DOMVILLE—That is a very polished answer.

Hon. Mr. BEIQUE—If the hon. gentleman will allow me, what was told me a few days ago was to this effect, that the hon. gentleman had instituted an action against the company for $10,000, and that a day or two afterwards he made his charges against the company in the Senate, that he had had other suits with the company—that he had been agent for the company in the province of New Brunswick, and had been discharged by the company, and that the counsel of the committee was his solicitor in those suits.

Hon. Mr. DOMVILLE—My hon. friend went a little further than I asked him. I can tell him more than that. I was with the directors in New York with Judge Jones, of St. Louis, and other prominent men. Were they discharged ? No, they were not. Here is the evidence ; they could not hold them, but my hon. friend says some one told him I was discharged. I suppose he was told that by Mutual Reserve Fund agents, that are all through the lobbies. If anybody else told him then it was a slander. Why should my hon. friend wish to listen to slanders ? If he got it from the company then he is justified in using it for what it is worth.

Hon. Mr. BEIQUE—The hon. member had better correct the statement if it is not true, because it is common talk here.

Hon. Mr. MACDONALD (B.C.)—It has nothing to do with the case.

Hon. Mr. BEIQUE—I am willing, for my part, to accept the hon. gentleman's statement if he says it is not true.

Hon. Mr. DOMVILLE—My hon. friend says it has been common talk. I have not been among the common talk. Will my hon. friend say who told him ?

Hon. Mr. BEIQUE—No.

Hon. Mr. DOMVILLE—He will not say who told him.

Hon. Mr. BEIQUE—Does the hon. gentleman deny that he had suits with the company ?

Hon. Mr. MACDONALD (B.C.)—Do not say yes or no.

Hon. Mr. BEIQUE—The statement was that Mr. Coster, the counsel for the committee, was the hon. gentleman's solicitor in these suits, and especially the one that is now pending.

Hon. Mr. DOMVILLE—Is my hon. friend placing me on trial now? Because, if so, I shall have to get some lawyer on the other side of the House to defend me. He has asked a question which I shall answer. I did sue them. I sued them for my premiums, to make them pay me back what they got out of me, and what they should not have got out of me. It was a breach of contract. My case is now pending and will be tried in September. My counsel in the case is Mr. Coster, and I am pleased to lean on him, and would rather lean on him than on some hon. members that I have heard in the course of my life, and who think they know more than Mr. Coster does. The company has not brought suit against me, and that is the whole amount of the litigation that exists to-day.

Hon. Mr. McMULLEN—The hon. gentleman is no worse than Mr. Foster in England.

Hon. Mr. DOMVILLE—And no worse than the Hon. Mr. Angers in Canada. If they have done wrong, I have done wrong. If I am wrong the suit going on in Kentucky and New York and other parts of the United States are wrong, and nobody can be right but the managers of this company and the hon. member for de Salaberry who is here trying, if possible, to make as good a case—I will hardly say that, to steer a way out for them. I propose to give notice of motion here directly, and some other notices of motion also. I stated while charging them with all these things that I would show what their duties were under the Insurance Act. I refer to page 17 of the Insurance Act, the 36th clause which governs their position in Canada. I have shown that they could not use the money as they have used it. because section 5 says :

No portion of any money received from assessments for death claims shall be used for any expense whatever, and every notice of any assessment shall truly specify the cause and purpose thereof.

I was trying to point out that this was a copartnership or a mutual society and that they could not raise money for one purpose and spend it for another, that if they did so they were liable under the laws of Canada to whatever penalty might be incurred therefor. That I thought was sound, because it was the law of the land. It could not be controverted by any opinion as to what we pass here or elsewhere, or what effect the Bill which passed this House might have. We might differ. One hon. gentleman might say that it had one effect, and I might think it had another. Neither might be right, or one might be, but I pin my faith to the Insurance Act, chapter 124 of the Revised Statutes of Canada as amended by 51 Victoria, chapter 28, and other amending Acts. That was good authority ; that was unpurchased authority. There was nothing to influence me one way or the other but the facts. I showed also that death claims shall be a first charge on all moneys realized by assessments, and no deductions shall be made from such death claims on any account whatever. My hon. friend admits that the managers of this company did make deductions. I did not follow his figures, but they scalped 5 per cent off the policy-holders in Canada.

What possible right had they to take one iota off these policy-holders ? The governing committee were not in a position to do it. They had their doctor and their directors, and when their doctor and agent accepted a risk and the company carried the policy five or ten years, what right had they to say we find in your statement so and so, and we will only pay you so much. They have taken off 5 per cent on the whole amount of the death claims paid in Canada. It is not only the percentage taken off those policies but they scaled them down. Let us suppose in the policies that they settled they paid 50 or 60 per cent of the claim; spread that over the whole of the policies paid, and it shows a small percentage, and it could be argued that on all the business they did with the people of Canada they deducted only a very small percentage. But they did not take it off the whole of them. We had before us the case of a poor man, here in Ottawa, that I wanted to put on the stand, but I did not succeed. I can get people all over the country whose claims were scalped 40 or 50 per cent. But we are told that these people could go to the law courts. What can poor people do fighting

such an organization ? Look at the expense involved in this great fight that has just ended before the Privy Council in England ? What poor widow of an artisan or labourer could face the expense of such a contest ? The most honest and generous lawyer in the country must charge for his services, and poor claimants could not pay. I know of a case where a widow who was insured for $1,000 was offered only $500. When she consulted a lawyer she was told if she had not money enough to fight it, she had better accept the offer. Wherever they had a chance to scale down the claims of people who were helpless to help themselves, they compelled them to take just what they chose to give. I was in Montreal only two or three weeks ago, and an hon. member of this House was present with me, and we met a man with a policy that was due. There was no contention, no complaint of fraud or anything of the kind, but he could not get paid. They kept promising to pay him, but never settled. If the evidence before the Senate is correct, then the company are all the time two million dollars behind. Even if they were a million behind they assessed under the principle of assessment, to meet death claims. If every month $500,000 death claims took place, then they have a right to assess the whole of us for $500,000 to pay those claims. But if we believe that they ever paid out that $500,000 to wipe off the claims against them, they would not be behind. But they do not pay these people and still they are in arrears. No policy-holder has a chance of knowing the position of the company. My hon. friend laid considerable stress on the evidence, and dwelt on the character of Mr. Paterson. Supposing Mr. John Thomson Paterson were to make strictures on one of my colleagues here, I would not accept them from him. But some of my colleagues are striving to show that Mr. John Thomson Paterson is not an actuary, notwithstanding his evidence given under oath, and uncontradicted. Let me read what is said of Mr. Paterson by those who know him :

Mr. J. Thomson Paterson is one of the ablest actuaries in the country, and his writings on insurance matters are considerd as authority.—'Western Economist,' Des Moines, Ia.

Mr. J. Thomson Paterson is a gentleman of large experience and has an intimate knowledge of the theory of life insurance.—'The Underwriter,' Philadelphia, Pa.

Mr. Paterson is a well-known statistician in insurance as well as an able writer.—'The National Underwriters,' Baltimore, Md.

We have a high respect for Mr. Paterson's masterly grasp of insurance and actuarial questions.—'The Insurance Observer,' New York.

Mr. J. Thomson Paterson is an accepted authority on life insurance. He is the author of several interesting books on that subject, which have found admiring readers in nearly every civilized nation on the globe.—'The Ledger,' Dubuque, Ia.

The author, Mr. J. Thomson Paterson, has made life insurance a study, and is master of the subject, if any one can be.—Montreal 'Herald,' Montreal, Que.

Mr. J. Thomson Paterson, a recognized authority on life insurance, is one of New York's men of figures, being a born mathematician.—'The Evening Telegram,' New York.

The author, Mr. J. Thomson Paterson, is well up in life insurance topics and has contributed not a little to its literature and done it well.—Toronto 'Bulletin,' Toronto, Ont.

Mr. Paterson is conceded well versed on life insurance.—'Daily States,' New Orleans, La.

Mr. J. Thomson Paterson is a recognized authority on life insurance. He is the author of several valuable books on the subject which have been read extensively not only by insurance men, but by the public generally.—Albany (N.Y.) 'Evening Journal.'

Mr. J. Thomson Paterson, widely known in insurance circles as the compiler of several valuable works on life insurance, has had an extensive experience in actuarial and field work.—'Thrift,' New York.

Mr. Paterson has a clear and vigorous style and a very effective way of presenting facts and figures.—'Insurance Advocate,' New York.

It is not necessary to quote any more to show that the committee was not dealing with a man of straw or a man who had no knowledge of insurance, but with a man who is well known and acknowledged by everybody as a most astute and able man. The committee are charged with bringing a man here who did not know his business. What is the position of that committee in this country ? Why, the further we travel from these buildings the more convinced the people are that we have been trying to do our duty, notwithstanding all the difficulties thrown in our way, as I have tried to illustrate to you. I have read a letter received from Rotterdam to-day. I have also a letter from a woman in Toronto, which I shall not read, and I have letters from other places, all showing that we are dealing with this question in a legitimate way, and in the public interest. It ill becomes anybody in this House or elsewhere to throw slurs at the nineteen hon. gentlemen on that committee. I took down the word used by an hon. member in speaking of them; he said they were degraded.

That was the word used against this committee.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. DOMVILLE—I think the hon. gentleman does not know the full meaning of that word.

Hon. Mr. SCOTT—I have a thorough understanding of the word. That is the opinion outside, and the opinion of a good many inside.

Hon. Mr. DOMVILLE—I find the following definition of degraded :

Deprived of dignity or rank, debased or low. A degenerate and degraded state.—Milton.

Hon. Mr. SCOTT—A good authority.

Hon. Mr. DOMVILLE—A good authority for those who like him. I never cared for 'Paradise Lost' or 'Paradise Regained.' However, if my hon. friend is satisfied with it, I have no objection, but I should like to know whether the remark applied to the whole nineteen members of the committee or only to the chairman ? Some say it was intended to apply to the chairman.

At six o'clock, the Speaker left the chair.

After Recess.

Hon. Mr. CLORAN—Before the hon. gentleman resumes his speech, I want to give notice of an amendment.

The SPEAKER—The hon. gentleman from Rothesay has the floor.

Hon. Mr. DOMVILLE—If the House consent, I am willilng to let the hon. gentleman give notice of his amendment before I resume the debate.

Hon. Mr. LANDRY—The hon. gentleman would forfeit his right to speak again.

Hon. Mr. DOMVILLE—I had prefaced what I was about to say with a few remarks. I only touched on the matter slightly, but I am in hopes before I am done with this subject that I shall be able perhaps to convince some hon. gentlemen who have not given this subject full consideration that there is more in this question than appears on the surface. We are dealing now with the motion of the hon. member from de Salaberry, offering what he represents as the proper conclusions on the evidence taken in the investigation. His motion covers nine sections, and in those nine sections it would appear that the rattler is in the ninth, which reads as follows :—

9. Apart from the fact that the committee has not had the advantage of examining into the books and papers of the company, as was done on the occasion of the New York inquiries, the evidence taken before and reported by the Select Committee would not justify any conclusions contrary to those of the chief examiner, of the assistant actuary and of the superintendent of the insurance department of the state of New York.

Taking that as a basis, the hon. gentleman evidently is of opinion that his motion takes the place of a minority report. He might fairly claim that as the committee was brought to an end against the wish of the majority, the committee being powerless to prevent it, therefore he could make this minority report now, but at the same time getting at the report of the committee as sent in to this honourable House and which is now on the table. I have a notice on the paper here which calls for all the papers to be produced and to be read by the Clerk of the House. That will take some little time, but it is the only constitutional way we had to get them before the House if there is any doubt that they were before the House. I have none in my own mind that the House was properly seized of them. Now what is the object of this motion ? Why has the hon. member from de Salaberry clothed himself with the power of alone reporting ? Why should he arrogate to himself the power of instructing this House or instructing the committee, or assuming the championship, if I may use the word, of the rights of anybody ? Whose rights is he protecting ? Not the committee's, because the committee has been unceremoniously turned down. Of course, it is beyond our power to prevent it. The ruling was against us. Mr. Speaker has the power to rule against us. There will be another Speaker here next session, I presume, and he will rule for or against us, and we must abide by his decision. I am not prepared to say that the power of ruling is the same in the Senate as in the House of Commons, because I understand the Speaker here holds a dual position. While custodian of the rights of the House, as Speaker, he has also the right to come down on the floor and take part in a debate, and consequently, has acted strictly within his rights ; but why

the hon. member from de Salaberry should have brought in this minority report, I cannot say. Would it not have been better to have conferred with the other seven gentlemen of the committee, and tried to come to an agreement? It was not like trying a case in a court of law. It was open to the widest investigation, and we could have come to some conclusion unanimously. But no, I have had the greatest difficulty to get the evidence before the House—have had to use every possible constitutional method of getting it submitted. The seventh report of the committee was presented long ago, and it has not yet been received. It has been staved off from time to time, because it is proposed to eliminate from it certain evidence which was unfavourable to the Mutual Reserve Association. Would it not have been better to let it come in in the ordinary way, to have said this investigation has been made, and here are the results. The hon. gentleman might have said I do not agree with my colleagues, but why does he try to eliminate important evidence? He has signally failed, because it is on the Journals of the House, and cannot be very well got rid of. No doubt he has been acting strictly within his rights, but when he was appointed to the committee to act in a judicial capacity—we have heard a good deal about acting in a judicial capacity, and what one should do and should not do—he should have allowed the House to have possession of everything brought before the committee, without trying to exclude it, and prevent it coming before the country. This discussion has been kept going day by day at the public expense; time has been wasted and all for what? Simply to prevent that report being brought in, and having succeeded, by parliamentary tactics, in keeping it back, my hon. friend brings in a motion, which, if adopted, would wind up the matter as he says, and his conclusion is that 'the committee has not had the advantage of examining into the books and papers of the company as was done on the occasion of the New York inquiries.'

Now, let us take the evidence that is already before the House, sworn testimony that has never been disputed, that Mr. Burnham said he required from the directors a hundred thousand dollars to obtain that report from the inspector, and that they got together, and finally he reported that he had obtained the report for $65,000, and he called his friends to his assistance, and said, 'Here is utter ruin; the inspector says he will not give us the certificate to go on, and we cannot go on with the business; we must throw up our hands unless we can get this report.' Have we not in the evidence that Mr. Wells himself loaned him $5,750? Is it not in the evidence that the others loaned him money to pay for that report, and that they had to sue him afterwards to get the money back? And did they not show by documents produced before the committee, that they worked that out of the company in some indirect way? Now, what is the value of the report, on which the hon. gentleman relies? My hon. friend said the other day that that evidence should not be admitted, that it was not legal. Any lawyer who knows elementary law would understand that that report would not be taken in any court. A man who declined to give a certificate to the company, and who had to be paid to make a special report, can hardly be depended on. What value is there in such a report to justify my hon. friend in the conclusion he puts forward in paragraph 9? What did Mr. Payne, who made the report, say? He said that the company were wrong in every respect. He was the man sent down, as I remember by the evidence, to look into the affairs of the company, and he reported dead against them, and yet my hon. friend pins his judgment on the report, when the evidence shows that it was purchased. Why should it be purchased? Why all this dreadful struggle here like the struggles of a drowning man? Why the struggle with the inspector and the examiner, and the high price paid for a favourable report if the company was properly managed? Yet my hon. friend is willing to take that report as good evidence why the company should be whitewashed. The hon. gentleman says in paragraph 9: 'The committee has not had the advantage of examining into the books and papers of the company.' Now, that implies that somebody did have that advantage. A report was presented to the committee, showing that Mr. Payne did not go into the charges made by the policy-holders, but merely examined the books placed before him. If this association had been in earnest

and felt that they could answer those charges and clear themselves, would they not have brought the books here ? They were asked to produce papers, and did they produce anything ? Mr. Burnham, the president, went to England. He would not come here. Perhaps he was right in not coming here.

Hon. Mr. CLORAN—He was safer.

Hon. Mr. DOMVILLE—He would have a pleasanter experience in going to England. The reasoning of the hon. gentleman from de Salaberry is tortuous—that because they bought this report and paid for it, and had litigation amongst themselves to get the money back, and Mr. Payne said he had never gone into the charges, but only examined the books placed before him, that therefore we are to say that this is perfectly satisfactory to the policy-holders in Canada, and we should whitewash the company. I do not know the law of Quebec or the parliamentary practice in that province, but I should think, outside of the coûtume de Paris, if it is there, it would not pass in any other part of the world. I am not prepared to say, from my want of knowledge, whether it is in the province of Quebec or not, but it is a matter of special pleading on behalf of the company. When I say special pleading, I say it because these paragraphs in the motion of the hon. gentleman are so extravagant in the face of the evidence now on the table. He takes up paragraph No. 1, and says it is undisputed :

1. The company was licensed in Canada from 1885 to 1899 to carry on business on the assessment plan, and from 1899 to this date on the level premium plan.

No doubt of that, it cannot be disputed. Then No. 2,

2. That part of the business of the company which is under the level premium plan, is fully protected by the deposit made with the government, as required by the Insurance Act.

Now this House is asked to declare to the policy-holders and to the country that they are fully protected by the deposit made with the government. That is tortuous again, because it refers to 'the level premium plan.' We are not talking about the level premium plan. We do not care anything about it. They altered the name of the company, and changed their mode of doing business ; that is, they dropped the assessment plan, and took up the level premium plan, and when they came to the Canadian policy-holders and asked them to move from one to the other, they got very few to do it.

Hon. Mr. WILSON—They got only 25 per cent.

Hon. Mr. DOMVILLE—They got 25 per cent of the policy-holders to leave the assessment system and go into the level premium system. Why did not the hon. gentleman discuss that in paragraph 2 ? Caution came in, extreme caution. He does not say anything about them at all. He says that the part of the business under the level premium plan is fully protected. That has nothing to do with the contract they made with the Canadian policy-holders under the assessment system. My hon. friend, intentionally or unintentionally, has drawn a herring across the trail. He says they are fully protected. How does he know that ? We did not have that before us. If the company should cease to do business tomorrow their policy-holders might be fully protected or not. That depends on whether they are able to be reinsured or not, and that depends, of course, on many contingencies. If the hon. gentleman, when he drafted his resolutions, omitted mentioning the assessment policy-holders through an oversight, we ought to give him the benefit of the doubt, but I do not believe that, under the Bill now before the House of Commons, the policy-holders are protected. I have been looking into this matter, and have discussed it with men who ought to know their business, and I cannot see what is to prevent this assessment company ceasing to do business in Canada and taking all their deposit out of the hands of the government, save and except $40,000. Of course that is a matter of opinion, and it is not worth my while dwelling upon it. I can only regret extremely that when that Bill was allowed to go through it did not contain the clause that I suggested, that the money deposited with the government could not be withdrawn. If it is contended that it cannot be withdrawn, what harm could there be in saying so in the Bill, so that those who run may read ? It would have settled doubts in everybody's mind, and the government would not have been in a false

position about that money in holding it. Any day there might be a petition of right, and then we would have another crop of lawyers around fighting that out, and win or lose somebody has to suffer. Then we come to the third paragraph.

3. From 1885 to the 31st December, 1903, the total income of the company in Canada, from its business on the assessment plan, amounted to $5,032,518, out of which $3,060,029 were paid in death claims and $999,865 in expenses in Canada, and $218,938 deposited with the government, leaving a balance of $753,686 to cover expenses of collection of the premiums and the contribution of the Canadian business to the general and head office expenses and to the general mortality fund.

We are supposed to get here the income that they received. Any schoolboy would know that there is nothing in that statement to show what they received. Here is what we complained of; it is put in a way that looks very nice, and we are told that out of the five millons they collected in Canada, two millions should not have gone away. My hon. friend has argued that they charged too little for insurance; that had they charged more they would have been in a better position, but they must have charged us quite enough in Canada if they were able to take two millions, that is to say some 60 per cent, barring the deposit in Canada, to run the business. I have heard it argued that 60 per cent is not too much, but it was so arranged that the officials were able to take salaries ranging from $45,000 to $185,000 a year out of it. Had that money remained in the company's treasury, the business would not have been in the position it occupies to-day. There is nothing there to show that they did not collect enough. They did not collect enough to enable them to take more than they did take. The whole case is given away by my hon. friend. If we take the information laid before us in regard to the Bankers' Association of Des Moines, we see that that company was able to go right along and pay everything, and yet have a rest of something over four millions on hand, and were not compelled to compromise claims in every direction and make heavy assessments on the policy-holders. By properly administering the affairs of the company they were able to make a success of the business. They started two years before the Mutual Reserve and are in existence to-day, and in a first-class position, doing a business of $300,000,000 while the poor unfortunate Mutual Reserve policy-holders find the business of their association running down, the expenses increasing, and that they have to compromise their claims. Now the management have come to parliament for a charter which will enable them to handicap the policy-holders either by loading down their policies according to such tables as they may have, or adding premiums so excessive that nobody will exercise the option. It is claimed that they will get their policies for two dollars per thousand less than the level premium plan. What sane man would take a policy in this company if he is able to get one in a company of repute and standing in Canada or some other country? The whole point is to endeavour—and I believe the right exists—to withdraw all the money they can get in Canada. They want to compel policy-holders to move from one class into another. The policy-holders have no show. If it was a joint stock company in Canada that was amenable to parliament you could get at them, but as the evidence before the committee shows, this association is managed by, I was going to say vampires, but I will not—they have got the company by the throat and you cannot dispossess them. But we are asked, why do not the policy-holders vote them out? Why, we cannot, in this House, get a majority, whether our case is good or bad, to enable us to bring in a report, though a minority report is brought in now in the shape of a notice, from the source that prevented the majority of the committee submitting a report to the consideration of the House. This motion is very well drawn for the company—I must apologize for using that term—I should say it is very well drawn in the interest of Mr. Burnham and Mr. Eldridge.

I have nothing to say about the other officers of the company. I never had anything against them. I presume they are doing the best they can under the circumstances, and under the dictation of their masters. Why should not my hon. friend from de Salaberry, putting aside what his views are, have lent his aid and help to the policy-holders, and try and put them in a position that they could control the company? If these gentlemen whom I have just named, had been retired years ago the company might have been in a good position to-day, and they might have been doing

as well as the Bankers' Life of Des Moines, Iowa, if they had been prudently managed. But no, with every determined effort to get them out, there they stand, and like the old man of the sea in 'Sinbad the Sailor,' you cannot get them off. They have succeeded in getting into this committee. They have not got very far, but they will come out injured and bruised. Why should they be able to walk around these lobbies, and have a chance to influence hon. members? I cannot for the life of me see why they should have any endorsation or backing in any shape. I think if the scales had been evenly balanced, my hon. friend from de Salaberry and others should have turned the scales in favour of the policy-holders, those that were afflicted and those that were injured rather than the scales on the other side in favour of Mr. Burnham and Mr. Eldridge. That is what I would have considered even-handed justice. If we have erred at all we should have erred on the side of those who have been injured, and should not have erred for those who were under control so to speak, or accused of certain misdemeanours. We should have leaned to the side of mercy for those who have been so scandalously treated. My hon. friend had a perfect right to do as he thought fit, and he had to justify his course. I will justify what I have done with my own conscience. Other hon. members must justify the course they pursue with their own conscience. Paragraph 4 reads as follows:—

4. The company's troubles are mainly due to the fact that its rates or assessments were too low, especially until 1895. Even with the advance which was made in 1895, varying from 25 to 100 per cent, the rates remained at least 25 per cent less than the level premium system would have called for; and, taking the whole period of nineteen years during which the company carried on business in Canada, the average rates or assessments paid by its policy-holders were only from about 50 to 66⅔ per cent of what the latter would have paid if they had been under the level premium plan.

I will show by table here, when I come to read this evidence, that not only did they get enough, but if they had prudently managed the business, they would have had more than enough to carry it on successfully and not be in the position they are to-day; still there is always one bright spot in the sky, and they will go home and will be able to say 'We have succeeded in preventing the company from being put into liquidation.' That is what should have been done. The company should have been put into liquidation and the deposit here divided among the policy-holders. I for one would have allowed my share of it to go, and others would have done the same, because they do not value their interests in the company as worth anything. They would have said: 'That money is there, let it go in some way to reinsure those who cannot be reinsured for whatever they can get under the forced circumstances of being uninsurable, as can be done in some companies.' We would have been willing to permit that to be done, because we can get nothing out of the readjustment scheme. I stated the other night, and I state again, that all they can get per thousand, either added to their policy or as one premium, is twenty dollars. What is twenty dollars? Mark you, they do not get the twenty dollars now, but it is to be added to their policy, that is to say, if a man has a policy of a thousand dollars, it stands as one thousand and twenty dollars, less what they are going to lose, and take it under the Act. If you remember the 'Sea Dreams,' by Tennyson, when the injured man was seeking to get relief, an individual came along and said to him 'My dear friend, when the great books of Daniel are opened at chapters seven and ten, you will find you are well' and he passed along smiling, but the poor man was ruined.

There is twenty dollars taken off, and we add one hundred on. Taking twenty off and adding a hundred means eighty dollars. That was an ingenious Bill. That Bill paralyzed the Banking and Commerce Committee, who threw it up and allowed the company to bring in three expert insurance gentlemen to look into it, two of them from Canada, and they said plainly to you, this disgraceful company said, 'If you alter the Insurance Act, so as to interfere at all with us, as we are coupled with it, it will do injury to Canada.' They allowed Mr. Eldridge to frame a Bill. They cared nothing about the Bill. The Canadian actuary and the Canadian companies care nothing so long as you shield them, and they can point to the Bill we have passed and say, 'That was an Act for the relief of the Mutual Reserve Company, not for us, and whatever you do with them, we do not

care one iota, as long as you do not hive them with us.' That was the result of the Bill. We could not get a chance at the Bill. We could not get it in Committee of the House. The Bill was altered and the name changed. I asked to have that Bill reprinted. Had it been reprinted, and had I seen it as it appears to-day, I never would have consented to it going through the House. It went through in a week. I have great hopes that the Commons of Canada will amend it by putting in such a safeguard as will enable us to say what we mean and what we feel. I do not think paragraph 4 of this amendment is a fair argument. Supposing the gentleman who wrote me from Holland was to get hold of this amendment, he would say, 'The troubles of the company are due to the fact that the rates are too low, and that taking the whole period, the insured have paid less than they should have paid.' That is the conclusion we are asked to arrive at, after an investigation made of the accusations as to their honesty and integrity. There is not one word about that in this amendment. It is simply saying that if they had charged higher rates they would have had more money, they would have larger incomes, and have paid more salaries than they did. What is the trial going to cost? We see in one year the company paid $75,000 in legal expenses. What will their legal expenses in this case be? I should like to place a notice on the paper, inquiring what they paid and whom they paid. The committee tried to ascertain what salaries the officials of the company were paid, but it was held we were not justified in asking it. It was said that it was an improper question for us to ask, and we could not find out what they were paying, and not being able to find out what they paid and who received it, we were told it was an impartial investigation, and that we were going too far. It was degrading, it was not a law court. It was everything under the sun. We could not get what we wanted, and the association were enabled to withhold from us what they had a right to give us under the mandate of the Senate. They were sworn to tell the truth, the whole truth, and nothing but the truth. They say, 'We won't answer.' What was the use of taking the Holy Writ in their hand and swearing they would tell the whole truth, and nothing but the truth, when they did not do so? Why were they not compelled to do it? Some of them said it was a court of prosecution. In a court of justice before twelve jurymen and a judge—and I believe our judges stand very well before the country—what would have been said? The court would have said, 'Answer those questions, sir.' If the witness said, 'I won't answer them,' then he took the consequences. I say it is a farce to put a man on the witness stand, and allow him to refuse to answer. It is better to keep him off the stand. Then the company had an opportunity of producing papers, and disproving anything that could be disproved. Will my hon. friend show me anything that was disproved by those papers? Not one thing. There is the testimony on oath against them, and not a thing disproved, and yet we are asked to pass a resolution like this. What for? If it was passed by this Senate it would be misleading to the public, and it would be most unfair to the hon. gentlemen in this House who have not paid as much attention to this long, dreary investigation, though it was spear against spear and thrust and parry, lay low for cavalry, and so on. Then it was beautiful on the defence in every stage. Among the nineteen members of this committee, there were two or three who were very assiduous in their duties: they were always there, and they felt that the management was badly conducted, but the association was in our hands looking to us to defend them, and put them right. Paragraph No. 5 reads as follows:—

5. The amount paid to or advanced by the company to agents, as commission, seem to have been at times abnormally high, which was not satisfactorily explained. Nevertheless, taking as a whole the period extending from 1885 to December 31st, 1903, the gross average expenses amounted to only $5.96 per $1,000 of insurance, per year, which compares favourably with other companies.

That is very ingenious. I am going to read it presently to show that it amounted in some years to $32 a thousand. When the business went down, the expenses went up in inverse ratio, and yet that does not appear there. How much better it would have been to have placed the matter in its proper shape, and to have said in these re-

ports : 'Well, we have left undone those things which we ought to have done, and we have done those things which we ought not to have done. and there is no health in us,' and asked for absolution. Then parliament might have said : 'We are fighting for the poor policy-holders.'

Hon. Mr. DANDURAND—Hear, hear.

Hon. Mr. DOMVILLE—I rather like my hon. friend from de Lorimier, and I won't mind his interruptions. I observe his ability creeping out of him. He saw where it was going to lead, and I congratulate my hon. friend on his cleverness in steering clear of the rocks, for in the future when this concern assumes another phase, between now and next session, the hon. gentleman from de Lorimier will say 'I at first thought there was something in this. I thought the hon. gentleman from Rothesay was not well posted. and perhaps he had hardly realized what he was doing ; but now after I have gone a little further, I see that I must ease off, and get out of it, for my own credit's sake and be done with it,' because by and by when things turn out, as they evidently must, he will say, 'Gentlemen you went too far.' It is like the fellow who had two wives. and before he died he asked to be buried between them. He was asked why he made this request, and he said 'I loved them both. bury me between them, but as I loved Biddy the best, give me a little cant towards Biddy.' And by and by the hon. gentleman will say that Biddy was his girl—that this was wrong and he saw it. I congratulate him. He is an able lawyer, and must know the danger and difficulty of the situation, and he would not allow himself to be involved in this matter to a very great extent. I think paragraph 5 is very misleading. Then paragraph 4 says that the assessments made by the company were too low. If the hon. gentleman were to take the House and the public into his confidence he would tell them that for certain years it was $5.96 a thousand, but in other years it was $32 a thousand. and he would explain to the public that. the company had been compelled to do so-and-so. Paragraphs 4 and 5 should be made one clause, and they should be explanatory of each other. They are misleading at present. No. 6 is a rehash of No. 3 and reads as follows :

6. The total amount of death claims against the company in Canada from 1895 to 1903, both inclusive, amounted to $2,278,207, on which the company paid $2,151,592, or 94·442 per cent.

That looks like a reasonable statement to make, that they only docked the policyholders five per cent, but whom did they dock ? They docked so many. It was not over the whole country that they took five per cent, but where they could bully a man or hound him down, or where he was not in a position to do anything, perhaps the widow with the wolf at the door, glad to take anything which would help. They scalped them to the extent of forty and fifty per cent, and although my hon. friend says we have no right to discuss the question as regards the United States, I say we have every right to discuss their position there. They were part and parcel of the company ; the ruling is that the company here is the company there, and the company there is the company here, and we have every right to know what they are doing in the United States. It is a very feeble argument to say that we are only entitled to examine them in Canada. The resolution reads 'To examine into the position in Canada of the Mutual Reserve Fund Life Association.' How could you eliminate one from the other ? How could you divide Canada from the United States ? My hon. friend has said that they were all one company. If they were one company. then by parallel reasoning we were justified,as partners here, to know what our partners there were doing. Why should we go to New York ? They are licensed under the Insurance Act here. and make statements, and can be examined here through their agent. They must have a representative in Canada who will give a certificate every year as to the business, and if he does that, and they send from the United States the report as it is presented to the various states, it should be produced here and laid on the table. I moved for it, and the House is now seized of that report, as presented at Albany. We have a right to examine that report, and compare it with our own report, to see how far they agree or disagree. We have a right to go into the whole matter.

Following that up we have a right to see what reports they made to the various other states, and see how they agree. I am now only giving a glossary, because I am going

to read all this evidence before I conclude. I am simply making some introductory remarks, and I can bring evidence to substantiate the argument I am making on general principles, on the motion of my hon. friend from de Salaberry. I do not think his position is tenable at all, because we cannot go to New York to look into their books, and if we license them here and they have the protection of Canada, we have a right to see what they are doing. My hon. friend might argue—and I think he would argue with reason—that this House should not have been forced to take up this matter to obtain this information; that it should have been taken up by the department whose business it is to inspect or superintend and examine into these matters. Why should the eyes of these men have been blind, if they were blinded? How is it they could not tell that there were judgments against this company anywhere? How was it they did not know of the decision of Mr. Justice Lord Romley in England? How is it I have to inform the House that the decision in England was against the company? My hon. friend would perhaps be right in saying that they knew it. Well, if they knew of these things, why have they been allowed to go on? I am not blaming anybody. I am not making any charges. I am pointing to the cold, hard facts that exist, that this association has been allowed to do wrong, and has never been compelled to pay what they should have paid. They were more lucky here than they were in Albany. They did not have to pay $65,000 for a certificate to do business. They could not get it there until they paid for it, but they got it here without paying for it. All those facts exist, a matter of public history in the public newspapers, suits against them everywhere almost, and the evidence before the courts everywhere. The sworn testimony from the files of the court in New York was produced here, and yet none of us here knew anything about it. Had I been a lawyer in the province of Quebec, I should have had the files and journals of the courts in New York. I hunted up the English cases here. I am not a lawyer, but with the help of a friend, I went to the library and looked at these cases. We are charitable and well-intentioned in this matter, and it is well that we should not do anything to injure the managers of that company. I say with premeditation that the whole of this business is not in the interest of the policy-holders. I say it is in the interests of the managers. How could we be so blind. They were not blind down in Albany about the report. I might refer to the story of the man in one of the lower provinces, Nova Scotia, I think, who smuggled gin into the province. It was in the old days of the demijohns of gin. The customs officer used to lie down on the sofa and he would put a doubloon—a twenty dollar gold piece on each of his eyes—and the officer saw nothing.

Hon. Mr. CASGRAIN (Windsor)—That was New Brunswick?

Hon. Mr. DOMVILLE—Well, they are all together. They are blue-noses.

Hon. Mr. BLACK—I think the hon. gentleman is mistaken. We have the Scott Act in Nova Scotia. It must have been in New Brunswick.

Hon. Mr. DOMVILLE—It makes very little difference. I think the story came from Yarmouth, if we go to the bottom of it; but it points to a great deal. It shows that the customs officer could not see the demijohns of gin going ashore, and when they had all been landed he rose and wiped his eyes, and went out perfectly satisfied that there was nothing wrong. So the company have floated along here step by step, till they have got, I think, to the end of their tether, in regard to their way of doing business. They have asked the endorsation of this honourable body, and we are divided, 21 to 21, and the Bill consequently goes through that they are endorsed here before everybody, notwithstanding the sworn evidence that was adduced, uncontroverted, that they bribed the superintendent at Albany to give them a report. Mr. Payne gave them a report to assist them. They were in a terrible shape, and the superintendent at Albany held them up for a hundred thousand dollars, according to the sworn testimoney, and they paid him $65,000. We have the sworn testimony in regard to that, but without waiting until that evidence was in the possession of the House, the Bill was put through to rehabilitate the company.

Now, we have before us a resolution which says that there is nothing wrong about that

—it is tantamount to saying that, and the company leave court with clean skirts. Is that a report which this House should be allowed to accept? My hon. friends here perhaps have not waded through the mass of testimony taken before the committee, but they are asked to sanction this resolution without having strictly analysed the evidence. Two or three days ago it was sought to cut out of those reports certain evidence—that No. 7 should not be received, and so on, and I do not know whether it is on the Journals to-day or not. Paragraph No. 7 reads as follows :—

7. The Superintendent of the Insurance Department of the state of New York caused an examination to be made of the company's affairs, both in 1897 and in 1898 ; on the occasion of the latter examination, most of the charges mentioned in the evidence reported and now on the table of this House were invstigated and found groundless, as will appear from the reports of the chief examiner, of the assistant actuary and of the superintendent of said insurance department.

Well, he did cause an examination, and he held them up and compelled them to pay $65,000 before they could get a certificate. This is all I have to say concerning this resolution, because I shall have another opportunity of presenting to this House, section by section, and clause by clause, all that I am referring to now, and the House and the public will have an opportunity of judging from the debates of this House, which I suppose they can obtain, whether the Senate was justified in passing such a report. My hon. friend from de Salaberry, talking about the charges, said: 'There is no doubt the policy-holders were victimized and their money was squandered.' He said that by his examination before the committee the truth had been reached about a certain thing. He admits the policy-holders had been victimized and money squandered. If I have correctly reported what my hon. friend has said, how can he reconcile paragraph No. 4, where he says the company's troubles are due to the fact that they had not been assessed enough? On the one hand he says they have been victimized and the money squandered, but in his resolution, which he asks us to adopt, he says the troubles are due to the fact that the rates of assessment were too low. I do not understand how my hon. friend came to make that statement here. Truth will out sometimes, and I presume he made it as he felt in his heart. He felt that they had been victimized, that the money had been squandered, and the truth had been ascertained, as he stated. He further stated that it would reflect on all Canadian companies. How can it reflect on all Canadian companies? There are good companies in Ontario, in Quebec and in the North-west, and how will it reflect on them? After this case is closed, they can obtain copies of these proceedings. They can reprint them easily enough, and they can go through Ontario and through the west, and say, 'There is the state of that company; we have nothing to do with it. Here is the whole story told before the committee. Here is everything in connection with it, and it is not going to affect Canadian companies.' If my hon. friend could induce me to believe that this Bill would reflect on Canadian companies, I would be the last man to carry on any investigation that might injure the innocent. That is a very far-fetched argument, to my mind. My hon. friend from deSalaberry said he talked about the personnel of the Senate. He talked about the exaggerated attack made. What exaggeration? Take the debates and hon. gentlemen will see there is not a single exaggeration on my part. There is not a single thing in what I put on the debates here that is not intensified by the evidence. I was very careful in selecting what I did, that it should not be charged afterwards that I had in any way exaggerated or gone beyond the limits of prudence. My hon. friend talks about minds being biased. Whose mind was biased? Let us take the committee. We start out with, 'Who struck Billy Patterson.' Before we go further, what was wrong with the committee? They found fault because I moved it. They objected to me being chairman, though I did not want to be chairman, and they appointed somebody else. They added seven members to the committee, and I did not object.

Let us take the members of the committee. Take Hon. Senator Cox, of Toronto. Was he biased? Hon. Mr. Wood (Sackville), was he biased at all? You might go through the whole list, and whom would you say was biased? Whom did they want to strike at? I was biased, but as

far as I could see, all the others were biased to do their duties. Some of them could not agree with me, but I would not say were biased on the other side. I would be more charitable and say they were mistaken. Members of the committee sit in judgment. What judgment? I see no judgment in it. It was to report evidence, not to find a judgment there. These may be legal technicalities in the province of Quebec—I do not know, possibly they are, but it puts me very much in mind of when I was running an election and two women were quarrelling, and the daughter of one woman came running up and said, 'mother, mother come quick and call her an ugly name before she calls you one.' This line of attack is worse than the skirmish of the Japs. We have lines of skirmish everywhere. I am not going to go to any trouble to explain about my own suit against the company. I have not been favoured, and I propose to pass that matter by. 'Minds biased, interests guarded.' What interests are guarded, and if interests are guarded, who started to guard the interests? Did the hon. gentleman from de Salaberry start to guard the interests of the company? I started last year to guard the interests of the policy-holders. It was late in the session, and I could not go any further and had to withdraw. I gave notice the moment I got here, that I was going to do it this session. But there were gentlemen over-zealous in their desire to guard somebody. And whom have they guarded to-day when they will not let the public get the report of the committee? They cannot be guarding the policy-holders. I do not attach very much importance to these remarks, but only took them down to show that in case my hon. friend should bring up any further argument, I might have them here. My hon. friend from de Salaberry also said, 'pays all debts in full that are a proper charge.' Is that not fine? What word shall I use to describe it—I will not say quibbling—but it is a fine argument, arguing in a very fine way—'all debts paid in full that are a proper charge.' How did my hon. friend come to the conclusion that they were all paid? The committee gives evidence to show they were not all paid, and where did my hon. friend get the evidence to show that all proper charges were paid? I have not had the advantages he has had, of being able to get hold of these cases on which he bases his argument to-night. How he could allow his mind to reason in that way I cannot tell. I cannot reason from these papers, and I do not think any hon. gentleman in that committee who paid attention can reason that way from those papers. There is nothing to show that they paid all just claims, but on the contrary, the evidence showed that they scalped them wherever they got the chance. There are cases in this city where they scalped them, and yet my hon. friend in his desire to act fairly as between all parties, takes the ground that the company paid all proper charges. I say that that is an unfair way to put it, because if I was reading that coming from this honourable body, where they are supposed to do no wrong—and I hope there is nothing to influence anybody—they would say, 'herewith before us, the company have done right and acted fairly, and paragraph 4 shows the trouble to be, that they have come to grief by not charging enough, whereas the evidence which will be read to this House by and by, shows that they were throwing the money away by hundreds of thousands. Reckless extravagance, as my hon. friend from de Salaberry says. The policy-holders were victimized, and the money squandered.

Now, there has been a general attack all round, and the counsel was attacked. He is able to take care of himself. It is said that he has charged too much, and has been too long over this inquiry. He could not do any better. They interfered with him on the committee. The counsel should have been allowed to go right along and investigate, and not have members breaking in upon him time after time, asking questions which allowed Mr. Eldridge to make speeches. The evidence, in fact, is made up of his speeches. When you ask him if that is a door, he would say no, it is a pump-handle. That is about the size of it, and they say yes, you are quite right. Now, the expenses of legal gentlemen in this country—fifty dollars a day I am told—is a small amount. I am told the company had been paying quite a large amount as fees and retainers. Fifty dollars would be nothing in comparison with what they are paying. Not being very well versed in the matter of these charges, I had hopes that I would have got an answer to my

question, what had been paid in the Behring Sea investigation, then I would have had an opportunity of reasoning between tweedledum and tweedledee, which was worth $500 a day, and which was worth $50 a day, and without advocating any great ability as to one or the other, I should have formed a conclusion as to what was the right sum to charge. Then Mr. Wells has been attacked. We have the highest encomium passed upon him. He was attacked and Mr. Paterson was attacked. He was an actuary—did not know anything. I read to-night endorsations of Mr. Paterson and Mr. Wells, from the leading papers, not only in the States but in Canada. Who gave the power for this unfair criticism of those gentlemen connected with the investigation? The committee, witnesses, counsel, experts, every one of them, have been, so to speak, humiliated, or they might have been humiliated, by the adverse remarks and criticisms that have been made about them. But I do think that it bears the lesson that people in a hard place go to great distances to get out of a bad hole, and sophistry, if you call it so, or argument sometimes, will weigh against the better judgment of the people. Therefore, we should not be too severe in our criticism of our friends and neighbours, but rather be charitable, and say that we are afraid that although we may have very great ability—and I am putting it now in a very strong parliamentary way—that they have not been cute enough, presuming and believing that they were acting for the best interests of the policy-holders, they having unwittingly allowed themselves to be led astray, some of them by the sophistry of Mr. Eldridge, of New York.

I think that is a very gentlemanly and kind way to put it, that a man might believe and think that he is doing his duty by all, but there may be a mascot. People get mascotted sometmes; they cannot tell why. Mesmerism and mascotism appear, and there is no way of explaining it. I think that is very charitable. I have simply answered my hon. friend, and I have not gone into the facts and figures which I will go into by and by, but I have tried to show the House why they should not adopt the resolution. It is misleading to my mind, to the House and country. It is not based on the evidence as I see the evidence, and therefore my hon. friend should either withdraw that resolution or that notice of motion or he should add to the notice of motion all these reports, and also the report of the chairman of the committee, and then it would be somewhat of an apology to the committee for all the humiliation that has been caused them, for all the work they have had to do, appealed to from all over the country to do their duty, trying to do it, not offensive to anybody, humiliation thrown on them inside and outside of the House and everywhere. It is something one should not expect in this high court of parliament, known as the Senate.

Hon. Mr. DANDURAND—I desire to be allowed to say a few words in answer to the speech of the hon. gentleman from Rothesay, which has covered considerable ground and re-covered it a considerable number of times. The hon. gentleman is surprised that someone has dared to rise in this chamber to express an opinion upon the work carried on by that committee of investigation. In fact from the inception of this whole discussion which has been raised by the hon. gentleman from Rothesay, it looked as if no one had a right to discuss his statements or contradict him in any way. The Mutual Reserve Fund Life Association of New York seemed to be his exclusive preserve. We had no right to encroach upon that field, which was his own.

Now, at the outset some hon. gentlemen—and I was one of them—discussed with the hon. gentleman from Rothesay the propriety of sending this question of the work done in Canada by the Mutual Reserve Fund Life Association of New York to a special committee. I for one thought that the Committee on Banking and Commerce, having in charge the remedial Bill proposed by the hon. gentleman from Toronto, could be charged with the duty of calling for persons and papers and investigating the standing of that company in Canada to a sufficient extent to enable them to prepare a Bill which would be founded upon the facts that would be established before them. We all know how the hon. gentleman succeeded, in a very thin House, one evening, in getting the appointment of his committee. A certain number of us thought no good would come out of that investigation. A still larger number of us think so to-night. I am not

speaking only of the hon. gentlemen who are present now, but of the members of the Senate at large who think no good has resulted from this investigation. We could get all the information we need for the discussion, and in fact we did get sufficient information to come to the relief of the policy-holders, who felt that under the assessment plan they were carrying too heavy a load. The hon. gentleman thought there was no use talking this session of a remedial Bill, that he should be allowed to denounce and pursue with his wrath that insurance company and investigate its management to the bottom. We thought, on the other hand, and amongst those who think so are policy-holders quite able to speak for themselves, within the walls of this very chamber, that there was something else to be done than looking at the way money had been expended in that company fifteen or twenty years ago in paying large salaries. We could see no special good that could arise from a prolonged and costly investigation sought for by the hon. member from Rothesay, and we succeeded in devising a means of coming to the rescue, as far as was in our power, of the policy-holders, and succeeded in getting the Bill introduced by the hon. member from Toronto, accepted by a large majority of this House. When I say a large majority, I should practically say by the unanimous vote of this chamber. In fact, there was no vote when we went into committee on the Bill. Some useful work was done by the Senate of Canada, but I do not lay it to the credit nor at the door of the hon. gentleman from Rothesay or his committee. They had nothing whatever to do with it. They opposed any work being done. They challenged a vote. They would not have this work, which had come from the Banking and Commerce Committee, proceed further before the select committee had sat in judgment over the conduct of the officers of that association. They nearly succeeded, through I do not know what exceptional arguments, in getting quite a number of members of this body to vote in favour of adjourning the consideration of the relief Bill, but, when that obstacle was out of the way, what did we see? Nearly all those gentlemen falling into line, examining that Bill, declaring it satisfactory, and passing it without objection, and we have even heard some of those hon. gentlemen who waged war from the beginning against that Bill, boasting that it was practically their own offspring, that they had put their superior intellectual attainments to perfecting a Bill which would be of some use to the policy-holders. The hon. gentleman from Rothesay has spoken of the humiliation to which the committee he succeeded in getting appointed was subjected. I do not think any member of the Senate had any idea of humiliating any one but this gives me an opportunity to answer the remarks made by the hon. gentleman from Wolseley (Hon. Mr. Perley), who spoke yesterday or the day before. He thought the committee had been slighted, and that a majority of this House should have given them a chance to make a final report on the evidence. If they met with any humiliation it was humiliation very well deserved, and sought for by the committee itself. How did the committee come to grief? It came to grief through disobeying the letter and the spirit of an order of this chamber. This House had voted, by a large majority, in favour of requiring this committee to examine two witnesses. The wording of the motion presented by the hon. gentleman from Beamsville (Hon. Mr. Gibson) was that the witnesses should be subpœnaed. They were subpœnaed by the hon. ex-chairman of that committee.

Hon. Mr. CLORAN—I am still chairman.

Hon. Mr. DANDURAND—The hon. gentleman took the letter of that order, though it meant that those two witnesses should be examined, and against the opinion of the counsel of the committee himself, who had re-examined Mr. Wells on the question relating to the expenditure of money in getting legislation here in 1885 with a view to opening the door to the examination of those two witnesses, the majority of that impartial committee decided that when they had subpœnaed those witnesses and brought them here, they had faithfully executed the order of the Senate of Canada, and refused to examine them.

Hon. Mr. CLORAN—It is not true.

Hon. Mr. DANDURAND—The hon. gentleman took the letter of that order which had been explained as meaning that those

two witnesses should be examined, and simply subpœnaed and brought them here. I entered that committee room once or twice to speak to a senator who happened to be in the room. I did not follow the sittings of the committee, but if the behaviour of that committee is to be judged by a specimen of their impartiality that I witnessed, I am not surprised, nor do I regret that they felt humiliated by the Senate's action.

Hon. Mr. CLORAN—We do not feel humiliated. That is where the hon. gentleman is mistaken.

Hon. Mr. DANDURAND—The hon. member from Rothesay has declared upon his responsibility, and with that moderation which characterizes him, that the inspector of insurance, the superintendent of insurance of New York state had been bribed to the extent of $65,000 to make a favourable report to the country. It appears that all this hangs purely and simply upon a declaration of the witness Wells.

Hon. Mr. CLORAN—Uncontradicted.

Hon. Mr. DANDURAND—Mr. Wells declares that he had been asked by president Burnham for a few thousand dollars because he had to pay a certain amount in that direction, and added, that although he loaned the money, did not believe for the moment that such a transaction had taken place. This I understand is the evidence on which the tale hangs. But here comes again the occasion to question the wisdom of that committee, when such an important statement was made by the witness Wells; they refused to examine two witnesses who had been subpœnaed on the very question of the varacity of the witness Wells, and the hon. member from Stadacona in his precipitation and astuteness moved that the committee rise and report the evidence. This was closing the door to the examination of those two witnesses, and to any final report of the committee.

Hon. Mr. LANDRY—Not at all.

Hon. Mr. DANDURAND—Why that precipitation on the part of the chairman of the committee and his majority? To prevent the possibility of the Senate giving them positive orders to examine the witnesses who had been brought here from New York at the expense of the Dominion treasury. These hon. gentlemen hurriedly closed their proceedings in order to prevent their witness Wells being discredited. The judgment of one member of the committee at least was formed in advance. He accused me of having an open mind; he had himself, before the election of the chairman, a closed mind. He was one of those who decided that Mr. Wells, who made that affirmation, should be protected from any imputation of having said things that could be contradicted by other witnesses. It would have been very important for this Senate to know what value to attach to the statements of Mr. Wells. In what position does he stand to-day? He stands under the imputation of perjury, because a majority of the committee refused to examine witnesses who had been brought here to contradict the statements.

Hon. Mr. CLORAN—The hon. gentleman has a great deal of nerve to make such a statement before this honourable House in view of the evidence.

Hon. Mr. DANDURAND—I care very little for the opinion of the ex-chairman of that committee. Now, what has come from this committee? What has been the result of all their work? What did they want? What was the prosecution after? I have been asking the hon. gentleman from Rothesay the last three months what he was after, what remedy he had in his mind for the relief of those poor widows and orphans? For the first time to-night we have heard the remedy. He opposed the passing of a remedial Bill, and to-night we have, in the dying days of the session, his magnificent plan of relief for the widows and orphans. It is to put the company in liquidation and divide the few thousand dollars on deposit in the treasury amongst the policy-holders. That would represent a very poor compensation for the moneys paid by the thousands of policy-holders in this country into the coffers of that company. The hon. gentleman proposes the liquidation of that company. I had occasion to protest against the language used by the hon. gentleman from Rothesay in moving for the appointment of a committee when by insinuations and innuendoes he besmirched the character of some of his colleagues in the Senate. He always spoke, and he even did

to-night again, of all the lawyers in this chamber being arrayed against him, as though he represented all the policy-holders, and was their only representative in this chamber and had a sole right to speak in their name. The hon. gentleman remarked that I had ceased to concern myself about this question of the Mutual Reserve. One reason why I did so was that I preferred to avoid the aspersions and assaults of the hon. gentleman from Rothesay upon all those who did not see eye to eye with him on this question; and yet to-night when I hear the hon. gentleman ask what mandate the hon. gentleman from de Salaberry has to speak on this question or to give his opinion upon the evidence, I ask myself if the hon. gentleman from Rothesay represents all the policy-holders, and has the exclusive mandate to speak for them? To my surprise, I find that the hon. gentleman is the only one in this chamber who has no right to raise this question of the Mutual Reserve management. I find that two days before he did so, he had a writ issued against the association for $10,000, and was in conflict with them on a question of money. And yet he asks by what right did that company come to the lobby of this chamber. They could not come into this chamber to meet their accuser, for the hon. gentleman was their only accuser in the Senate. If the hon. gentleman had been content to settle his difficulties with the Mutual Reserve in the courts of Canada, perhaps once they had been adjudicated upon by the courts, we would not have expended so much money and would not have had the irregularities which have arisen in connection with the investigation of the question which had been investigated already in the state of New York. I have heard on all sides most profound regrets expressed by my colleagues in this chamber and by outsiders at the loss of dignity and decorum in this chamber during the present session. I attribute it to the fact of the passion which has entered into this question because personal interests are concerned. There was personal interest between the hon. gentleman and that company. Had the investigation been confined to absolutely disinterested and independent men, we would not have witnessed the unbecoming scenes which we have seen in this chamber.

Hon. Mr. DANDURAND.

Hon. Mr. MACDONALD (B.C.)—The hon. gentleman is setting a good example now.

Hon. Mr. DANDURAND—Perhaps I speak with some heat. I was not born very near the North Pole. I am perhaps the son of a Southern climate, but I try to keep within the limit of propriety and speak my mind with absolute independence and disinterestedness. The hon. gentleman from Rothesay has said that he would take another occasion to read all the evidence that has been adduced here, at another stage of the proceedings. Had he said he would take occasion to comment on the evidence, nobody could object, but he declares his intention to read the evidence again. He has given notice of a motion in which he has put his own views, but they are as well the ideas of a majority of his committee. I have no doubt he will then have occasion to explain and discuss that evidence, but it seems to me, with the motion we have before this House, and the hon. gentleman's notice of motion, there will be enough discussion, and that is the reason why I will move the previous question. I now close my remarks by moving that the question be now put.

The SPEAKER—It is moved by the Hon. Mr. Dandurand, seconded by the Hon. Mr. Fiset, that the question be now put. There can be no discussion on that.

Hon. Mr. LANDRY—It shuts out any other amendment, but does not prevent discussion.

Hon. Mr. BOLDUC—Any one can discuss that motion.

Hon. Mr. LANDRY—And any length of time.

Hon. Mr. BOLDUC—There is no cloture.

The SPEAKER—I have always understood that there could be no debate on a previous question; but I do not find anything in Bourinot to that effect.

Hon. Mr. LANDRY—The Speaker will find a reference to it at page 449.

The SPEAKER—Bourinot says:

The rule just quoted (that is the rule of the House of Commons) permits neither amendment nor debate in case the House decide in the affirmative, for the Speaker will immediately put the question. But if the previous question be resolved in the negative, then the Speaker

cannot put any question on the main motion which is consequently superseded.

Hon. Mr. MACDONALD (B.C.)—Is it in order to intervene with a motion of this kind in a discussion?

The SPEAKER—That is what it is for. I have always been under the impression that there could be no discussion on the previous question. There is nothing in Bourinot to show that there can be.

Hon. Mr. LANDRY—The previous question has been put more than once in the House of Commons. It was put on the Riel question and the Canadian Pacific Railway question, and did not prevent discussion until the question was put from the chair.

The SPEAKER—I have not given any positive ruling.

Hon. Mr. LANDRY—It precludes any amendment. When the votes are taken, if it is declared in the affirmative, then it precludes amendments, but if decided in the negative, amendments may be substituted

Hon. Mr. DAVID—Cushing on law and practice of legislative assemblies, which I had occasion to read some time ago, lays down the principle that the previous question puts an end to discussion.

Hon. Mr. SCOTT—The rule here is perfectly plain. The rule that has guided parliament admits neither amendment nor debate in case the House decides in the affirmative.

Hon. Mr. LANDRY—When the House has decided it, but we are going on to discuss the question.

Hon. Mr. CLORAN—When the previous question was moved in the Riel debate, the debate lasted probably two weeks; if I am not mistaken it lasted three weeks, when Sir Hector Langevin moved the previous question.

Hon. Mr. McMULLEN—I can hardly believe an attempt would be made to shut off debate at this stage. I hope an opportunity will be given to everybody to address this House on this exceedingly important question.

Hon. Mr. KERR (Toronto)—I rise to inquire what question is before the House?

Hon. Mr. McMULLEN—No more important question has come before the Senate in years, and I contend that it is the duty of the House to give it every consideration, and I am determined to have an opportunity of expressing my views to this House on this subject. I think I am entitled to that opportunity.

Hon. Mr. KERR (Toronto)—I have raised a point of order.

Hon. Mr. LANDRY—I call the Speaker's attention to May, page 268:

> The object of the previous question is to withhold from the decision of the House a motion that has been proposed from the chair by a motion which compels the House to decide, in the first instance whether the original motion shall or shall not be submitted to the vote of the House.

That is the object of the previous question. The motion must be put without any amendment whatsoever. It cannot be coupled with an amendment. In the Lords the Speaker puts the question 'whether the original question be now put'; in the House of Commons the motion is 'shall the question be now put,' and if it be resolved in the affirmative, the Speaker is prevented from putting the main motion first to the House as this refuses to allow it to be put, but that does not prevent a discussion going on on a motion that the question be put, and on the main motion except that it prevents any further amendment. I refer the hon. Speaker to the cases in the House of Commons in 1885. I myself moved the motion on the Riel question, condemning the government for having permitted the law to take its course. Sir Hector Langevin rose immediately after I had spoken, and moved the previous question and the debate went on for two or three days.

Hon. Mr. CLORAN—Two or three weeks.

Hon. Mr. LANDRY—For many days. And afterwards the question was put by the chair that the question be put, and the House gave its opinion and the question was put without amendment. We are discussing the point here that when the question is put no discussion is allowed after that. I say the debate is allowed to continue.

Hon. Mr. FERGUSON—In the cases referred to by the hon. gentleman the de-

bate was allowed to proceed, but it was limited to the question, 'Shall the question be now put?'

Hon. Mr. LANDRY—No; it was on the whole question.

Hon. Mr. FERGUSON—I think that is the rule. It precludes amendments but does not shut out discussion.

Hon. Mr. LANDRY—More than that, that question may be superseded.

Hon. Mr. TESSIER—There is no closing a debate.

The SPEAKER—In the United States a motion of this kind prevents any further discussion, but it does not seem clear to me from Bourinot whether that is the effect in Canada or not. I am not giving a decision now. This is a very important question, and I have not looked it up. I am giving the House the information I have before me. In the note on page 449 of Bourinot it is stated:

> The form is now fixed as it prevails in Canada, though the effect is different, being used to suppress immediately all further discussion of the main question and to come to a vote upon it immediately.

That seems to indicate that the practice in Canada is the same as in the United States.

Hon. Sir MACKENZIE BOWELL—At the top of the same page, 449, the rule of the Commons is stated, and it says the original question is to be put forthwith without amendment or debate, that is, if a motion be passed in the affirmative. The words of the rule of the Commons are:

> The previous question, until it is decided, shall preclude all amendments of the main question, and shall be in the following words, that this question be now put.

You will find it does not cut off debate.

> If the previous question be resolved in the affirmative, the original question is to be put forthwith, without any amendment or debate.

Hon Mr. SCOTT—Read on.

Hon. Sir MACKENZIE BOWELL—It continues:

> The rule just quoted permits neither amendment nor debate in case the House decide in the affirmative, for the Speaker will immediately put the question.

Then there is the note which has been read by the hon. gentleman from Marshfield:

> But if the previous question be resolved in the negative, then the Speaker cannot put any question on the main motion which is subsequently superseded, though it may be revived on a future day, as the negation of the previous question merely binds the Speaker not to put the main question at that time.

I have always understood that when a member moved the previous question that he voted against it.

Hon. Mr. SCOTT—That is the practice in England, but ours is reversed here. You vote 'nay' if you vote the previous question.

Hon Sir MACKENZIE BOWELL—The hon. Secretary of State says the rule is reversed here. This is the authority upon which we have acted. In my long experience—I do not know whether the hon. gentleman remembers a case or not—I have no recollection at present of this motion ever having been made but twice in the House, and the result was just what I have indicated, that the main motion is not put if the motion for the previous question is negatived, then it is not put in accordance with that rule.

Hon. Mr. FERGUSON—I call attention to May, page 269:

> In the Lords the Speaker puts the question whether the original motion be now put, &c.

Hon. Mr. SCOTT—We are following the practice of the Lords.

Hon. Mr. LANDRY—When we make a motion that the House do now adjourn, we discuss that motion as long as we like, but when the motion is put by the Speaker and it is carried, then the House adjourns. When the motion is made that the question be put, the only object is to prevent any amendment. We may discuss the motion as long as we like, but when it is put by the chair, if it is resolved in the affirmative we can move no amendment whatever. No debate is allowed between that moment and the moment the question is put. In 1885 I moved the main motion myself in the Riel matter. Sir Hector Langevin answered me, and wound up his speech by moving the previous question, and the debate went on for several days.

Hon. Sir MACKENZIE BOWELL—That was to cut off amendments.

Hon. Mr. LANDRY—Yes, it cuts off every amendment until the question is decided. If the question is decided in the negative, then the amendments are allowed, but not if it be decided in the affirmative.

The SPEAKER—I am prepared to hear any authorities on that point before I decide.

Hon. Sir MACKENZIE BOWELL—I should like to call attention to another case which I remember now. It was in 1878. I think it was the present Judge Ouimet who moved the previous question for the express purpose of cutting off amendments.

Hon. Mr. LANDRY—That was in 1879.

Hon. Mr. CLORAN—Probably it would be better for the hon. gentleman from deLanaudière to withdraw his motion. The Senate should not be put in the position of suppressing debate.

Hon. Mr. BEIQUE—I have been consulting three or four books of decisions of Speakers, and I fail to find anything on the point. They merely speak of the previous question preventing any amendments. I was reading Bourinot and on first glance was under the impression it had only that effect, but on reading it more carefully, it is difficult to find any light one way or the other on the subject. I understand the hon. leader of the opposition and the hon. member from Marshfield have referred to the debates in the House of Commons on the Riel question. If the debate was allowed to be continued there after the previous question was put, it might be taken as a precedent.

Hon. Mr. McMULLEN—I was a member of the House at the time, and I distinctly remember the facts as stated by my hon. friend here, and the reason why the previous question was put. There was a general suspicion that Mr. Blake intended to move an amendment, and the previous question was moved to shut him out, and it did.

Hon. Sir MACKENZIE BOWELL—I find in Brand a confirmation of what I have stated as to the effect of putting the previous question.

Hon. Mr. LANDRY—If the hon. Speaker has any doubt about it, we might get over the difficulty by adjourning the debate and he can study the question.

Hon. Mr. SCOTT—That is the better way, adjourning the debate and go on with the business.

Hon. Sir MACKENZIE BOWELL—I understand the point of order is the one raised by the hon. gentleman from Toronto?

The SPEAKER—I think the hon. gentleman is in error. I did not hear what the hon. gentleman from Toronto said, but I know that, after he spoke, the hon. gentleman from Wellington said something in reply, and the hon. gentleman from Victoria moved that the words of the hon. gentleman from Toronto be taken down. It is too late to do that after some one else has spoken, so that that question does not come up. With respect to this matter I had just put the previous question, the motion that the question be now put; and, if the debate is adjourned, it will leave the matter in that position, and when we meet again I shall give my decision on that point.

Hon. Mr. McMULLEN—I move the adjournment of the debate.

Hon. Sir MACKENZIE BOWELL—I should like to call the attention of the Speaker to the fact that when the motion for the previous question is made, no amendment can be moved.

Hon. Mr. SCOTT—We can adjourn the debate.

The SPEAKER—The opinion that the debate cannot be adjourned is quite inconsistent with the position taken by the hon. gentleman when he said that the matter has been discussed for weeks. The debate can be adjourned.

Hon. Mr. BEIQUE—It seems to me to be illogical.

Hon. Sir MACKENZIE BOWELL—It is a question of order, not as to what the effect of this motion would be.

Hon. Mr. BEIQUE—I want to call attention to the fact that if a motion to adjourn the debate is put and carried, it settles the question.

Hon. Mr. LANDRY—No.

Hon. Mr. McMULLEN—No.

Hon. Mr. DOMVILLE—No.

Hon. Mr. BEIQUE—I say it has the effect of deciding that the debate can be continued.

Hon. Mr. CLORAN—Sure.

Hon. Mr. BEIQUE—And, therefore. it would be deciding the question that is now troubling the minds of hon. gentlemen.

Hon. Mr. LANDRY—No. What I propose is this : in the meantime the Speaker might study the question and he can decide at the next sitting of the House if the hon. member has a right to proceed with the debate, or if the question must be put immediately.

Hon. Sir MACKENZIE BOWELL—Has that question been raised ?

Hon. Mr. McMULLEN—I have moved the adjournment of the debate. and in reply to the hon. gentleman who has just resumed his seat, I can say——

The SPEAKER—I do not think the hon. gentleman can make a speech.

Hon. Mr. WILSON—Certainly a question arises here. They are asking to have the debate adjourned, so that it may be taken up to-morrow. That is the object of the adjournment of the debate. It is not what many members of this House expect. If the hon. gentleman who moved the previous question desires to withdraw that motion, and then give a motion for the adjournment of the debate, it will be in order, otherwise, we are not in position to know what the decision may or may not be.

Hon. Mr. LANDRY--I beg the hon. gentleman's pardon. The main motion is the motion proposed by my hon. friend from de Salaberry. Since my hon. friend from Rothesay finished his speech, my hon. friend from de Lorimier moved, after making his own speeech, that the question be now put. The motion of my hon. friend was proposed to the House by the chair, but the question is not put yet. It is only put when the discussion is over. In the meantime a debate took place on the propriety of shutting off the discussion immediately or allowing it to go on. The hon. Speaker is not prepared now to give his decision. My hon. friend moved the adjournment of the debate. Well, that was done in 1885.

Hon. Mr. McMULLEN. Hear, hear.

Hon. Mr. LANDRY—Every day when the motion was discussed a member rose and moved the adjournment of the debate, and the next day the question was put by the chair in this way ; the main motion is this, and the amendment or the other motion, the previous question, is put. So that if the hon. Speaker decides to-morrow that no debate can take place, no debate will take place; but if he decides debate will take place, my hon. friend will proceed with the debate, and if the discussion is not concluded to-morrow, another hon. gentleman will move the adjournment.

Hon. Mr. WILSON—I am inclined to think my hon. friend is mistaken. I was in the House on that occasion. On that occasion the Speaker decided then and there. It was not leaving it an open question for the Speaker to decide later on, and there is where the difference is. We are now in a position that if the Speaker says tomorrow that he is looking up the authorities or has arrived at a conclusion that no speech or debate can take place, we are excluded. If he would give us his decision now that we would not be permitted to make any remarks it would be a different thing; on the occasion referred to the Speaker declared that debate was permissible, and it went on from day to day. Therefore, it would be a proper motion that my hon. friend from Wellington should move the adjournment of the debate, but pending the decision of the Speaker I do not see how we can arrive at a conclusion in any shape or form unless my hon. friend will, with the sanction of the seconder, withdraw his motion and bring it up to-morrow, when the Speaker will be in a position to express an opinion. Does he desire to place the Speaker in a position that he will leave this matter an open question for twenty-four hours, so as to get an opinion and leave the House in that position ? I say it is unfair to the House and unfair to the Speaker, and to all those who desire to address the House on this question.

Hon. Mr. DANDURAND—The hon. gentleman has occupied a seat in parliament for some time, and he must know that adjournments are moved to allow the Speaker to decide.

Hon. Mr. CLORAN—The hon. senator from de Lorimier wants to establish a precedent in this House which should not be toler-

ated, gagging the voice of the people and their representatives here, on a question which is not of governmental or ministerial importance, or of national importance.

Hon. Mr. YOUNG—That is not the question before the House.

Hon. Mr. CLORAN—That is his motion, and I am entitled to speak on it, and I on behalf of many senators here to-night, protest against the action of the hon. gentleman from de Lorimier.

Some hon. MEMBERS—Question, question.

Hon. Mr. CLORAN—That is the question, and here on behalf of the party to which I belong, I repudiate the principle he wants to introduce into our parliamentary procedure. We are not here, the Liberal party, as a party of gaggers.

Hon. Mr. SCOTT—Order, order.

Hon. Mr. CLORAN—I am in order, if you please, and I want to put on record this fact, that I am not a party to a previous question to gag the voice of the people. I want to put on record as a man right here, that I repudiate it in the name of the party to which I belong, and I repudiate it as a young senator.

The SPEAKER—Will the hon. gentleman—

Hon. Mr. CLORAN—The hon. Speaker is not called upon to interrupt me.

The SPEAKER—The hon. gentleman is out of order, and is not discussing the question of order. I am surprised at the hon. gentleman having no regard for the decencies of debate.

Hon. Mr. SCOTT—The young senator is continually getting up and dictating to older members.

Hon. Mr. CLORAN—I do not want it to be said thirty years from now that I am degrading—

Hon. Mr. SCOTT—The hon. gentleman has found his level, and he is dictating to members who have been here before he was born.

Hon. Mr. CLORAN—I do not know why—

Hon. Mr. SCOTT—Order, order, sit down. The hon. gentleman has no right to be standing there when the Speaker is on his feet.

The SPEAKER—The hon. gentleman has no right to stand when I am speaking to a question of order.

Hon. Mr. SCOTT—The hon. gentleman does not know enough for that.

The SPEAKER—The question is, whether the motion of the hon. gentleman from Wellington to adjourn the debate, is in order. Bourinot at page 51 says :

It is also perfectly in order to move the adjournment of the debate on a previous question.

Hon. Mr. LANDRY—It is done every day.

Hon. Mr. FERGUSON—On page 270 of May, the procedure is laid down as follows :

The motion for the previous question may be superseded by a motion for adjournment, and debate thereon may be adjourned.

It is a question whether it will not supersede.

Hon. Mr. YOUNG—The question is whether the debate can be adjourned on the previous question, and the authorities clearly bear that out.

The motion was agreed to.

Hon. Mr. DOMVILLE—I beg to give notice that I will ask the government if they are aware that the House of Lords in their decision in the case of appeal, Foster vs. The Mutual Reserve Fund Life Association, the Lord Chancellor designated the company's policy as 'tricky,' and 'intentionally ambiguous.'

Hon. Mr. DANDURAND—I draw attention to this notice of motion, and I think it is one which should not go on the order paper, because it is an abuse of the privileges of this House in assailing a company acting under the laws of Canada upon a telegram to the hon. gentleman which the House knows nothing about.

SATURDAY SITTING.

Hon. Mr. SCOTT—I beg to give notice that I will move :

That when the House adjourns to-morrow evening, it do stand adjourned until Saturday, and that there be two distinct sittings of the Senate on that day, the first from eleven o'clock to one o'clock, and the second from three o'clock on, and that the government measures have precedence at such sittings.

DOMINION ELECTIONS ACT AMENDMENT BILL.

A message was received from the House of Commons with Bill (148) An Act to amend the Dominion Elections Act of 1900.

The Bill was read a first time.

Hon. Mr. SCOTT— I move that the Bill be read a second time to-morrow. This Bill restricts the number of constituencies in which permission is given to a returning officer to name the nomination day. As hon. gentlemen will probably remember, the elections in Canada took place all on one day, except certain constituencies in the province of Quebec. There were two in the province of Ontario, but they were abolished, but in the province of British Columbia three still remain. That is the whole spirit and language of the Act. It is limiting the number. It takes the two Algomas and Nipissing out of the exceptions, and they are now to be held on the same day, so that in the province of Ontario all the elections would take place on the one day, and in Quebec all the elections will take place on one day except Gaspé and Chicoutimi. In British Columbia the elections will take place on one day except Comox-Atlin, Kootenay and Yale-Cariboo.

Hon. Mr. FERGUSON—Does it limit the number of these constituencies ?

Hon. Mr. SCOTT—Yes. Previously all the elections took place on one day. Then there was a provisiou in the Act excepting certain constituencies in the province of Quebec (Gaspé and Chicoutimi), and in the province of Ontario (Algoma and Nipissing). Under this Bill Algoma and Nipissing elections have to be held on the same day as the others. The Bill was introduced in the House of Commons with the old exceptions, but on representation of the members, it was decided that there was no reason for holding them on a different day. The Algomas and Nipissing are easily reached by a railway now.

Hon. Mr. LANDRY—That is limiting the exceptions.

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—Does it leave the power in the hands of the returning officer to decide at what period the elections shall be held?

Hon. Mr. SCOTT—In those particular ones, but he is bound to do it at the earliest possible time.

Hon. Sir MACKENZIE BOWELL—Is not the time fixed in the writ for holding the elections ?

Hon. Mr. SCOTT—Not in the exceptions I have named.

Hon. Mr. LANDRY—The return is fixed.

Hon. Mr. SCOTT—But not the day for nomination or polling day.

Hon. Mr. FERGUSON—My impression is that the election has been required to be held on the same day, but the returning officer made laws for himself and deferred it, and I hope there is some clear provision in the Act that will not allow returning officers to do that.

Hon. Mr. SCOTT—No, it is absolutely peremptory. He must hold it on the day named by the Governor General in the writ of election, except in the five constituencies I have referred to.

The motion was agreed to.

BOUNTIES ON STEEL AND IRON ACT AMENDMENT BILL.

FIRST READING.

A message was received from the House of Commons with Bill (165) An Act to amend Chap. 68 of the Statutes of 1903 respecting the bounties on steel and iron.

The Bill was read the first time.

Hon. Mr. SCOTT—I move that the Bill be read the second time, to-morrow. This Bill consists of only a couple of lines, and it is widening the provisions of the Act to which it refers, simply by the addition of three words 'or when used.' The Act of 1868 is an Act to amend chapter 8 of the statutes of 1899, respecting bounties on steel and iron. Instead of saying 'for use' alone it says 'For use or when used.' I do not know whether that has been done to get over the Auditor General or what is the reason, but it is just using the three words after the word 'used,' in that paragraph, and after the word 'consumption' in another paragraph.

The motion was agreed to.

ORDERS OF THE DAY.

Hon.Mr. LANDRY—I would call attention to the fact that when we have two sittings each day, we should have two Orders of the Day printed, because there are notices of motion and different proceedings going on, and we will lose sight of the order of business if we have not two Orders of the Day. I think in the last years we had a second order.

Hon. Sir MACKENZIE BOWELL—We have no orders for the afternoon sitting, and it is just as distinct a sitting as if it took place to-morrow morning, but the House was not opened in the usual manner. We commenced this afternoon as if it were an adjournment of the morning session until this afternoon, and in fact the motion made by the hon. gentleman, if I understand the effect of it, is to have two separate and distinct sittings on the one day and it is just the same as if we had two sittings, one on the Monday and one on the Tuesday, and we ought to have the order paper before us. I am informed by the clerk that he gave positive instructions to have it ready, and the printer paid no attention to it. If the printing office is so busy that they cannot print a short document like that, I suggest that some one be given authority to go to some other printing office and have it done.

Hon. Mr. WATSON—I should like to suggest, for the convenience of the House at this late stage of the session, that it might be well that each sitting should be a separate sitting. We provide now for two sittings, one at eleven and one at three. I think it is just as well that each sitting of the House should be a separate sitting for the purpose of passing the Bills.

Hon. Sir MACKENZIE BOWELL—Oh no, thank you. It would be easier to pass a motion declaring all these Bills carried.

Hon. Mr. WATSON—It would not be taken advantage of unless it was necessary in order to pass some Bills. If we want to get away in a few days——

Hon. Sir MACKENZIE BOWELL—We do not want to get away.

Hon. Mr. SCOTT—I have always found the House courteous enough to allow two stages be taken at one sitting.

Hon. Sir MACKENZIE BOWELL—We have never had more than two sittings on one day.

The Senate adjourned until 11 a.m. to-morrow.

THE SENATE.

Ottawa, Friday, August 5, 1904.

The SPEAKER took the chair at Eleven o'clock a.m.

Prayers and routine proceedings.

THE PREVIOUS QUESTION.

SPEAKER'S DECISION.

The SPEAKER—The House was good enough last evening to allow me a little time to consider my decision in connection with the previous question which came up yesterday. I have come to the conclusion that there is nothing in our practice which prevents a discussion on the previous question itself. On carefully reading Bourinot, pages 448, 449, 450, and the 6th edition of May, which is more applicable to our circumstances, because it was published before the new rules for stopping debate had been introduced in England, I find at page 264, and also in a very clear and satisfactory way in a work to which my attention was called by my hon. friend from Mille Iles, Bourinot's Procedure at Public Meetings, pages 13 and following, that the practice in England, and in Canada, is that the previous question itself can be discussed. Of course, when the previous question has once been put, there is no discussion on the main motion. I have looked at the cases referred to by the hon. gentleman from Stadacona last evening, cases in our own parliament. I find that on the 11th March, 1879, Mr. Mousseau moved, and Mr. McCarthy seconded, a motion with respect to the removal of Lieutenant Governor Letellier, and then, immediately on the moving of that motion, Mr. Ouimet moved the previous question. That motion was made on the 11th March and the discussion of the Letellier question went on until after midnight on the 13th. The same practice was followed in 1886 is connection with the Riel matter. A motion was made by the hon. gentleman from Stada-

cona, who was then a member of the House of Commons, and seconded by Mr. Labrosse, and immediately afterwards the previous question was moved by Sir Hector Langevin, seconded by Sir Adolphe Caron. That was on the 11th March, and the vote was not taken until the 24th March. I have already mentioned what my decision is. I think it only fair to say that I have found two precedents in the House of Lords. There is no rule given, but I notice that the previous question was put immediately after it was moved, which does not, however, prove anything, I presume the Lords had got through with the business of the day.

Hon. Sir MACKENZIE BOWELL—I might add if the hon. gentleman had gone back to 1864, he would have found that Sir John Macdonald moved, seconded by Sir George Etienne Cartier, the previous question when the Confederation Act was considered, and parliament was sitting in the city of Quebec. A discussion then followed, and a debate followed which filled a volume of 600 or 800 pages. The previous question was moved, simply to cut off amendments.

THE ORDER OF BUSINESS.

MOTION.

Hon. Sir MACKENZIE BOWELL—I would suggest to the hon. Secretary of State, if the hon. members interested in those motions do not object, that in order to facilitate the actual and bona fide business of this House at this stage of the session, he should move that we pass to the Orders of the Day. It will enable us to deal with all the business and the actual business of the session, and after that is disposed of we can go back to the notices of motion. We have a good deal of very important business before the House and I am anxious that that should be got rid of.

Hon. Mr. SCOTT—Hear, hear.

Hon. Sir MACKENZIE BOWELL—I think I am only echoing the sentiments of every member of the House at this period of the session. If we go now into a discussion on the Mutual Reserve Fund Life Association and the various amendments which have been put upon the notice paper, particularly the one which has been given to-day by the hon. senator from Victoria (Hon. Mr. Cloran) we shall not get through for a month yet.

Hon. Mr. DOMVILLE—That suggestion only applies to the Bills, not to the adjourned debate.

Hon. Sir MACKENZIE BOWELL—It applies to the Orders of the Day.

Hon. Mr. LANDRY—In the Orders of the Day there are two classes of business, one comprising the Bills, the first nine items, and the other an adjourned debate.

Hon. Mr. SCOTT—I am very glad to accept the suggestion and I assume that it will be approved of by the House. I move that the Orders of the Day be taken up first to the end of the session, limited to Bills on the order paper.

Hon. Mr. SULLIVAN—I object to that most decidedly. There are two gentlemen here with motions that have been standing a good many days. I have not taken up the time of the House for an hour altogether this session, and I object, after waiting several days, to be put back again and denied an opportunity of ventilating the matter. The time taken up in the discussion of the matter will be very brief. Who brought on the delay? We who have motions standing on the order paper had nothing to do with it, yet the revenge is to be taken on us for the time wasted in discussing other matters. I do not think the sense of the House will justify this change in the order of business. It is an outrage on the rights of members.

Hon. Mr. SCOTT—With that protest I hope my hon. friend will be satisfied. The proposition he submits for our approval I cordially endorse, but at this stage of the session it is absolutely impossible for the government to undertake to consider it.

Hon. Mr. SULLIVAN—It will not take a quarter of an hour.

Hon. Mr. SCOTT—I can assure the hon. gentleman that he can have a quarter of an hour sometime before the House rises, to place his views before the Senate. It will have second place after the Bills are considered. My hon. friend is always reasonable, and has made a very fair proposition, and therefore, with the concurrence of the House we may all agree that after the Bills

are considered. when a hiatus occurs before the terrible incubus we have suffered from so long is taken up again his motion will be considered.

The motion was agreed to.

GRAND TRUNK RAILWAY ARBITRATION BILL.

THIRD READING.

The House resolved itself into a Committee of the Whole on Bill (152) An Act respecting an Arbitration between His Majesty and the Grand Trunk Railway Company of Canada.

(In the Committee.)

Hon. Mr. SCOTT—The leader of the opposition wanted some particulars as to the points that are to arise in this arbitration. Generally, as he knows they are on the acquisition of the Rivière du Loup branch by the government of Canada and minor matters that arise in connection with the portion of the Grand Trunk Railway used by the Intercolonial Railway. Perhaps the better way to get a succinct view of it is for me to read the précis that was before the court :

The following claims are advanced by the Crown under the contract of 1879 :—

1. The first relates to the short piece of line between Hadlow and Point Lévis station. The Grand Trunk has insisted upon its right to collect $2.50 on every car in Intercolonial trains containing freight ex Quebec Central Railway, and deliverable on this section. This has been paid at times by the Intercolonial, at other times by the consignees of the said cars, and a considerable sum remains outstanding. The Crown denies all liability for such charges and claims a refund from the Grand Trunk of all such sums collected, whether from the Crown or from the consignees, and a discharge from all claims which the Grand Trunk could have against it under this head.

2. Under the agreement it was provided that as regards the cartage done in and about the stations, wharfs and premises of the Grand Trunk Company at Pointe Lévis 'a fair share of the actual cost' should be paid for the Intercolonial in the proportion which its tonnage bore to the total tonnage so handled. The Crown claims that in place of charging such proportion upon the actual amount paid out by thte Grand Trunk a fixed charge was for many years made which was unfair and excessive and in violation of the agreement and which charge was paid in error. A refund of the excessive amount so paid by the Intercolonial to the Grand Trunk is now claimed,

3. On the 17th October, 1894, a pontoon belonging to the Grand Trunk Company at Quebec sank, upon which there was a considerable quantity of Intercolonial freight. The value of the freight was paid by the Intercolonial to the owners. The Crown contends that this accident occurred through the fault and neglect of the Grand Trunk Company and a claim for the amount so paid to the owners of the freight is now made.

4. Under this contract the division of through rates was to be on the principle of mileage 'except where such division would act unfairly by reason of one line of railway having a largely preponderating mileage,' in which case an equitable agreement was to be arrived at or the question referred to arbitration. The Crown refers this question to arbitration and claims a refund for the excessive proportion of through rates paid to the Grand Trunk or retained by it prior to 1898.

UNDER THE CONTRACT OF 1898 AND SUPPLEMENTAL AGREEMENT.

1. The Crown claims damages in respect of several breaches of these agreements by the Grand Trunk.

(a) For the diversion by the Grand Trunk of traffic destined for the maritime provinces via Lennoxville and the Canadian Pacific Railway, which under the agreement should have been routed via Montreal and the Intercolonial.

(b) For the diversion by the Grand Trunk of traffic destined for the maritime provinces and Newfoundland which has been sent via United States ports instead of via Montreal and the Intercolonial.

(c) For the diversion of traffic destined for the maritime provinces and Newfoundland by the Grand Trunk via water route from Montreal instead of via the Intercolonial; and the Crown claims a declaration ordering the withdrawal by the Grand Trunk of tariffs providing for the application of European export rates in this con-

nection and ordering the Grand Trunk to deliver all such traffic as it may accept for transportation to the Intercolonial at Montreal.

2. The Crown claims damages in respect to certain arrangements as to switching on terminal properties covered by the agreement, entered into by the Grand Trunk with the Canadian Pacific Railway; and a declaration enjoining the Grand Trunk against switching or permitting to be switched, cars or freight to or from sidings or tracks on the Island of Montreal, included in the main agreement, for the Canadian Pacific Railway or other railways, or routes, when such freight is destined to or from points reached by or via the Intercolonial;

3. The Crown claims that in several respects the Grand Trunk Company has not afforded to the Intercolonial the accommodation in the Bonaventure station at Montreal required by the contracts and claims damages therefor.

4. The Crown has paid under protest half the costs of a subway and station at St. Hyacinthe. It claims a refund of the sum so paid and a declaration that these charges and all similar charges are, under the contracts, to be borne by the Grand Trunk Company alone.

5. Under the agreements in question differences of opinion have arisen as to the adjustment of accounts in respect to various matters such as sidings, new buildings, joint section expenses, etc., the whole as disclosed in correspondence. The Crown claims a rectification of accounts and a refund of a large outstanding balance.

6. A difference of opinion exists under these agreements as to the responsibility for accidents occurring upon the Montreal and Chaudière joint sections, and the arbitrators will be asked to determine the respective responsibility of the contracting parties in this connection and especially in respect to such accidents as have already occurred.

The foregoing claims are stated without prejudice and subject to such additions or modifications on the part of the Crown as may hereafter be found necessary.

Hon. Sir MACKENZIE BOWELL—I am very glad the hon. Secretary of State has given us that information, because it places the House in a position to deal intelligently with those clauses. No one can find fault with, or object to the course which has been pursued. It is a very favourite expression with some people to say 'I told you so.' It may be a gratification to the opposition who took very strong grounds on this question when the arrangement was being entered into by the government for the use of that portion of the Grand Trunk Railway line, and also its entrance into the city of Montreal. I very much fear that no matter what the decision of the arbitrators may be, or the decision of any court, difficulties will continue to arise in the future upon that very question. I presume that the course taken by the government is based upon the fact that the traffic which was diverted from the Intercolonial Railway to Portland or some other United States port, was freight routed via the maritime provinces. If my recollection serves me, the condition was that all freight which was ordered to be sent over the Intercolonial Railway to the maritime provinces, must, under the provisions of that agreement, be sent that way. I take it for granted that the government have evidence sufficient to establish the fact that notwithstanding the freight being routed in that direction they have diverted it in another direction. I fear that will continue for all time to come, until some other arrangements are made, and I do not know what other arrangements can be made effectively, the bargain entered into by the government and the Grand Trunk Railway Company having been for 90 years.

Hon. Mr. FERGUSON—The document which my hon. friend the Secretary of State has just read to the House throws light upon the declaration of the Hon. Mr. Blair, made in the committee of the House of Commons more than a year ago, that the Grand Trunk Railway had not lived up to its obligations with the government, and that he was unable, speaking then as Minister of Railways, to get business handed over by the Grand Trunk Railway to the Intercolonial Railway—that the Intercolonial Railway had not got the business guaranteed to it by the Grand Trunk Railway under the agreement of 1898. I did not know what the grounds of complaint were, nor the particulars, until my hon. friend read his statement to the House and I now find that it strikes at the very pith of that agreement. I am referring now to the supplemental

traffic agreement of 1898, which was ratified by the Bill of 1899, taking over the Drummond County Railway and by which the Intercolonial Railway got access to the port of Montreal. I may say further, that this trouble which it appears has been going on for years, is a very valuable comment upon another agreement we have made, a very much larger agreement with the Grand Trunk Pacific Railway. The conclusion is, that if the Grand Trunk Railway has not lived up to its obligations, where it entered into a solemn agreement in 1898 directly with the government, how are we to expect to get this traffic for Canadian ports when the Grand Trunk Railway has made no direct contract whatever ?

Hon. Mr. SCOTT—At this stage we will not discuss that.

Hon. Mr. FERGUSON—We cannot help thinking about it.

Hon. Mr. SCOTT—The conditions are entirely different. The temptation of the Grand Trunk Railway once it got traffic at Chicago, and had it on its cars, was to send it to Portland rather than transfer it at Montreal. Mr. Blair was the chief factor in making the agreement, and he thought he was binding the Grand Trunk Railway sufficiently to force them to carry out faithfully and honourably the propositions then adopted. There is 'no use crying over spilt milk.'

Hon. Sir MACKENZIE BOWELL—Does the hon. gentleman think the temptation to violate the agreement made when the Drummond County Railway was purchased is any greater than it will be when the Grand Trunk Railway has constructed its road from Port Arthur to connect with the government line that is to be built from Winnipeg eastward ? Or what is a still stronger point, when it passes over that portion of the government railway and reaches the side line, I may call it, which would enable them to bring all the traffic over that line down to North Bay, and thence by their own line to Toronto, Montreal and so on to Portland ? We all know what inducements they have to do that. The Ontario government are building the road from North Bay northwesterly, to connect with the main line to be built by the Grand Trunk Pacific Company. Then the road is to be built by the Grand Trunk Railway itself with a subsidy of $2,500 per mile and 6,000 acres of land from Port Arthur, or the harbour just below it, in order to tap the same line. Then the inducement is for the Grand Trunk Railway to carry freight over their line through the whole of Ontario and Quebec until you reach Richmond, and thence on to their terminus at Portland. I think you will find, if you live long enough to see those roads in operation, the same difficulties will arise to a much greater extent than those that exist at present.

Hon. Mr. DANDURAND—The hon. gentleman forgets that before the Grand Trunk Railway reached that branch line from Port Arthur to somewhere on the government line, the interchange of traffic would have taken place at Winnipeg. The government road has the key up to Winnipeg and it is at that point, the government will be able to check and control the freight coming from the west.

Hon. Mr. BEIQUE—For my part I fail to see the force of the criticism that is offered. It is of daily occurrence between railways to make traffic agreements, and the only question is whether the agreement is properly made. The moment there is government ownership of a railway—and hon. gentlemen opposite have adopted that policy—they have, of necessity, to make traffic arrangements with the other railways, and then it remains for the government to enforce the bargain it has entered into.

Hon. Sir MACKENZIE BOWELL—Just as they are doing now.

Hon. Mr. BEIQUE—As in this case, if the agreement is not lived up to by the other party, then to have it enforced by arbitration or otherwise.

Hon. Mr. FERGUSON—As the hon. Secretary of State has stated just now, we cannot go into a general discussion on this subject, but we cannot help thinking a good deal about it. We will discuss this Bill which is before us all the same.

The CHAIRMAN—I would suggest that the discussion be confined to the clause.

Hon. Mr. FERGUSON—The arbitration is to deal with difficulties that have arisen between the Grand Trunk Railway Company and the government with regard to

the carrying out of this supplemental traffic agreement—that is a part of it. Now, hon. gentlemen will remember very well that some years ago we made strenuous efforts on this side of the House to procure a statement showing the expenditures and earnings of the acquired road between Quebec and Montreal under what is known as the Drummond County contract. We waited for it and pressed our motions for returns and were formally and finally told by the government that separate accounts were not kept, and it was impossible to bring it down. We know that that statement was not correct—it could not be correct. No road would be in such a muddle that it could not produce a statement of that kind, and that refusal was made to the House simply because there was a state of things occurring which they did not want to have disclosed. The traffic, that the country was assured the Intercolonial was to get under that traffic agreement, they were not getting, and the other side of the account was being piled up to the last dollar while the country was not getting the business and traffic promised. The general result of the accounts of the Intercolonial Railway from that time forward proves that our conclusion was right, because it shows the earnings have not been proportionately increased. If we wanted any further proof of it, we have it in the indictment contained in the Bill before us against the Grand Trunk Railway Company. It accounts for all of it. I must say, in view of the dealing of the government, against the Grand Trunk Railway Company, I despair of seeing any satisfactory conclusion resulting from this arbitration. It is a case of the railway owning the government of this country, and I know thoroughly well that this indictment that my hon. friend has read has been the work of Mr. Blair, the late Minister of Railways. It was he who took this matter up. It was in that state when he spoke in the bitter language he used a little over a year ago in regard to the lack of faith of the Grand Trunk Railway Company in carrying out the agreements of 1898 and 1899. In view of the fact, which is patent to everybody, that the Grand Trunk Railway dominates this government to-day and controls them, I have no faith whatever in any favourable result arising out of this arbitration.

Hon. Mr. FERGUSON.

Hon. Mr. McMULLEN—My hon. friend complains that the accounts of the Intercolonial Railway, particularly that portion of it from Point Lévis to Montreal, are not kept right.

Hon. Mr. FERGUSON—I am sure it is kept separate.

Hon. Mr. McMULLEN—Under Mr. Haggart, who was Minister of Railways for many years, there was a consolidation of all the branches and accounts of the Intercolonial Railway. For years, when I sat in the other House, I kept hammering away at the government to get separate accounts of the cost of running the Oxford and New Glasgow and Pictou and other branches of the Intercolonial Railway. We never could get them, and the reason Mr. Haggart gave was that they could not be given, that under the Act that had been passed for the consolidation of the system, in the bookkeeping they were all thrown into one account, and there was no separate account kept of the earnings of any of the branches, and from that time down that system has continued.

Hon. Mr. FERGUSON—Surely my hon. friend is not serious in what he says? The consolidation of the accounts does not prevent the books showing the earnings of the different portions of the line. Surely the fact that they are consolidated in the bookkeeping, would not prevent separate accounts of the earnings and expenses of each particular part of that road, not information being given to parliament as was promised by Sir Oliver Mowat in 1897.

The CHAIRMAN—I hope hon. gentlemen will confine themselves to the discussion of this clause.

Hon. Mr. McMULLEN—We pressed just as strongly as we possibly could press on the old government the very points the hon. gentleman is making now—that there were separate accounts, but we were continuously answered in the language he uses now, that the accounts were kept together and not separately.

The clause was adopted.

Hon. Mr. WILSON, from the committee, reported the Bill without amendment.

The Bill was then read the third time and passed.

FISHERIES ACT AMENDMENT BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of Bill (74) An Act to amend the Fisheries Act. He said: The special object of this Bill is to authorize the issue of licenses and exercise a jurisdiction over a new industry in Canada—that is an industry the government has heretofore not taken cognizance of, the taking of whales. The regulations are taken entirely from the provisions existing on the statute-book of Newfoundland. as they have had the industry established there for some years and it has been somewhat successful. The licenses are issued for a term of years, and the charges are for the first year, $800. second year. $1,000. and the third year, $1,200, and the same for subsequent years. It prescribes the character of bait to be used and the mode of bringing whales ashore and also that the stations for which the licenses are issued shall be fifty miles apart.

Hon. Mr. FERGUSON—Do I understand my hon. friend to say that similar rules and regulations are in operation in Newfoundland ?

Hon. Mr. SCOTT—They are copied from their rules.

Hon. Mr. FERGUSON—How long since they have had this Act in operation in Newfoundland ?

Hon. Mr. SCOTT—I cannot say.

Hon. Mr. FERGUSON—It has been in force for a number of years ?

Hon. Mr. SCOTT—Yes.

Hon. Mr. FERGUSON—No difficulties or complications have arisen ?

Hon. Mr. SCOTT—Not that I have heard.

Hon. Sir MACKENZIE BOWELL—Could the hon. gentleman tell us where the law has been made operative so far as it effects the Newfoundland fisheries ? Has it been on the Labrador coast ar that portion of it which belongs to Newfoundland or have these rules been applied by the Newfoundland government to the whale fishing in Hudson bay ?

Hon. Mr. SCOTT—No, the whale fisheries on their own coast of Newfoundland.

Hon. Sir MACKENZIE BOWELL—There is no whale fishing of any consequence there.

Hon. Mr. SCOTT—The stations would be in Newfoundland, but parties may go far beyond Newfoundland waters to waters that are open to all nations.

Hon. Sir MACKENZIE BOWELL—We know in the past that Newfoundland assumed the right, whether it has continued to do so or not I do not know, of collecting custom duties at points on the shores of the Labrador coast some years ago, and the attention of the late government was called to it before they went out, and had an interview with Sir Robert Bond in Halifax when the question was fully discussed. I am not in a position to say whether the rights of Canada or the demands which were made at that time for the refunding of the duties which we contended had been improperly collected at some ports towards the Hudson bay and on the Labrador coast, were ever pursued any further.

Hon. Mr. SCOTT—It is still in the same condition.

Hon. Sir MACKENZIE BOWELL—Nothing has ever been done since ?

Hon. Mr. SCOTT—No.

Hon. Sir MACKENZIE BOWELL—It is time the government did something.

Hon. Mr. SCOTT—From time to time it has been discussed that we should come to some conclusion. The Newfoundland government are claiming more than they are entitled to. They have been exercising proprietary rights and granting timber limits at a great distance from the shore. It will have to be settled soon now.

Hon. Sir MACKENZIE BOWELL—Is the government protesting against and taking action to prevent it ?

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—Canada has very little to thank Newfoundland officials and the government for. Their whole object has been for years past to divert all the trade possible to the United States rather than to Canada. I do not hesitate to say that from my past intercourse with the premier of that colony, and the

course he has pursued, his whole policy has been that which I have indicated. I have never seen anything emanating from that gentleman or from the government he controls that was as favourable to Canada as to the United States, and the sooner Canada asserts the rights which she possesses against that colony the better it will be for us, and it will teach them a lesson that they should not continue a policy of collecting customs duties in ports that legitimately belong to Canada with impunity.

Hon. Mr. SCOTT—I do not think, from recent events, that Premier Bond will be a suppliant at Washington very much longer. He has received several snubs from the Senate of the United States. The fishermen of Massachusetts have opposed his application. I do not think it is dignified to further cultivate friendship at Washington as the premier of Newfoundland has done in the past, and I am inclined to think that they will assume an entirely different attitude in the future.

Hon. Sir MACKENZIE BOWELL—I expressed the hope that they may act upon the suggestion of the hon. Secretary of State.

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

The House resolved into Committee of the Whole on the Bill.

On subclause (a) of clause 1,

Hon. Mr. POWER—I may be allowed to say a word or two in connection with this matter. I think the Minister of Marine and Fisheries should hesitate before issuing these licenses in any numbers. I do not know just when the legislation was adopted which they now have in Newfoundland. I happened to read within the last few days a letter from an official of the Newfoundland legislature which appeared in a Halifax newspaper; and the writer points out that during the last few years the supply of bait fish on the Newfoundland coast has fallen off a great deal to the serious injury of the Newfoundland fishermen. One would wonder perhaps what the slaughter of whales had to do with that. The writer points out that owing to the operations of those factories, the number of whales has very much decreased. He does not pretend to give his own opinion; but he says the Newfoundland fishermen are firmly convinced that the killing of the whales is responsible for the non-appearance of the bait fish on the coast, and the reason is that while the whales are numerous they feed on these fish, and the little fish in order to escape the whales go into the shallow water close to the shore. When the whales do not come around in numbers the bait fishes go out from the shore, and the consequence is that the bait fishery, which is an important industry, has been seriously injured during the last few years. I am not opposing the Bill at all, but I think it is a matter that deserves consideration, and the Minister of Marine and Fisheries, who has the matter in his discretion, should be careful about granting these licenses. With respect to the Newfoundland rights on the Labrador coast, there is no doubt that Newfoundland has exercised rights all the way from Cape Charles at the Strait of Belle Isle to Cape Chidley at the mouth of Hudson Strait; but I never thought they would undertake to go through Hudson straits into Ungava bay.

Hon. Sir MACKENZIE BOWELL—I said, up in that direction.

Hon. Mr. MACDONALD (B.C.)—Is there a license given for whaling?

Hon. Mr. POWER—This Act provides for that. There was no restriction before, except that fishermen were not to kill them in a certain way.

Hon. Mr. SCOTT—I shall call attention to the matter.

Hon. Sir MACKENZIE BOWELL—We all know that in the bays the small fish frequent the shallow water near the shore and you always see them there in swarms. They go there to get food, because the water is a little warmer near the shore than outside and consequently a greater supply of animalcule.

Hon. Mr. FERGUSON—The depth of water where the bait fishes are found is quite sufficient to carry whales as well as small fish.

The clause was adopted.

On sub-clause 4,

Hon. Sir MACKENZIE BOWELL—Could the hon. gentleman give any reason why

a ship-owner should have only one whaling vessel?

Hon. Mr. SCOTT—I presume it is for the purpose of exercising greater supervision over them. They would have to be watched, of course, and you could not keep as close a watch over them otherwise.

Hon. Sir MACKENZIE BOWELL—This sub-clause makes provision that you can only have one steamer to carry on the business for any one factory. How would it be with a steamer that obtained a license for carrying on business where the party had no factory, or is the licenses to be confined exclusively to those who have factories ?

Hon. Mr. SCOTT—All parties who sail from Canadian ports to kill whales and who are in the industry must take out license hereafter, and they must establish factories.

Hon. Mr. POWER—I think there should be some provision in this Bill to enable the Governor in Council, if it is found that this whale fishing is having an injurious effect on the general fisheries, to cancel the right of fishing for whales within nine years.

Hon. Sir MACKENZIE BOWELL—There is no such power given in the Bill as that suggested by the Speaker.

Hon. Mr. FERGUSON—The general effect will be to restrict whaling. It must necessarily have that effect.

The sub-clause was adopted.

On sub-clause 11,

Hon. Sir MACKENZIE BOWELL—Can the hon. Secretary of State tell us why the clause is put in the Bill that no one shall fish unless with a harpoon ? Why is it compulsory ?

Hon. Mr. SCOTT—I think it is against the law to use explosives.

Hon. Sir MACKENZIE BOWELL—I know it is. but I am asking why ?

Hon. Mr. SCOTT—I cannot tell the reason.

Hon. Mr. FERGUSON—The marginal note is 'Prohibited contrivances'. I have no technical knowledge about the matter, but it seemed to me that it would legalize any contrivance that would include a harpoon and these explosives and everything else might be used as long as the harpoon was a part of the arrangement.

Hon. Mr. POWER—I think the reason is that when explosives are used, a whale may be wounded some distance from the ship and not be captured and it is not desirable to have them dying about the coast.

Hon Mr. FERGUSON—Explosives are not prohibited by this section.

Hon. Mr. POWER—No, but if the whale is to be harpooned with a harpoon attached by a line to the ship then the danger of its getting away and dying somewhere is not really so great.

Hon. Mr. FERGUSON—That does not seem to me to be a sufficient reason. I have not had the time to go over our general fishery laws but I suppose we have laws against the use of explosives, for the purpose of protecting the whale and other fish. There is nothing here, but I presume we have in our fishery laws provisions to protect the fisheries ?

Hon. Mr. SCOTT—Yes.

Hon. Mr. MACDONALD (P.E.I.), from the committee, reported the Bill without amendment.

GRAIN INSPECTION BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of Bill (113) An Act respecting the Inspection of Grain. He said : This Bill is a consolidation of Acts that have been passed at various times in the last six or eight years. We have had the subject up frequently and have had very great differences of opinion about it. The Bill is a very long one, and we would understand it very much better by a discussion of the various clauses. I will, therefore, give a very short resume of the Bill and perhaps in committee we can discuss the points. It will shorten it very much if I read a memo. which I have been furnished with :

The main object of the proposed Grain Inspection Act is to consolidate the Acts respecting grain which have heretofore been under the General Inspection Act and have been so considerably amended from time to time that it has been thought advisable, owing to the increased importance of the grain business of Canada, to have a separate Act drawn to meet the requirements up to date.

The conditions that obtain in the Eastern Grain Inspection Division and the Manitoba Grain Inspection Division are so different that it is impossible to govern both divisions under the same clauses in the Act ; it has therefore

been found expedient to make general provisions and also separate provisions for each division.

The boundaries of the various districts and divisions are found obsolete and provision is made for a proper delimitation.

Certain powers vested in survey boards which have heretofore been appointed by the boards of trade in the Eastern Division have been considerably modified and the government, through its inspectors, assume greater responsibilities than heretofore.

The proposed Act seeks to make the regular grades permanent, or nearly so, as is in force in Manitoba.

The climatic conditions of Manitoba necessitate commercial grades more than in the Eastern Division. In the past the selection by standard boards of standards from year to year for regular grades was found unsatisfactory, causing much annoyance to European buyers unacquainted with the provisions of the various Acts and consequent frequent changes of grade.

The standard samples of United States grain are now to be established by the Grain Survey Board appointed by the Governor in Council. The old Act provided for having them established by a board appointed by the Board of Trade.

In the Manitoba Inspection Division there are few changes of any moment. Those incorporated in the proposed Bill have already met with the approval of the various interests concerned in the west.

Both the Eastern and the Manitoba Grain Inspection Divisions have no wish or desire to interfere in any way with each other. Both interests are therefore respected in the proposed measure.

Probably it will be better, in going into committee, that I shall point out to the House the changes in a Bill embracing nearly a hundred paragraphs. The rules and regulations that govern one section, are wholly inapplicable to the western division, and, therefore, it would be necessary to repeat practically over again the rules of the different divisions. I beg to move the second reading of the Bill and when going into committee I shall be glad to point out to the House the changes that are being made. I wish to draw the attention of the House to changes which have taken place in the matter of oats. The oatmeal millers complain very loudly that they have been completely overlooked in the arrangement of the clauses regarding oats. Now, it is set down that white oats shall be sound, clean and free from other grain, and shall weigh not less than thirty-four pounds to the bushel. You will not get one bushel of oats out of every ten, I venture to say, in Ontario, that will be clean and free from all other grains. There will be some little mixture. The result will be that they have to go into No. 2 grade. I will refer to the paragraph on the back of the Bill and I will say that the bulk of all our crop in the province will have to go into No. 2. Grade No. 2 white oats only requires to be 32 pounds to the bushel. No. 2 white oats shall be sound, reasonably clean and clear from other grain, and shall weigh not less than 32 pounds to the bushel. A little mixture is not a matter of vital importance to oatmeal millers, but the question of reducing the standard itself is a very serious matter. It is not the particularly clean quality that they want. They want the oats that they sell, and the result is that this clause is striking very forcibly at some people. I know it suits the shippers very well. The shipping interests should be satisfied, but the oatmeal millers complained very loudly. I have a letter from the president of the association in which he says he has strongly urged the change, in fact he had a promise that some consideration should be given to their interests, but it has not been given, and it will devolve upon me, when we reach that clause, to move an amendment with regard to oats.

Hon. Mr. FERGUSON—I should like to ask whether the part four, relating to grades, is changed from the law as it stands ?

Hon. Mr. SCOTT—There are some changes, but not in oats.

Hon. Mr. FERGUSON—I am speaking of all the grading, whether it has been changed in any particular ? If there are changes in the grading, it will give rise to a great deal of discussion and this House should not pass it without careful consideration. My opinion is that this Bill should be laid over until another session. It is a Bill of such great length, and deals with such important matters, and it appears from the explanations of the Secretary of State that there are many changes, and I fear that consideration will not be given to it at this stage of the session that it merits, and I submit earnestly to my hon. friend that this Bill should not be passed this year. It contains ninety odd provisions, and if it is entered into it will open interminable discussions. My hon. friend from Wellington has called attention to the grading of oats. I agree with what he has said, but I would

have very much more radical objection to make to the whole grading of oats, because the weight required for first quality of oats is very low. Any decent white oats will weigh forty pounds to the bushel in our country.

Hon. Mr. SCOTT—That shows the difficulty of dealing with the question.

Hon. Mr. FERGUSON—If thirty-four pounds to the bushel is a proper weight for white oats in one part of the country, and forty pounds in another part of the country, it shows how difficult it is to make the law uniform in this respect. I hope my hon. friend will not press this Bill at this stage. The Militia Bill will come before us. It is an important Bill, and you have to do the best you can with it; but if the consideration of this Grain Inspection Bill is imposed upon us, with all other work which is to come before the House, I fear prorogation is not close at hand.

Hon. Mr. WATSON—I think the fears of the hon. gentleman from Marshfield could be minimized, because, as has been stated by the hon. Secretary of State, this is a consolidation of the Grain Inspection Act.

Hon Mr. FERGUSON—But there are many changes.

Hon. Mr. WATSON—No, there are very few. It is a consolidation, and it is important that the Grain Inspection Act should be consolidated. For a number of years we have been passing inspection Acts affecting the inspection of grain west of Port Arthur. We have tried to get that inspection to conform with the Duluth inspection, and that was really accomplished one or two years ago, and the Act is so satisfactory, so far as the west is concerned, that they practically want no change at all so far as the west are concerned, and I venture to say that the consolidation that takes place here affects the west much more than any other part of Canada, and in fact no change is made. But it is a consolidation of the different inspection Acts that have been passed from year to year and it is important that they should be consolidated. It is very inconvenient to have to refer to three or four Acts for the inspection and handling of grain, and I think my hon. friend will find such is the case. This matter was referred to a committee of the House of Commons, and all parties interested in the handling of grain, the millers, the grain dealers and the exporters appeared before that committee, and after a very careful consideration this measure was produced. There was a complaint about the inspectors at Montreal wishing to have changes made. They wished to reinspect the Manitoba wheat at Montreal. That was opposed by the western grain dealers and exporters and they did not have their wishes carried out. With regard to the objection made by the hon. gentleman from Wellington about the oats, it is rather amusing to a person who listens to the different opinions given. I remember a gentleman a few years ago introducing a Bill to make the standard of oats thirty-two pounds to the bushel. He said he wanted the standard changed to 32 lbs., he objected to thirty-four pounds. He stated that he never got oats weighing thirty-four pounds down there and introduced a Bill to that effect. I do not think the standard weight of oats has been changed by this measure at all as it is very important to have a high grade of oats which is clean for seed. No. 1 white oats, as a rule, is a grade that is very seldom required and only, as a rule, used for seed and an inducement for clean farming. The man who can produce that quality of oats gets a good price for them. The next grade is the milling oats which is not quite so clean. If a person is buying oats for seed he should get them practically pure and clear of foul seeds. That grade is required. Frequently, several carloads of oats are purchased in the east to be shipped to Manitoba for seed, and it is very important to have a grade under our Act that can be relied upon, so that when a person is purchasing from a distant point he knows that the inspection is controlled by an Act of parliament, and he can really get what he is buying.

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

Hon. Mr. SCOTT moved the suspension of the 41st rule.

Hon. Mr. LANDRY—Could we have this Bill in French this afternoon?

Hon. Mr. SCOTT—This Bill has been a subject of discussion in the Commons for

the last two or three months. I have been expressing the hope to the Trade and Commerce Department, who had charge of the Bill, that they should try and get in down here sooner, but they did the best they could. There were so many persons who had views upon it, and so many interests to harmonize that it was absolutely impossible to get it here sooner. We had the subject up a few years ago. The interests of Manitoba were fairly well considered at that time and it was held in this chamber for a fortnight to allow experts to express an opinion, and I am told in this case that they have come to mutual understanding. It is the result not of the deliberations of the House of Commons, but of those interested in the trade. We export a large amount of oats, and it is quite important we should have some standard by which people buying Canadian oats would know what they are going to get. We must have some sacrifice, of course, in some cases because individual views cannot be placed upon the statute-books. We must have one grade to be known as the Canadian article. I think hon. gentlemen will appreciate that.

Hon. Mr. FERGUSON—The proper course would have been to have introduced a Bill making these amendments, and hand them to the commissioners consolidating the laws, who could do it very much better than we can. Instead of that we are forced to do the work of these commissioners by wading through the provisions of the Act.

Hon. Mr. WATSON—This consolidation has taken place before a special committee of the House of Commons, who examined the experts before that committee. There was a lot of work done by the committee of the House of Commons where the grain dealers and experts appeared before them and expressed their opinions.

Hon. Mr. FERGUSON—The result of that should be put in a short Bill, stating the amendments, and let the commissioners consolidate the whole thing; whereas we are going to spend days of work at consolidating laws which should be done by commissioners.

Hon. Mr. MACDONALD (P.E.I.)—We have the evidence from the hon. Secretary of State that the Bill of which this is said to have been a consolidation, has been found unsatisfactory, and that the objection was taken not only by the people of this country but by the people of the country to which we were sending our exports of grain, against the provisions of the Grain Inspection Acts of the Dominion, and if these inspections are made, I presume that there are changes made in the Bill to do away with them and after it has taken more hours of the time of the popular branch of the legislature, and a special committee, the Bill is sent to the Upper House and it is supposed we are to let it go through swimmingly, because it is assumed we know nothing at all about it. This kind of legislation is making the business of the Senate, in a great measure, a farce.

Hon. Mr. SCOTT—Oh, no.

Hon. Mr. MACDONALD (P.E.I.)—The principal portion of the legislation of the Dominion comes up in the last days of the session. We have appropriations coming up for millions, over which we have practically no control. We do not debate them here. Whereas I hold that it is the right and duty of the Senate to debate the Appropriation Bill when it comes before us. It has been done on former occasions, although it has not been the practice of late years.

Hon. Mr. SCOTT—No, after confederation it was not done. The Supply Bill never took over fifteen minutes or twenty minutes in this chamber when my hon. friend's party were in power. I was here, and know about it.

Hon. Mr. MACDONALD (P.E.I.)—I have understood it was claimed by hon. gentlemen who were members of the Senate in earlier days of confederation that it was the duty of the Senate to discuss the Appropriation Bill as a whole. Although they had no right to object to any item in it, still it was their right to talk on the general question of appropriation. That right I think they ought to retain. We ought then to be more particular when Bills over which we have some control come before us in the last days of the session, to see that they are properly looked into and discussed by this chamber, and not have Bills of such importance as the Militia Bill, which is another Bill of a great number of clauses, occupying many pages and affecting the

whole people of this country, besides a number of less importance and less volume than those two brought up in the dying days of the session to be passed through as if we had no control over them whatever.

Hon. Mr. YOUNG—This is a very important Bill because it affects the trade and commerce of the whole of Canada in the matter of grain, and the importance of it was recognized by the other branch of parliament, and they appointed a special committee, men having a knowledge of the grain trade to look over the amendments necessary, and also the consideration which is of so much importance to the trade and the producers. The grain growers of the west were particularly anxious that the Act should be consolidated for convenience of reference, and it is also to meet the wishes of the producer that it should be done. But with reference to the attention which was given to it in the other House, I may say that these gentlemen who composed that committee invited all interests to be present and urge whatever amendments they thought desirable, and they were fully considered. I understood the committee took the ground that they would not disturb whatever had been working well in the past, and the amendments which have been made have only been in the direction of making the Inspection Act more workable in the future, so that no radical changes have been made in the Bill. In the complaints my hon. friend spoke of, against the Inspection Act, I think there may be a distinction made. Complaints we not made against the Inspection Act. I refer to the proceedings of the Montreal Chamber of Commerce, and I think the hon. gentleman is referring to the same thing. The complaints were rather as to the working out of the Act in reference to certificates. This committee endeavoured to work it out as best they could. Perhaps we cannot give the Bill that consideration which we should at this stage of the session, but bearing in mind that a thorough analysis and investigation was made of the amendments in the other House, it relieves us, to a great extent, of the responsibility we would otherwise have, because they had technical evidence before them and analysed it and arranged it in a way they thought would be more workable, securing to those dealing in grain all the advantages they were entitled to under the statutes of Canada. While the Act may not be perfect, it is felt that it is going a long way towards making it more workable and satisfactory in Canada.

Hon. Mr. BLACK—While I concur very largely in the remarks of the hon. gentleman from Prince Edward Island, that it is very objectionable that at this stage in our proceedings we should have these important Bills forced upon our attention, yet the Bill is of such a character that, unless we have an expert committee appointed by this House to go into it fully, I very much question whether we can make any improvements in it, and, further, I have a suspicion that if we were to take this matter up in the House and deal with it without a committee, we might injure the Bill instead of making it more perfect. I know there has been a good deal of attention given to this Bill in the other House. Take one objection raised here, the inspection of oats : of course we do not raise as much grain in the east as you do in the west, or even in Ontario ; but we have a higher standard for No. 1 oats. As the hon. gentleman from Prince Edward Island has said, a good farmer in Nova Scotia would not like to sow white oats unless they weighed thirty-five to forty pounds to the bushel ; at the same time I apprehend a serious difficulty in discussing this Bill in this House, that while we may make some improvements we run the risk of injuring it. I am a farmer, and have farmed all my life. I think I have a fairly high standard of excellence in farming. The general standard for the oats of commerce has been thirty-four pounds to the bushel, and I do not think it would be wise to change that figure at all. Taking that as a sample of the objections we might raise I very much question whether we would improve this Bill. I am afraid we would injure it if we undertook to give it detailed discussion and amend it.

Hon. Mr. FERGUSON—With so little time.

Hon. Mr. BLACK—With so little time, and I agree that it is very objectionable that this House has to deal with important measures just at the close of the session and I am told that this has been the record of this House, for a long period in the past.

I believe that objection does not apply merely to the present government, that the former government for years performed their work in about the same way. Members of the Senate have been so repeatedly called to order, because of being out of order, that I am very delicate about touching anything that does not pertain to this Bill.

Hon. Sir MACKENZIE BOWELL—The hon .gentleman will set us a good example.

Hon. Mr. BLACK—If I thought the business of the Senate was going to be conducted in the future as it has been during the past thirty or forty days, I would tender my resignation and never show my face inside its walls again. As I have taken so little of the time of this body, I may perhaps be allowed to say that it is imperative, for the credit of the Senate, and for the country generally, that some steps should be taken before we face another session to so revise the rules and regulations of this House, that there should be a very stringent enactment to alter this state of things, and make a radical reform in the Senate of Canada.

Hon. Mr. SCOTT—I move that the House resolve itself into Committee of the Whole at the next sitting of the House, and that this Bill be the first Order of the Day.

The motion was agreed to.

BILL INTRODUCED.

Bill (166) An Act to amend the Animal Contagious Diseases Act, 1902.—(Hon. Mr. Scott.)

The Senate adjourned until 3 p.m.

Second Sitting.

The SPEAKER took the Chair at Three o'clock.

Routine proceedings.

PATENT MEDICINES.

MOTION.

Hon. Mr. SULLIVAN moved :

That an humble address be presented to His Excellency the Governor General ; praying that His Excellency will cause to be laid upon the table of the Senate a statement showing the names of all liquid mixtures known as patent or proprietary medicines purporting to remove the most varied forms of disease occurring in the human body, and when weakened by such disease or by any indulgence, habit or accident, to restore it to its former strength and vigour. Showing also the amount of money, if any, paid by importer, maker, mixer or vendor, to the government as special tax or license, and to whom paid. Showing likewise if the government has any knowledge of the ingredients which are employed to make these compounds :—

1. Has such knowledge been acquired from the statements of the parties who have the formula ?

2. Has it been acquired by qualitative and quantitative analysis of the Dominion analyst, or by any other practical chemist, if so, what quantities are contained in a determinate, say one fluid ounce, of the following named ingredients :—

1. Water, quantity in a determinate measure, say one fluid ounce, of the preparations examined.

2. Alcohol in any form other than absolute ; methylated or proof spirit or any other form ; essences, ethers or any other solvent ; colouring or flavouring substances, and, lastly, the solid ingredients in said preparations, the quantity and names of each.

He said : This subject is more important probably than many are aware of. The hon. gentleman who spoke yesterday did so with a great deal of feeling and emphasis of the great work he did in the investigation of the Mutual Reserve Fund Insurance Company, work which I think was not equalled by any I know of during this or any former session. He said he did that as a matter of duty to his country and to his profession. I also can say with equal emphasis and with the utmost sincerity that this is a duty which is imperative on me, and which I think may be the means of leading to something very useful. The College of Physicians and Surgeons of Ontario, at their last meeting, through Dr. Bray, an eminent and experienced surgeon of Chatham, brought forward a series of analyses of different nostrums or compounds which are sold under the name of patent medicines. These had been analysed by the analyst of the Public Health Department of the state of Massachusetts, who would be admitted to be a sufficient authority. He found that upwards of sixty of these liquid medicines contained a very large percentage of alcohol. Ordinary whisky contains about 25 per cent of alcohol, and lager beer, which is with some persons capable of stimulating even to the stage of intoxication, contains two to five per cent. But some of these patent medicines contain as high as thirty to forty per cent of alcohol, and they are sold sometimes under the head of vegetable preparations containing no alcohol or mineral matter. Of course it is a monstrous lie

—the whole business is a compound of mendacity and audacity, as anyone can see who chooses to examine the analyses. There may be some hon. gentlemen here who think the medical profession has some feeling of envy or jealousy towards these medicines. Such an idea is beneath contempt. It is impossible that it could be so. If such a feeling cannot exist amongst ordinary educated men, still less can it do so in the minds of physicians. The physician belongs altogether to private life. He understands the living of the people; he is their confidant and adviser in many cases. He is not actuated by a desire for gain or anything but a sense of duty. He tries to observe the promise he made solemnly on the day of his graduation, to do his duty to the best advantage of his patient, and not to lend assistance to anything that is secret or would be wrong in the profession. He recognizes the awful responsibilities of the profession of which he is a practitioner; he recognizes the fact that he is brought into more intimate relations with the many problems which are associated with the human body. He is allowed to examine that which is the greatest masterpiece of the Creator, and which is a worthy casket for the immortal soul and intellect. Any physician who recognizes the dignity, the responsibility and the value of his profession would not condescend to do anything ignoble or mean or contrary to its teachings. There is a law that there can be no secrecy in the practice of medicine. The fact of a physician having anything to do with a nostrum or secret medicine ipso facto, is expelled from the practicing body of physicians. There is no formal expulsion. He simply disappears. You may remember the case of the Surgeon-general of the United States at the time of the war of the rebellion. His name was Bliss. Some time after the war he assisted in compounding a secret remedy, which was supposed to be a cure for cancer, named Cunkong. For that he fell, and fell never to rise again. I mention this to show that there can be no feeling but a feeling of humanity and a desire to put down fraud. You may ask how are these compounds made? They are made from ordinary substances, but the greatest liberty is taken with language, that can be conceived. Within the last few days boxes of pills were distributed to the members of the Senate with the compliments of a member of the Commons. These pills are coated with a lemon yellow colour, and have on the outside flavour of lemon. It is called 'The Fruitative' that is a name coined for the purpose of conveying the idea that it consists altogether of fruit. There is not a particle of fruit in it, except the lemon that may be in the coating. Once you dissolve the covering, you come to a most bitter and strong purgative. That I found myself by examining it. The proprietor of this pill has the hardihood to say that it is all fruit, discovered by a physician right here in Ottawa, under our very noses, and that this is the essence of apples, oranges and other plum fruits. He says there is a little bit of nux vomica, the tincture I suppose. That is the nut from which strychnia is extracted, a very good remedy when given in proper quantity. He says there is another extract, one of the alkaloids of Peruvian bark. Now, there are only two alkaloids in that bark. Quinine, which is used the world over as an excellent remedy in a variety of cases. Its discovery was a great boon, useful in a great many of diseases, greater probably than any other given to man. It has no particular purgative action, but it is, he says, a remedy for catarrh. They mention the most incompatible acute diseases and chronic for which this pill is a remedy. There is no disease or diseased condition for which this pill is not regarded as a cure. Now, catarrh is simply a discharge. Catarrh signifies a discharge, and wherever is a mucous membrane there may be catarrh. There is a variety of catarrh which is more prevalent in the United States than here, a discharge from the nose. Most people at some time or other imagine they have it, and this is represented as a remedy for that. How could this be a remedy? I assert that this 'fruitative' pill contains no more fruit than there is on the table of this House at this moment. See the audacity and the lying assertions made in connection with it. It is represented as an antiseptic, anti-neuralgic, anti-malarial, and I don't know how many antis. How are these patent medicines kept up? Their reputation is obtained by misrepresentation and fabrications of cases made up. Where do the testimonials which they publish come from? They are all tissues of falsehood from be-

ginning to end. There is not one of them got by fair means. I can get as many testimonials as you please for the cure of any kind of disease. All I have to do is to pay some poor fellow 25 cents to sign a testimonial.

Hon. Mr. WILSON—Does the hon. gentleman include the doctors who give their certificates ?

Hon. Mr. SULLIVAN—I have no reference to physicians, I simply have reference to the medicines. I am astonished that the hon. gentleman's understanding is not keen enough to recognize that I could not say that about the doctors. There are quacks in the profession, and somebody has said that there are as many in it as out of it. These pills that I refer to, are advertised pretty much as other patent medicines are. You can take that case as a sample of the rest. I am not going to discuss all these compounds. What I started out to do, was, to show the great danger of these medicines to the homes of the people of this country. There is a medicine which is called 'Celery Compound.' It is flavoured with oil of celery and has a sweetish taste, and is full of alcohol. Any one who tastes it can detect it quite readily. Then there is 'Peruna,' which has had a wonderful run. How has that become so popular ? By advertising. The advertisements are something marvellous, and names are used without scruple, of people in the highest walks of life, and they are all forgeries. In saying this, I take no advantage of the protection of the Senate. I am willing to say the same thing at any time on the platform or on the street. I promise you that I shall not say anything that is not strictly true, and I challenge contradiction. A small quantity of alcohol in these compounds would not be of much consequence, but there is a considerable quantity consumed when a number of doses are taken. This new remedy 'Peruna' is an excellent thing to go fishing with. It is as nice a whiskey as you ever tasted. The name had no radical significance. It is a soothing name designed to attract. The prunes in it probably suggested the name 'Peruna'; that is the only way I can imagine they got the name. That is put forward as a panacea for the most opposite diseases. This, of itself, to any intelligent man, shows the imposition, and the necessity there is for a person taking care. Who are the men who furnish these medicines? They keep themselves in wealth by advertising. That is the string that flies their kite. Cut away the advertising and they die. The amount they pay for advertising is enormous. You read of as much as £200,000 being spent in a year in England by one company in advertising a patent medicine, and they are justified by the results. I was told of one of these adventurers, whose name probably some of us know, having at the first start spent sixty thousand dollars in advertising, and he did not sell enough to keep him afloat. He did not despair. He went to a newspaper man and said : Put in $50,000 more and I will pay you back. He did so and the money flowed in, and from that time on it has been a golden mine which gives him money enough to do what he likes. How does he get his money ? From the demoralization of homes, from the poor and afflicted, from those who are too ignorant to understand the ways in which those men draw up the testimonials which they publish so lavishly. The unfortunate man who is given up by the doctors invariably falls into the hands of those people, and they keep him up as long as they can. I never hear of one of them that despaired. They always tell the people to keep on using the remedy. I was very glad to hear the other day of a debate on this subject in the House of Commons. Sir William Mulock in that debate, to his honour be it said, suggested the idea of keeping out these immoral circulars, pamphlets and books—of stopping the spread of them through the post office, and thus preventing the dissemination of falsehoods and misrepresentations throughout the land. It was a noble thing to do, and I was very sorry that any opposition was offered. It ill-became Dr. Sproule to drag into that discussion the cures at the shrine. I do not know how he dared to make any comparison between shrines and patent medicines. I have been four times at a shrine and I always came away rested, and the better of it, but there was not any miraculous intervention. At St. Anne de Beaupré they do not make any money out of it. All that is paid there is the money put into the collection, five and ten cent pieces. The people who bring excursions there may make money, but the

fathers there are no party to that. I would be very happy to take Dr. Sproule down to St. Anne de Beaupré, at some time, and he would have such a revulsion of feeling that he would have serious notions of abandoning his faith altogether. At all events he would not consider it a miracle. It is most ungracious of a public man to refer to such matters in that way. I felt very much wounded by it, because I have been at the place myself and it was a dastardly invention to say that anything was sold there. We know what simony is, and it would be the greatest simony in the world for them to sell to any sufferer any possible means of cure or religious observance for the purpose of assisting them corporeally. I now wish to direct your attention to a great evil which I wish to bring to an end. The reason I brought this up was because Dr. Bray introduced it at the meeting of the Ontario Medical Council. I had thought of it before, but I had not the courage to bring it before the public on my own responsibility. I did not think it would be entertained by this House. But I knew that representations from a large, influential and distinguished body of physicians—there are over a couple of thousand of them, and the college is their mouthpiece for expressing publicly anything they think the public should know—would carry weight. Seeing there was such an enormous amount of this compound 'Peruna' in use, and testing it afterwards, I saw there was a terrible temptation brought into the houses of the people to seduce them. You have no idea how seductive some of these compounds are, and the pleasing effects which follow, but only temporarily, the use of them. Many a woman has been made a drunkard by them. Can there be any sin greater than bringing into a house a compound to poison the family and bring them to destruction? I remember, when a student, I was cautioned to be careful how we gave tinctures to patients. Tinctures are only alcoholic solutions of substances that water will not dissolve. Anything resinous or oil you know will not be dissolved by water, so alcohol is used. You would think nobody would ever get a taste for alcohol from the use of these, yet I was told by the physician who taught me, that tinctures have that effect and that a doctor must think carefully in prescribing any tincture in a mixture lest it be the terrible means of stimulating a taste for alcohol which, once acquired, cannot be overcome. Of all the evils and miseries which can befall a family or people the worst is drunkenness in the home. If the women are kept from it it is not so bad; but if the women are corrupted, and especially the mother, it is hopeless. There is another remedy that is sold regularly, 'Broma Chloral,' made up by a respectable firm in Baltimore. The active principle of it is morphia, hydrate of chloral and other powerful ingredients. I saw a man of over 50 years of age who was carried away by the use of it a couple of years ago, and narrowly escaped with his life by an attack of typhoid fever. I am conjuring up no bugaboo. I am not trying to make a sensation. I do not care if my remarks are never made public, but the subject is one which should command the attention of the Senate, and if the Senate can veto the manufacture and sale of these pernicious compounds, they will have done enough to justify their existence and a great deal more. There are some other points to which I should like to allude, but that is the main one. Perhaps the hon. Secretary of State will be able to tell us how these compounds are manufactured. The idea of giving a patent for one of these compounds makes me feel very bad. Patents are supposed to be given, for what? For inventions and they must have two qualities, utility and novelty. These have neither utility nor novelty; they have antiquity and inertia. The medical council recommend that the drugs of which these patent medicines are composed, and the quantities of them, should be printed on the bottle or label. They do not want to interfere with any vested rights, or to interfere with any inventor, but solely, in the exercise of their duty, seeing the drunkards that have been made by those drugs, and the other injuries that have been caused by them, they say that they cannot possibly be of any use; that they only make great wealth for a few, to the destruction of hundreds of human lives. The subject is worth looking into; the secret diseases they develop, and habits that are to be deplored. If you could see the cases that languish in prisons or asylums, it would astonish you.

It is an evil thing for the government that they are licensing and giving power to certain persons to poison the people of the country. 'Peruna' will do the work, and therefore, I think it is worth while looking into. These compounds should be analysed anyway, and the manufacturers of them should not be allowed to mislead the people. If a poor tavern-keeper happens to overlook the time of closing, and sells beyond the proper hour, he is liable to prosecution and a penalty. Why should these people be allowed to sell the strongest kind of whiskey ad libitum, at all hours, and to any one who is willing to pay for it! There is no restriction to keep them down. I have started on this in good faith and I am very grateful for the consideration the House has shown in permitting me to bring this subject to its notice. I would not have urged it so strongly, only I believe it is necessary. I believe every statement I have made to be true, and I challenge contradiction.

Hon. Mr. SCOTT—It was quite unnecessary for my hon. friend to use the apologetic terms he did at the end of his observations. On the contrary, we feel under obligation to him for the very admirable address he has given us. I should like to see it circulated broadly throughout the length and breadth of the Dominion, and the evils could be met by attention being prominently brought to them. I am entirely in sympathy with the whole subject of the hon. gentleman's address. The medical men, I am glad to see, not alone of Canada, but of Great Britain and France, have recently become alive to the very great importance of checking the sale of sweets which contain alcohol in one form or another. Children become drunkards simply from the purchase and use of such sweets, and, as the hon. gentleman has stated, it has made sad havoc, especially in London and other cities of Great Britain, where the frequency with which women are known to be under the influence of alcohol is most deplorable, affecting not only the generations in existence, but, as the hon. gentleman truthfully remarked, the generation unborn, because no strong, virile progeny can spring from a drunken mother. The subject ought to be taken up by all serious men who feel an interest in the progress of the human family. No subject is of greater importance. On every occasion I should be glad to give way to an address such as the hon. gentleman has given. I go further, perhaps, than he does on this subject. I am not only opposed to the use of medicines containing alcohol, but I go further. It might not be entertaining to hon. gentlemen to hear me speak on that subject, and therefore I will not take up time in doing so. But I was very much impressed a few years ago in reading, when the Chinese first began to visit Europe, some of their comments on western civilization in Paris. They observed: You have one very curious custom in this country; you pay your medical men when you get sick; in China we pay our medical men so long as we are well; the moment we get sick no more charges can be collected. I thought the Chinese philosophy was somewhat in advance of the principle which prevails in Europe and America. I can only say we are all grateful to my hon. friend for his address, and I trust we shall all be stimulated to act on the advice he has so eloquently given us.

Hon. Mr. WILSON—I would fail to be able to do the subject the same justice my hon. friend did. He has brought before this House facts which every one ought to consider, and every medical man knows full well to be true, and of such importance as to warn and guide men against the use of the average patent medicine. There is a wide difference between the medical man and those who produce and sell patent medicines. A medical man who has made any important discovery which is likely to be a benefit to the human race, does not patent his discovery. He at once makes it known for the purpose of benefiting humanity. It is not so with the man who patents a medicine. There is nobody who does more for the public gratuitously than the medical man; and, therefore, I am in full accord with the sentiments expressed by my hon. friend from Kingston. I see that the leader of the House strongly favours the remarks of my hon. friend. I hope he will take it into his serious consideration, and try and frame some measure to meet the evil. I admit it would be very difficult indeed, because those who deal in patent medicines are not very ready to publish the formula on which it is prepared, because the more alcohol they can get into a patent medicine, the greater will be

the effects on the patients, and the greater the inducement to continue using it. I am, therefore, in full sympathy with what the hon. gentleman has stated, and also thoroughly in accord with the leader of this House in believing that no greater curse can be inflicted on the human race than indulgence in those beverages whereby the mother may contract the drunken habit and lead to the injury of her offspring.

The motion was agreed to.

THIRD READING.

Bill (No. 74) An Act to amend the Fisheries Act.—(Hon. Mr. Scott.)

INSPECTION OF GRAIN ACT AMENDMENT BILL.

Hon. Mr. SCOTT moved the House into Committee of the Whole on Bill (113) An Act to amend the Grain Inspection Act.

Hon. Sir MACKENZIE BOWELL—I do not propose to enter into the merits or demerits of this Bill, but it is one of a character that requires a very great deal of thought, and very careful consideration, more particularly by those who are interested in the grain trade, and in other matters affecting the trade of the country. It will be within the recollection of every hon. gentleman present, who has been in the Senate for any length of time, that scarcely a session has passed that we have not had the introduction of a Bill for the inspection of grain or the inspection of fruit before us, and I was somewhat impressed with the argument of the hon. gentleman from Killarney when he made that pathetic speech just before the adjournment of the House. It was like the cooing of a dove. I have a distinct recollection of that hon. gentleman's energy and the practical knowledge which he applied to a Bill of this character upon a former occasion. It came from the House of Commons after a very great deal of consideration by that House, and yet when it reached the Senate it was found by practical men who understood the situation that it was not of a character to meet the requirements and wants of the people. I noticed also that the hon. gentleman from Killarney intimated to the House that the Bill was in accord with the wishes and wants, and met the desires of grain-growers and exporters in the west. That may be strictly correct, but as the hon. Secretary of State mentioned, on moving the second reading of the Bill, there are interests in the east that are not considered, and consequently time is required for those who understand the question, dealing in grain, living in the eastern portion of the Dominion, to consider the question which might meet the requirements and desires of those in the east. This Bill may, for aught I know, meet those difficulties. It is true, it has been before the House of Commons for a month or two, and they have been considering it before a very large committee. I have no doubt they have come to the very best conclusions at which they can arrive, from the knowledge they have of the business, and yet we find in the past that we have been placed in precisely the same position that we are in to-day, that the Commons having considered a Bill of this character, and having made all the changes and amendments that they thought necessary in order to protect the producer of grain, and also the purchaser as well as the shipper, yet when it came to this House, it went back to the House of Commons with a number of amendments and suggestions which staggered that House. Whether that will be the case with this measure or not, I am not prepared to say, but I do say that a Bill of ninety-three clauses, affecting a subject of as much importance as this Bill under the title of the Inspection Act, should not be rushed through in ten minutes, half an hour, or an hour. That will be the course on this Bill. I venture to make the statement that there is no man, except perhaps the hon. gentleman from Killarney himself, who has read the Bill and given it that close study, that those who are asked to pronounce a judgment upon it should give it. I may be in error, but I am of that opinion. It was only laid upon the table of the Senate yesterday, and I have not read it. I pay, I think I may fairly say, as much attention to measures introduced in this House, as any hon. member in the chamber, because I have a very great dislike to expressing an opinion or record a vote in favour of or against a measure, the effect of which I do not understand, and I certainly, in now recording a vote in favour of or against this Bill, should

be precisely in that position. I see no other result to follow, from proceeding with this Bill at this time, than to allow it to go into Committee of the Whole and read the marginal notes, or we might skip them, because that is a mere farce. We might just as well make the motion at once, that all the clauses from one to ninety-three be adopted, and have the Bill reported from committee. I have not the slightest idea that there is any one in this chamber, unless it be the hon. gentleman from Wellington, who has intimated a desire to have one clause changed, who has considered this question sufficiently to justify him in making any motion to amend it. I have made these remarks to put myself on record, so that if there is anything wrong in the Bill I do not propose to be held responsible for it, and do not wish to express my acquiescence in the Bill, without a further investigation. There is another Bill before us which has been before the Commons for a few months. We are now within a few days of being five months in session, and there is another Bill which we shall be asked to deal with in the same manner. When that Bill comes up we should take some trouble to analyse it, and thereby obtain the opinion of the Senate. I say that, because I have some knowledge of the subject of this Grain Inspection Bill. I do not suppose the hon. Secretary of State will accede to the request of the hon. gentleman from Marshfield, to allow this measure to stand until next year. He shakes his head. I anticipated that, and it answers the same purpose as if he spoke for an hour, that is one reason why I announced. as far as I am concerned, my intention not to offer any opposition to the Bill. It will go through and the government will take the responsibility, and right or wrong, they will have to abide by it.

Hon. Mr. SCOTT—I beg to assure my hon. friend that his fears are not well founded. He has referred to the former occasion when a Bill of this character regulating the inspection of grain. was before this chamber. We had it here for three weeks I think.

Hon. Sir MACKENZIE BOWELL—This Bill ?

Hon. Mr. SCOTT—The ancestor of this Bill, the Grain Bill, a few years ago. I know I took a good deal of interest in it, and the hon. gentleman from Wolseley and my hon. friend from Killarney took a very great deal of interest in it.

Hon. Sir MACKENZIE BOWELL—Which Bill ?

Hon. Mr. SCOTT—The Grain Inspection Bill, the Bill on which this measure was founded, because at that time the eastern interests were stronger than the western interests. That Bill was conceived entirely in the interests of the people in the east, and I, among others, felt that a wrong was being inflicted on the west, and, although it was a government Bill, I approved entirely of the changes made in this chamber, and we really did make it a Bill that was acceptable to the people of Manitoba and the Territories. The reason that this Bill is not opposed by anybody is because the principles that we then laid down have been affirmed, and the experience of the last few years has satisfied everybody that the demands of Manitoba and the Northwest Territories were based on fair and just principles, and the east could take care of itself, because there are so many more to speak for it. At that time the west was not represented so well, on so important a subject. The sound principles we laid down on a former occasion are maintained in this Bill, and the eastern people have quite recognized the difficulties of a few years ago, and have fallen in line with the principles that were laid down on that occasion. Therefore, my hon. friend need have no apprehension that this Bill has not been fairly and justly considered, and is not one that is acceptable to a large number of those who are interested—that is the farmer, the elevator man, the exporter and the producer. The various classes interested are quite prepared to accept this Bill. Where such a large number of persons are affected by a Bill of this kind, you cannot expect absolute unanimity. If you tried for years and years you could not accomplish that, but this Bill satisfies the largest number of the persons who are interested in these matters.

Hon. Mr. FERGUSON—I endorse every word uttered by my hon. friend the leader of the opposition with regard to the consideration we are going to give to this Bill,

or that we will be able to give to it at this time. I have no reason to believe that there is anything wrong with this Bill. I have not heard that there was. Unlike the Militia Bill, I do not know that there is a strong opposition expressed against this Bill anywhere, but I have to call attention to these circumstances in connection with it. Up to the present time we have had no separate statutes dealing with the inspection of grain. It has been done under the General Inspection Act. This is a Bill which takes the inspection of grain out of the provisions of the General Inspection Act, and provides that it shall be dealt with under a separate law. Now I must complain that this Bill is not brought to us in a way that makes our duties at all easy in considering it. It has been usual when a consolidation such as this takes place, even without the radical change that is now proposed to be made, taking this departure, and taking the subject out of the General Inspection Act, it has been usual to have something in the printing of a Bill that would show what part of it was new and what part was old, something to show whether you are repealing, consolidating or amending. I have looked in vain for that. I find at the conclusion that the repealing clause says that all the provisions of the General Inspection Act, chapter 99 of the Revised Statutes, and of anything in amendment thereof, in so far only as such provisions relate to grain or the inspection thereof are repealed, and the provisions of this Act are substituted in lieu thereof. There is no clue as to what you are enacting new, and to what you are consolidating and amending. The matter is brought before us in such a shape that it requires tenfold the labour that it would require if we were treated as we were with the Railway Bill, and many other Bills that were brought up that were a consolidation, by having notes attached to each clause, showing the sections which were amended or were new ones. My view is that if the government had simply introduced the Bill, making the changes that they thought were necessary in the matter of the inspection of grain, declaring such and such a section to be amended in such a respect, a very small Bill would have covered it, and the commissioners who are now consolidating the laws could take it up and make it a consolidated statute. That would be very easy, and we could then have gone over these amendments in a very short time. We could have compared the new section with the former section and a very short Bill would have answered. We could have considered the matter while we were having these preliminary canters over this measure. No such facilities are given to us however, though my hon. friend admits that it contains many alterations, and my hon. friend from Killarney endorses them. He has not stated what they are, and there is nothing in this Bill that will enable us to refer to the former enactments. There is no note in the Bill that will enable us to go to the Consolidated Statutes or to the other amendments, to the provisions which have been made since that time, to find out what the law is now, and what the changes proposed to be made are. My hon. friend may be supplied with a brief on that point. If so, we must wait until he furnishes us with it. We have not that information with regard to one single section of this Bill to facilitate our labours, and I think the proper course to pursue is to withdraw the Bill and introduce it next session.

Hon. Mr. BEIQUE—I think there is something in the suggestion that has been made, that when we deal with consolidation of voluminous Acts that the new clauses should be indicated. It would facilitate the work of hon. members of this House; but apart from that, I think it would be hardly fair to refuse to consider, even at this stage of the session, this Bill, for this reason: I understand that this Bill has been considered by a special committee in the House of Commons, that the parties interested have been heard before that committee. It would be losing the benefit of that work if we were to refuse to consider the Bill at the present moment, and I go further. Would it be fair towards the House of Commons, who have taken the trouble to go thoroughly into the matter and have heard the parties interested, to attempt to meddle very much in it by changing this Bill, unless we were prepared to call in the parties interested from the west and from every part of the country as was done by the committee of the House of Commons. I re-

verse the position. Suppose we had done the work ourselves, would we appreciate the House of Commons going over the same work in technical matters, and possibly arriving at different conclusions ? It does not follow that we should not scrutinize the Bill as much as possible, and it is possible that in committee we may find the Bill so defective that the suggestion made by the hon. leader of the opposition and the hon. gentleman from Marshfield may be adopted. But, prima facie, it does not appeal to me as being a suggestion that should be followed at this stage.

Hon. Mr. FERGUSON—I find we have another difficulty. I sent for Bligh & Todd's Index, thinking I would be able, by that, to get the references to the different Acts we are now consolidating, and I find that that gives me no light, for the reason that all the Acts form part of the General Inspection Act, and I would have to wade through these. It does not furnish any guide as to what part refers to grain and what to other things, and I have not that advantage. I do not know how I am going to find out what sections are new and which are old.

Hon. Mr. DANDURAND—The hon. Secretary of State will tell us that.

Hon. Sir MACKENZIE BOWELL—We are imposing an enormous amount of work upon the Secretary of State ; and furthermore, with due deference to him, I do not see how he can possibly know, unless he has a list made out.

Hon. Mr. WATSON—I think we are borrowing trouble in this matter. When we get into committee I think it will be found the changes are not so numerous. We are prepared to accept the statement of the hon. leader of the opposition, that he has not read the Bill, and I think he remarked that if he did he would not know much about it, and that the hon. gentleman from Killarney was very well versed in the measure, and had given it a good deal of consideration. While this grain inspection was under the General Inspection Act, it was set aside as the grain inspection portion of the Bill. The government now see fit to make it a separate Bill, and I would say that the people interested in the grain trade and the grain-growers have had ample time to consider this Bill and the provisions of it, because, in the early part of the session, the Bill was printed and copies were distributed all over the country. The Grain Growers' Association in the west considered it, and they made a recommendation to the government that there should be no change made in the inspection law of last year. The Grain Growers' Association, representing the Northwest Territories and Manitoba, had considered the operation of the Inspection Act that was then in force, and is in force to-day, and there has been no change made in the west, because the grain growers, the grain dealers, the exporters and the millers, came to the conclusion that the Act was in such good shape after the efforts of the House of Commons and the Senate in past years, that it was so nearly perfect that they asked that no changes should be made, and none have been made as far as the western inspection is concerned. Some slight changes have been made in the eastern section. I think there are only one or two changes in the western inspection, making it more plain. When we go into committee the Secretary of State, without taxing himself to any great extent, will be able to give explanations that will make it clear that the Bill is in the right direction, and should be passed into law. It is important that these Acts which affect the inspection of grain in Canada should be consolidated and not scattered all through the Inspection Act. There are two separate inspections, one for the western and another for the eastern trade. One of the claims made by the eastern section was that they should have a re-inspection of Manitoba wheat at Montreal.

Hon. Mr. FERGUSON—Is that a new matter ?

Hon. Mr. WATSON—No, it is old. We have asked for years to get an Inspection Act for the grain trade of Canada, and I have given special attention for twenty years to the matter, and we consider it to be so nearly perfect now, that the grain producers and dealers are satisfied with it and I think we have it now where both sides will recommend no further change in it. The eastern section wish to re-inspect our Manitoba wheat in the east. The west object to that, and the committee that had charge of this Bill in the House of Commons, who heard

all parties interested, have produced what we have before us, and I think when we go into committee that the explanation given will be so easily understood that hon. gentlemen who have not given the same attention to it that other members have, will come to the conclusion that the legislation is in the right direction and it will be allowed to pass.

Hon. Sir MACKENZIE BOWELL—How does the hon. gentleman from de Salaberry think the speech he has made in reference to this Inspection Bill, would appear if printed as a preface to the Consolidation of the Railway Bill, with which he tinkered for a week or two, and in which he made fifty or sixty changes ? I think the speech he made to-night would not be very applicable to that. However, I merely want to compliment the hon. gentleman on the speech he has made; the two positions are analogous to my mind. I have only simply to thank the hon. gentleman from Portage la Prairie for the statement that if I read the Bill the probabilities are I would not know anything about it after I had read it. The only thing I object to is the hon. gentleman judging my stupidity by his own.

Hon. Mr. WATSON—I was using the hon. gentleman's own words, when he said he had not time to read it, and if he did he would not understand it.

Hon. Sir MACKENZIE BOWELL—I did not say that.

Hon. Mr. BEIQUE—I had in mind the Railway Bill, when I made those remarks, and I thought there was a big difference, because it did not require the special knowledge that this Bill requires—the technical knowledge. We were in a position to deal with it.

Hon. Sir MACKENZIE BOWELL—If my hon. friend is satisfied I am. I should like to ask the hon. Secretary of State—I cannot gather it from looking over the pages—whether this Bill will deal with the product of grain, flour and meal, or is it confined to grain?

Hon. Mr. WATSON—Only grain and hay.

Hon. Mr. FERGUSON—And still it is the Grain Inspection Act.

The motion was agreed to, and the House resolved itself into Committee of the Whole on the Bill.

(In the Committee.)

Hon. Mr. SCOTT—This is not the first occasion when the Grain Inspection Act was isolated from the General Inspection Act, because if hon. gentlemen will refer to 1899, they will find we amended the General Inspection Act only in relation to the grain inspection. For many years it has been practically separated from the General Inspection Act.

Hon. Mr. FERGUSON—But Bligh & Todd's Index furnished no clue for me to find what clauses we were repealing, because there was no light thrown upon what part of the General Inspection Act dealt with grain and what didn't. I notice in some of the Bills passed since that, there is a distinction but there is no assistance given.

Hon. Mr. SCOTT—I thought that would be useful, and endeavoured to have it codified, but they found that was impossible. It would be practically impossible with the many changes and alterations.

Hon. Mr. YOUNG—Is it the intention of the government to have it printed by itself?

Hon. Mr. SCOTT—I presume so, if there was a request for it. I think it should be printed to distribute among the farmers of the community.

On clause 10,

10. An inspector or deputy inspector shall not ordinarily act as such except within the district for which he is appointed or the local limits, if any, assigned to him ; but the minister, on the recommendation of the chief inspector of a division, may authorize and require any inspector or deputy inspector to act temporarily in another district or beyond such limits.

Hon. Sir MACKENZIE BOWELL—Does not this add to the number of inspectors ?

Hon. Mr. SCOTT—There will be an addition of some inspectors, because there will be subdivisions of the larger districts.

Hon. Mr. YOUNG—And increased work will necessitate an increase of officers.

The clause was adopted.

On clause 11.

11. An inspector or deputy inspector who is appointed in and for a division, and to whom

no local limits have been assigned, may act as such anywhere within the division.

Hon. Mr. SCOTT—This has been a matter of administration heretofore.

Hon. Mr. FERGUSON—It opens the door for appointing a man who has no duties to perform. It enables the government to put a man on the list and under pay when he has no duties to discharge.

Hon. Sir MACKENZIE BOWELL—If we are to take the statement made in the House of Commons upon the question of appointments, particularly on the canals, we find there are many under pay who have nothing to do during the whole session. They are getting large pay and allowances for horses, besides, and it is not at all improbable that the same power, if necessary for political purposes, will be used under this clause.

Hon. Mr. SCOTT—The government can abuse any part of its administration, but it is idle to say in advance that they are going to abuse it.

Hon. Mr. FERGUSON—It may not be abused, but in passing this clause we are opening the door for the appointment of deputy inspectors for whom no work was in sight at the time of their appointment. They can send one of these inspectors anywhere they like.

Hon. Mr. YOUNG—Anywhere they like, within the division.

Hon. Sir MACKENZIE BOWELL—His political influence would not exist probably beyond the division.

The clause was adopted.

On clause 13,

13. Chief inspectors, inspectors and deputy inspectors shall respectively be paid such salaries as are determined by the Governor in Council.

Hon. Mr. FERGUSON—Are the salaries fixed ?

Hon. Mr. SCOTT—No. The object is to collect sufficient fees to make the service self-sustaining.

Hon. Mr. FERGUSON—It is customary to have a schedule fixing what the pay of these officials shall be. It is so in the Penitentiary Act. In this case you actually are giving the government power to pay anything they chose ; there is no limit. They may, if they chose, pay one of those inspectors as much as they pay the Governor of Ontario.

Hon. Mr. SCOTT—The effect of it will be to reduce the salaries of many of the inspectors. Just after the change of government, we noticed that the inspector of grain at Fort William, was receiving $8,000 or $9,000 per year. He was drawing his income from fees, and the accumulation of grain was increasing year after year. Now, the highest salary paid to a chief inspector, if I recollect right, is $4,000.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman has evaded the question altogether. We were not speaking of the amount of money each one received. What we object to is that there is no schedule attached to the Bill showing what salaries are to be paid. It is not a question of whether they are to be paid by fees or by salary. When the late Minister of Justice, Mr. Mills, occupied the position now occupied by my hon. friend, he introduced the Penitentiary Bill. I called his attention to the fact that it had no schedule of salaries. He said at once he thought there should be a schedule, and he postponed the further consideration of the Bill until he brought down a schedule. This clause gives power to the Governor in Council to appoint as many inspectors as they please, and pay them any salary they like.

Hon. Mr. FERGUSON—I think the proper way would be to have a schedule attached, fixing the salaries of the chief inspectors, &c. It would be amended by adding the words. 'But the total amount of such salary shall not exceed the amount of fees collected.'

Hon. Mr. YOUNG—It would be very hard to work that out.

Hon. Mr. FERGUSON—The hon. Secretary of State says there will be a large saving on the whole.

Hon. Mr. SCOTT—Yes.

Hon. Mr. FERGUSON—It would be some restriction on the Governor in Council paying excessive salaries to friends of their own, such as Jackson for instance.

Hon. Mr. SCOTT—We are not changing the salaries at all. The Governor in Council has control of the salaries, and there is no intention to make them higher. I shall endeavour to get from the Department the salaries that are being paid. There is no intention to disturb or increase the present salaries.

Hon. Mr. FERGUSON—There may be no intention. My hon. friend's intentions may be very good at this moment, but there is a certain place with an unsavory name that is paved with good intentions. This parliament ought to take care to help him to carry out his good intentions.

Hon. Mr. SCOTT—They are not fixed by statute anywhere.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman is in error. If he will get the Act to which I called attention, he will find that they are fixed in the schedule to that Act. It is the same with the Civil Service Act, and the Governor General cannot exceed those salaries except he comes to parliament with that very convenient phrase 'Notwithstanding anything contained in the Civil Service Act to the contrary'. I pointed out last year that there were some 70 or 80 cases of that kind; there are not so many this year so far. Will the hon. gentleman give us the information before the third reading ?

Hon. Mr. SCOTT—Yes.

Hon. Mr. FERGUSON—Will my hon. friend hold the clause until we get the information ?

Hon. Mr. SCOTT—No, the salaries are not changed by this Bill except where an unreasonable amount has been obtained by fees, and a salary is to be paid instead.

Hon. Sir MACKENZIE BOWELL—In the case to which the hon. Secretary of State called attention, the inspector received $12,000 a year. He was a very worthy man, but that is altogether a payment beyond the duties he performed. That should not continue, but it still leaves it open to the Governor in Council to say what the salaries shall be, without consulting parliament. That is not the universal mode of dealing with this question. There are very many Acts in which the salaries are fixed.

Hon. Mr. SCOTT—Certainly 25 per cent of the salaries in this country do not come before parliament, men who are not included in the civil service. For instance a vote of $50,000 may be taken for the Railways or Public Works Department for works, and a portion of that goes for salaries. A gentleman died the other day, a Mr. Rubidge, who was sixty years in the public service. His salary never appeared in the public accounts. It was taken out of the appropriations for the works he was supervising.

Hon. Sir MACKENZIE BOWELL—That is one of the great abuses to which voting sums in lump has been carried. The government pay just what they please and parliament knows nothing about it.

Hon. Mr. SCOTT—That has been the practice of all governments since Canada was established.

Hon. Mr. McHUGH—I know some points where there has been an accumulation of grain. The inspectors were paid by fees, and when the government found the fees made an excessive salary, they put an end to payment by fees and paid salaries. There was one such case in our own district.

Hon. Sir MACKENZIE BOWELL—That is not the point we are discussing at all.

Hon. Mr. McHUGH—The point is whether the salaries will be in excess of the fees. Probably in some cases they would be, and in some they would not. Where there is an accumulation of grain brought to a district and the fees are very large, no doubt the officer's salary will be less than the fees, and where the fess are large, the salary will be less than the fees.

Hon. Sir MACKENZIE BOWELL—We are not discussing whether the inspector should be paid by salary of by fees. What we are contending for is that the salary to be paid should be fixed in the Act.

Hon. Mr. WATSON—The hon. gentleman has just explained, that if the payment is by fees one man might be receiving too much, and the other not enough. If the government have power to regulate the salaries, surely it is more likely that the inspectors will be paid in proportion to the importance of their duties.

The CHAIRMAN—It is hardly possible to fix the salaries by schedule because they will vary very much according to the locality.

Hon. Sir MACKENZIE BOWELL—So they do in all departments.

The clause was adopted.

On clause 29,

29. The chief inspector shall distribute portions of all standard samples so chosen to such persons as the minister from time to time directs, and in the inspection of grain of the character described in section 27 inspecting officers shall be governed by the samples so chosen.

Hon. Sir MACKENZIE BOWELL—This is a wide power. It may be necessary, and I do not suppose it will be exercised except by those dealing in grain, although it gives power to the chief inspector to distribute samples to such persons as the minister from time to time may direct. That might take a very wide range. I suppose the intention of that is to give samples to parties who are interested in dealing in grain, but it gives the power, without defining the class of people to whom the sample shall be given. Anybody who demands it is entitled to it.

Hon. Mr. YOUNG—Suppose a board of trade in Great Britain or France would write to the minister asking for samples of commercial grades, the minister would instruct some inspector to send him an official sample, and that would be used maybe in judging the quality of the cargoes and stand as a record.

Hon. Sir MACKENZIE BOWELL—When they arrive in a foreign country.

Hon. Mr. YOUNG—Yes.

The paragraph was adopted.

On clause 50,

Hon. Mr. McMULLEN—Does the government purpose collecting those fees by stamps or in money ?

Hon. Mr. SCOTT—That is the same clause as in the old Act.

Hon. Mr. McMULLEN—It should be by stamps and that would prevent the inspector putting part of the fees in his own pocket.

Hon. Mr. SCOTT—The clause is the same as in the original Act.

Hon. Mr. WATSON.

Hon. Sir MACKENZIE BOWELL—But we are amending the Act., and I do not well see how the fraud could be avoided by stamps ; that would not prevent a dishonest inspector from putting the fee in his pocket.

Hon. Mr. YOUNG—If he gets a fee for every inspection, he also issues a certificate. The stub-book would show how many certificates he has issued, and what they were for. The stamps would not be any improvement.

The clause was adopted.

On clause 64,

Hon. Sir MACKENZIE BOWELL—I suppose this is really to meet a case where grain might be inspected at Port Arthur and be No. 1, but during the journey, on account of rust or damp or any other cause, it might not bear inspection at the elevator in Montreal, and this would provide for a re-inspection of it.

Hon. Mr. YOUNG—Yes. It is for the purpose of providing grain that may go out of condition.

The clause was adopted.

On clause 65,

Hon. Mr. SCOTT—Clause 65 and several following clauses are from the Manitoba Act.

Hon. Mr. FERGUSON—Is this a provincial law ?

Hon. Mr. YOUNG—No. It is a provision applying west of Port Arthur only.

Hon. Mr. FERGUSON—Is it clear that these provisions although they may be applicable to Manitoba are not applicable to the east ? They might be perfectly applicable and suitable to Manitoba and the west and might not be equally suitable to the east.

Hon. Sir MACKENZIE BOWELL—Does the hon. Secretary of State know that the grain dealers and those whose business it is to look after these things in the eastern section of Canada, or rather, in the eastern division, have been consulted and concurred in making these western sections applicable to the east ?

Hon. Mr. SCOTT—Yes. This subject has been discussed for the last three months with the head of the department, and the

Bill was first considered by the government four months ago, and it has been held over to obtain the approval of the parties who were consulted, and their approval has been obtained.

Hon. Sir MACKENZIE BOWELL—I asked that question in view of the remarks of the hon. gentleman from Marshfield, whether this has been approved by those interested in the trade from the east, and I take it for granted it has been.

Hon. Mr. WATSON—The boards of trade of Toronto and Montreal and the millers were here, and were heard.

The clause was adopted.

On clause 69,

Hon. Sir MACKENZIE BOWELL—Does this include the North-west ?

Hon. Mr. YOUNG—Everything west of Port Arthur.

Hon. Mr. FERGUSON—We were told that from clause 65 onward the clauses were taken from the law of Manitoba and the west. Now we have special provisions as to Manitoba inspection. Are these same provisions still retained in this part we are now dealing with ?

Hon. Mr. SCOTT—Yes, they are all the same in the Manitoba schedule now—no change in them.

Hon. Mr. FERGUSON—Do I understand these sections from 65 onward, which we have been considering, and which have been made to relate to the eastern division, are still continued in force in the western section ? These sections have hitherto been applied to the western trade. There are two parts in this section, part 2 and then there is part 3. Part 2 contains special provisions dealing with the eastern divisions. and we are told that hitherto these sections deal with the Manitoba trade. If that is so, and if they are necessary provisions, do they still continue as bearing on the western trade, or are they taken out and made only to apply to the eastern trade ?

Hon. Mr. SCOTT—Up to clause 69, they are still in operation in the west. When we get to clause 70, we reach clauses which apply exclusively to the west.

Hon. Sir MACKENZIE BOWELL—Part 2 had reference formerly to Manitoba. I understand it was necessary to make these provisions apply to the east. Now we come to special provisions for the Manitoba division. Are these clauses which formerly bore on the Manitoba trade still retained for the Manitoba trade ?

Hon. Mr. SCOTT—Yes, and now we are coming to Manitoba.

Hon. Mr. FERGUSON—I am sorry I cannot make myself understood. Part 2 starts with special provisions as to the eastern division, and the explanation we received was that these sections formerly were in the law relating to inspection in Manitoba and the west, and that these sections have now been placed in this part which apply specially to the eastern division.

Hon. Mr. YOUNG—Look at clause 66, and then read clause 78 in the Manitoba part.

Hon. Mr. BEIQUE—Take 64 and 76.

Hon. Mr. FERGUSON—I wanted to find out whether those sections which formerly related to Manitoba and the west, and which we are told now apply to the eastern division, are retained in the special provisions which bear on the western section ?

Hon. Mr. YOUNG—Yes, practically.

Hon. Mr. FERGUSON—Have they been found to be entirely unnecessary in reference to the west ?

Hon. Mr. BEIQUE—They are practically repeated with some changes.

Hon. Mr. FERGUSON—We ought to know if they are repeated ?

Hon. Mr. SCOTT—If the hon. gentleman will look at 66, he will see the changes are very trifling.

Hon. Mr. FERGUSON—I observe that 66 is exactly the same as 78, but it seems a most extraordinary thing to repeat a clause in that way; but I wanted to find out whether it was so or not.

Hon. Mr. MACDONALD (P.E.I.)—There are some words included in 78 which are not in 66.

Hon. Sir MACKENZIE BOWELL—The puzzle is to know why these clauses, from 63 to 69, are taken as the hon. Secretary of State says they are, from the Manitoba

Act and made applicable exclusively to the eastern division.

Hon. Mr. YOUNG—Not exactly word for word. It is in general terms. The principle is the same.

Hon. Sir MACKENZIE BOWELL—Then you make certain clauses to which I have called attention, applicable exclusively to the eastern division. Are they not equally applicable to the western division ?

Hon. Mr. YOUNG—They are in so far as they can be made applirable, but the rircumstances and conditions make it necessary to have some slight differences. The wording is different, although the same principle guides in both cases. These clauses that we are discussing refer altogether to the identity of the grain after it is inspected, the preservation of the certificate, the honesty, if you like, of the certificate, and what was found to work well in the west, so far as it could be adopted, was arranged to be applied to the east, but the circumstances to some extent may be slightly different, owing to the system of handling grain and the wording is to some extent different from that in the west.

Hon. Mr. FERGUSON—The first explanation we received was not accurate. The three sections were taken from the west and made applicable to the east, then I wanted to know what was going to happen if these provisions were taken away altogether from the west. The explanation now is that these clauses have been taken from the west and modified, anl the full clauses were maintained in the west.

The clause was adopted.

On clause 78,

Hon. Mr. FERGUSON—I cannot understand why these two provisions should be in the law. Why should not one of them be made a general provision applying to both the east and the west ?

Hon. Mr. SCOTT—Convenience is the only point.

Hon. Mr. YOUNG--It is a matter of convenience. For instance, in the west a dealer or producer, if you will, if he secures that part of the Act which relates to the western division, he will have all those provisions of the law applying to that district.

Hon. Mr. FERGUSON—I can see no object in it whatever, except to swell the size of the Bill. It reminds me of the Dutchman who thought his brother a great poet because he had written a book as big as a cheese. In this case, the same provision is put in twice when it is not necessary.

Hon. Mr. BLACK—It seems to me the only explanation that can be given of it, is that the requirements of the east are not of as broad a scope as those of the west, and you put in the east specifically and you supplement that statute by adding to it what is required for the west. That is about right, is it not ?

Hon. Sir MACKENZIE BOWELL—Yes.

Hon. Mr. FERGUSON—If the hon. gentleman will read clause 65, he will find that it contains general provisions applying to the east and west.

Hon. Mr. BLACK—But there are some that would not apply to the east.

Hon. Mr. YOUNG—You have to have the hard Manitoba for the western one, because it is a Manitoba certificate.

Hon. Mr. FERGUSON—But if it was made a general provision as it is in 65, it would apply to the east and to the west.

Hon. Mr. YOUNG—In the east you deal with Manitoba certificates, because the grain carrying certificates is passing through. You deal with eastern certificates, because the grain of Ontario is being handled down here, but west of Port Arthur we only deal with one certificate, the Manitoba certificate ; therefore we have to put in the word ' Manitoba ' when we deal with the west, because that is a distinguishing certificate applying to western grain.

The clause was adopted.

On clause 80,

80. When grain shipped from any elevator is being systematically reduced in quality below the general average quality of the grain of similar grades in the bins of the public elevators, the chief inspector shall instruct inspecting officers that no such grain shall be allowed to pass inspection except on a lower grade. The inspectors shall at all times keep careful watch on grain received into terminal elevators, and, if they find any grain being received as above described, shall at once notify the chief inspector, who shall make an investigation forthwith and take action accordingly.

Hon. Mr. FERGUSON—My objection to that clause is, that it would be impossible to operate it. When grain shipped from any elevator is 'being systematically reduced in quality, below the general average quality.' How would it be possible to prove this was done on a system? I could understand if it was found to be generally below a certain percentage, but to prove that it is done on a system would be a matter of great difficulty.

Hon. Mr. WATSON—The only thing we have to provide against with fines and penalties is that a system of mixing shall not be practised. That is one reason why the west want inspectors separate from the east. A system has prevailed of mixing or bringing up grades. They get a grade of extra No. 1 hard, and take it to a mixing elevator, and mix it with a lower grade of wheat, and it will pass inspection as No. 1 hard. That has been practised in the east, and in the west I may say, and it is important that this No. 1 hard grade should be kept separate. Grain men do doctor wheat, and as soon as they pass inspection, they run skin grades, I think they are called. I do not want to go back to a clause that has already been passed, but I have discovered a reason why the hon. gentleman made a mistake when he compared clause 78 with clause 75.

The CHAIRMAN—We have disposed of clause 78.

Hon. Mr. WATSON—I want to explain that it is on account of this mixing. In the east they do allow mixed cargoes, and where there is a mixed cargo, it is written on the certificate.

Hon. Sir MACKENZIE BOWELL—Is that what is understood by 'systematically reducing' the wheat?

Hon. Mr. WATSON—Yes, mixing.

Hon. Mr. YOUNG—I have not the Grain Act here, but the Manitoba Grain Act contains that clause. It properly belongs to the Inspection Act. It has reference to what are called 'sorting elevators.' In fixing the grade we fix the minimum. The grade has to be up to that standard or better, consequently, they average in the public elevator in each bin, a grade that is better than the minimum, but if any large quantities of grain were systematically reduced to the minimum, and then poured into the public bin, your average in the public bins would be reduced, and the samples which were sent out would be somewhat misleading. Now, it is exacting that wheat going out of a sorting elevator must be equal to the average in the public elevators, not the minimum but the average, and the inspector in inspecting the grain, inspects it on the basis of the average in the terminal elevator, so they have to put up a higher quality than the minimum, which is fair and reasonable, so as to preserve the quality of the grain in the public elevator.

Hon. Mr. FERGUSON—When you say it must be proved that it is systematically reduced, you would have to show they were doing it on a system. How could you show that?

Hon. Mr. YOUNG—They do it on a system. Of course you know the grain is not inspected in these elevators.

The clause was adopted.

On cause 68,

Hon. Sir MACKENZIE BOWELL—How do you determine 'reasonably clean'? Would not that be subject to varying interpretations by different inspectors?

Hon. Mr. YOUNG—I suppose so, but inspectors, as a rule, have a system.

Hon. Sir MACKENZIE BOWELL—They have samples.

Hon. Mr. YOUNG—Yes, they have samples and testing sieves. They can sift the grain and tell what dirt there is, and they will preserve a uniform standard.

Hon. Mr. FERGUSON—Why is goose wheat retained in the grades? Is it a wheat that is grown extensively in any part of the Dominion? We grew goose wheat in Prince Edward Island many years ago, but it was abandoned. I do not think any farmer grows it now. From what I know of Manitoba, I think there is no such wheat grown there for commercial purposes, so it must be grown entirely in Ontario and Quebec.

Hon. Mr. LANDRY—I see by my copy, which I have just received, that it is translated into French, 'California wheat.'

Hon. Mr. FERGUSON—A wheat must be very dry that will weigh 61 pounds to the bushel. I suppose the explanation of the hon. gentleman from Stadacona must be a correct one, that it corresponds with California wheat, but I do not think it is grown extensively in any part of Canada.

Hon. Mr. McMULLEN—There is a considerable quantity of it grown in our district. It is largely used for feeding purposes. It is chopped as a rule for the purpose of feeding cattle.

Hon. Mr. BEIQUE—Is it a spring or fall wheat ?

Hon. Mr. McMULLEN—It is a spring wheat.

Hon. Mr. FERGUSON—Is it a wheat that weighs heavier than the ordinary spring wheat ?

Hon. Mr. McMULLEN—It is generally considered a good article for feeding purposes. It is heavy, coarse wheat. Some grind it into flour and use it for food.

Hon. Mr. FERGUSON—It must be a hard, dry wheat to weigh 61 pounds to the bushel.

Hon. Mr. McMULLEN—So it is, a very hard wheat. I intimated this forenoon that I intended to move an amendment to the standard for oats, but, after carefully discussing it with some well-posted gentlemen, I thought it better to leave the matter over until next session, and then, if nobody else does it, I shall feel it my duty to introduce an amendment to the standard for Ontario oats, by adding another grade, not disturbing the present grades at all.

Hon. Mr. FERGUSON—When the grades were before the House, an hon. gentleman who is not now with us, and myself and some other senators, took a good deal of pains to consider this question, and I was impressed when I saw these grades, that they are very inaccurate from a local point of view. They were not the weights we thought should be attached to the different grades in Prince Edward Island, but I found in talking the matter over and discussing it, that the grades after all suited the general trade of the country fairly well, and the general quality of oats that goes on the principal markets of the Dominion and exported from Canada, that these grades were fair as applying to the general bulk of our products, though I was at first surprised to find the grades as they were. I thought they should be higher with regard to oats, yet after full consideration, in connection with other gentlemen who knew a great deal about the matter, we concluded it had been fairly well considered.

Hon. Mr. McMULLEN—I am sure the committee that had the Bill in charge did what they could to make it acceptable to the whole Dominion, but there is one section of the people who feel that they have a grievance, that is the oatmeal millers. In my district there is one of the largest exporters and manufacturers of oatmeal in the country, and he thinks the law should be changed, because in its present shape it militates against the oatmeal miller, and in favour of the exporter of oats in bulk.

Hon. Sir MACKENZIE BOWELL—Would not the oatmeal miller require the heavier grain ?

Hon. Mr. McMULLEN—In grading the first grade you will not get one load out of 25 or 30 that will grade No. 1, because there is a little barley or other grain mixed with with it. If it does not grade that, it is put down to 32 pounds. A grade of 32 pounds to the bushel is not a kind of oats that the oatmeal miller wants to buy, but notwithstanding that fact, it suits the exporter, and when it is graded No. 2 white, the oatmeal miller has to pay the price for it, or it goes into the hands of the exporter. What the oatmeal millers want is an additional grade, whereby they will be able to compete in the market for the kind of oats they want to turn into oatmeal.

Hon. Mr. FERGUSON—If the oats is otherwise good, they do not object to its being mixed.

Hon. Mr. McMULLEN—Yes.

Hon. Sir MACKENZIE BOWELL—That is one of the best reasons that could be given why this Bill should not be rushed through.

Hon. Mr. SCOTT—You could not make a change now.

Hon. Sir MACKENZIE BOWELL—You can make it now if you like, but perhaps it would not be advisable to do it ; and

why ? Because the Bill has been kept away from the House until the last moment of the session. It is a pity. Here we are consolidating a law affecting the grain trade of the whole Dominion. A senator has pointed out that it does not meet the circumstances of a certain section of the country, and we are promised next year a Bill to amend this Act. We are making a consolidation of the law which is to last only five or six months, and then we are to have an amendment to it. If sufficient time had been given, and the point raised by the hon. gentleman had been brought before the committee in the House of Commons, or if we had had sufficient time to enable us to make this Bill a little more perfect than it is, and send it back for approval, there would be no necessity to take action again next year. We have been tinkering at this law for the last thirty years.

Hon. Mr. McMULLEN—The matter was considered fully in the other House, and suggestions were made, but the millers were so anxious that the Bill in its present shape should pass, that they were willing to have it as it is rather than not have it at all, because they were anxious that this consolidation should take place, and afterwards, if it was found that it would not work satisfactorily, they thought an amendment could be made, but they did not want to delay the Bill for the purpose of carrying that out.

Hon. Sir MACKENZIE BOWELL—That does not meet the point I raised. If this had been brought here three weeks earlier, we could have given it more attention.

Hon. Mr. SCOTT—It would not have made any difference. It was all threshed out and thoroughly discussed in the other House, and it would not be accepted.

Hon. Sir MACKENZIE BOWELL—The hon. Secretary of State says supposing we did amend the Bill the majority in the House of Commons would not accept it. If they did not accept it now, they would not next year, unless good reasons were given for it. If we had had sufficient time to consider this Bill and make the addition to which reference has been made, it could have gone back, and if they rejected it I do not suppose the Senate would have insisted on their amendment. I am only pointing that out as one of the reasons to justify the remarks I made at the beginning of the consideration of this Bill.

Hon. Mr. BLACK—We have gone through this Bill, and there has been no serious objection that I could detect until we came to the weight of oats, and I presume that the objection raised by the hon. senator from Toronto would raise the standard of oats if he moved an amendment to it.

The CHAIRMAN—No ; it would lower it.

Hon. Mr. BLACK—I would contend, and strongly contend, not to lower the standard of oats, for I hold that any oats that is down to the weight of 28 pounds is scarcely fit to put on any market, and if I were to remodel that grade for oats at all, I would commence with No. 1 at 36 pounds and run down to 30 pounds, and if I was on a committee where we had free scope to express ourselves, I would contend earnestly that no oats should be called marketable oats that weighed less than 30 pounds, and that they should grade as high as 36, although I will admit that the standard for oats throughout the country has been so long 34 pounds that it would not be wise to interfere with it. Surely oats weighing less than 30 pounds is not fit to mill. So if we want to amend this law we surely have the time to do all we could do, if we had a month to devote to this particular clause.

Hon. Mr. FERGUSON—We have passed in the course of about two hours, 78 sections of this Bill, and we have not changed a single letter or word.

Hon. Mr. DANDURAND—So much the better for the House of Commons.

Hon. Mr. FERGUSON—Either this Bill must be the work of heaven-born genius somewhere else, or we are the most acquiescent people that ever sat around a legislative board.

Hon. Mr. LANDRY—Both.

Hon. Mr. FERGUSON—I do not admit either one or the other. I daresay it is a well-prepared Bill, but I think with such a body of men as sit around this board, if they were given a fair opportunity, they could make some improvement in the Bill, and the longer it is fairly considered the more

plainly these amendments and improvements would suggest themselves. But we are going through it in a thoroughly perfunctory manner, without an opportunity of considering its details, and my hon. friend the Secretary of State, who is generally so good-natured, begins to get his bristles up, if we talk of an amendment at all. We really begin to be alarmed that he will get ugly on us, if we suggest a change in the Bill. In fact, that is the way with all the government Bills, and that is the way we are to be treated not only with this Bill but with all the Bills that we have to consider in the next four days. We need not lay the flattering unction to our souls that we are legislating at all, we are receiving perfunctory explanations and dealing with them in a perfunctory manner.

Hon. Mr. WATSON—The Bill before us is a compliment to the members around this board who have worked on its details for days at a time in years gone by.

Hon. Mr. FERGUSON—We could have made a score of amendments to it, if we had had time.

At six o'clock the Speaker took the chair.

After Recess.

The Committee was resumed.

Hon. Sir MACKENZIE BOWELL—Why is no weight given for No. 1 barley ?

Hon. Mr. YOUNG—Because if it possesses all the other qualities mentioned here, it will have the weight at least of the next grade.

Hon. Sir MACKENZIE BOWELL—Suppose you went into a court with a question of that kind, and you had barley that would meet the requirements for No 1—'plump, bright, sound, clean and free from other grain,' but which weighed less than 48 lbs. to the bushel ; does the hon. gentleman think that a court would not declare that a bushel of grain as within the meaning of that clause ?

Hon. Mr. YOUNG—It must weigh better than 48 pounds, if it is 'plump, bright, sound, clean, and free from other grain. Therefore, if the inspector found a sample of grain that did not weigh over 48 pounds to the bushel, he would not necessarily grade it as number one.

Hon. Mr. FERGUSON.

Hon. Sir MACKENZIE BOWELL—But suppose it contained all those qualities, but did not weight 48 pounds ?

The CHAIRMAN—I am quite satisfied that irrespective of weight it would be graded No. 1.

Hon. Mr. McMULLEN—No. 1 barley as here set out is intended for brewing purposes, and will bring a higher price than No. 2, even if it weighs less than 48 pounds. After all, it is the colour and brightness that secures the better price. No. 2 barley is used more for feeding purposes.

The clause was adopted.

Hon. Mr. BEIQUE, from the committee, reported the Bill without amendment.

GENERAL INSPECTION ACT AMENDMENT BILL.

SECOND AND THIRD READING.

Hon. Mr. SCOTT moved the 2nd reading of Bill (124) An Act to amend the General Inspection Act.

The motion was agreed to.

Under a suspension of the rule, the House resolved itself into a Committee of the Whole on the Bill.

(In the Committee.)

On clause 121,

121. Upon or attached to every ball of binder twine sold or offered for sale in Canada there shall be a label with the name of the dealer and the number of feet of twine per pound in the ball marked or stamped thereon : Except that binder twine manufactured in Canada for export need not be labelled with the name of the dealer, but there shall be attached to every ball so manufactured a label with the number of feet of twine per pound in the ball marked or stamped thereon in the same manner as when for sale in Canada ; and the onus of proof that such twine was manufactured for export shall rest upon the manufacturer, dealer, carrier, or other person in whose possession the twine is found.

Hon. Sir MACKENZIE BOWELL—The question is whether this clause would not lead to some difficulty. The name shall be held to mean the person or firm manufacturing or importing. If any person goes to the United States and buys a lot of twine, he would be the importer, not the manufacturer, and he would be responsible under this for every ball of twine that he purchased. He would either have to take an indemnity from the person from whom he

purchased that twine, that each ball of twine and each pound, contained so many feet, or what position would he be in ?

Hon. Mr. SCOTT—The consumer purchases from the dealer, and you cannot protect the dealer. He must satisfy himself there is the quantity in it when he buys it.

Hon. Sir MACKENZIE BOWELL—That is not the point at all. Suppose the hon. gentleman went to the United States, and bought a hundred tons of this twine, he would be responsible when he brought it into this country, as to the number of feet which it contained.

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—Unless you took the word of the manufacturer in the United States—and there is where the frauds have been—you would have to take an indemnity from the manufacturer from whom you purchased in order to protect yourself if you sold in this country. It is a very good protective policy.

Hon. Mr. SCOTT—It is the only plan you could possibly adopt.

Hon. Sir MACKENZIE BOWELL—I should like to know how you could carry it out ?

Hon. Mr. SCOTT—The dealer has to be careful with whom he deals.

Hon. Mr. YOUNG—There was a law last year which may not have been as clear as that, and perhaps that is the reason why they amended it, dealing with binder twine in the same way, and it was found that a great deal of twine had been sold in Canada, represented to be so many feet per pound, but when they came to examine it, it was very far short. There was a lot of twine seized under the law of last year, and it had a good effect, and we hope next year there will be no such cases.

Hon. Sir MACKENZIE BOWELL—How would you protect the importer ?

Hon. Mr. SCOTT—He has to protect himself.

Hon. Sir MACKENZIE BOWELL—Is it at all practicable ?

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—If it prevents the importation of binder twine, and puts the whole manufacture into the hands of Canadian manufacturers, I have no objection.

Hon. Mr. SCOTT—He can take security from the manufacturers. That is the only way.

The clause was adopted.

On section 122,

122. Every dealer who sells, offers for sale, or has in his possession for sale in Canada, any ball of binder twine not labelled with the name of the dealer as required by the next preceding sction shall be liable to a penalty of not less than twenty-five cents and not more than one dollar for each such ball.

Hon. Mr. McMULLEN—I should like to know if there is any provision for those that have twine in their possession at the present time. Some of those have all the twine they require for harvest, already in their possession before the Bill passes ?

I notice the third clause reads :

Nothing in this Act shall be construed as affecting any dealer with respect to stocks of twine actually in his possession on the 15th day of May, 1902.

That is two years ago. Well, there is a great deal of this twine in the hands of dealers that has been bought since that. What is to come of those that have in their possession such twine to-day ? Every retailer in the country has bought twine for this harvest, and he has bought it not expecting this Bill will come into force. What will be his position when this measure passes ? He is liable to be fined 25 cents a ball for all he has in his possession. Is he supposed to unravel all the twine he has in his possession and mark it ?

Hon. Mr. YOUNG—He is not to unravel it.

Hon. Mr. BEIQUE—Such twine is excluded from the application of the Act.

Hon. Mr. McMULLEN—By which section?

Hon. Mr. BEIQUE—The section the hon. gentleman has read.

Hon. Mr. McMULLEN—That is only up to May, 1902. The twine must be in their possession on or before that date.

Hon. Mr. McHUGH—I think the law in reference to the marking of twine was the same as that which came into force in 1902.

It is to protect any one who had twine in stock before the law came into force.

Hon. Mr. McMULLEN—I should like to know whether people who have short twine in their possession at the time of the passing of this law will be forbidden to sell it ?

Hon. Mr. BEIQUE—The 15th May, 1902, is the date on which the previous Act was sanctioned, and that Act contains a provision similar to this. It contains among others the following provision :

Upon or attached to every ball of binder twine offered for sale there shall be a stamp with the name of the importer, &c.

And then the penalty clause : The law here is more exacting than the Act of 1902, but in substance it is to the same effect.

Hon. Mr. YOUNG—The same principle applies.

Hon Sir MACKENZIE BOWELL—This clause will take effect the moment it is sanctioned by the Governor, will it not ? Is there anything in this Act to protect the holders of binder twine, as indicated by the hon. gentleman from Wellington ? If so, I fail to see it, because if there is binder twine on hand, purchased prior to the pasage of this Act, and it does not come up to the standard of binder twine provided under this Act, will they not be liable if they sell it ?

Hon. Mr. YOUNG—This is simply superseding the Act of 1902, and the Act of 1902 made it illegal for a party to have binder twine in their possession that did not have this marking upon each ball.

Hon. Sir MACKENZIE BOWELL—What time will this amendment come into force when it is added to the law that is upon the statute-book ? It will be when it is sanctioned by the Governor General. This is entirely to protect the farmer, which is right enough, but the innocent purchaser prior to the passage of this Act should be protected.

Hon. Mr. YOUNG—He cannot be innocent.

Hon. Sir MACKENZIE BOWELL—That is a queer doctrine to lay down.

Hon. Mr. BEIQUE—The object of this Bill is to introduce the exception which is to be found in section 121, commencing with the word 'except' in the fourth line. The first portion of that section is word for word as it was in the Act of 1902. That is one object, and the only other object is to make the Act more workable, to better reach the fulfilment of the conditions which had been enacted in the previous Act ; so clause 3, to my mind, is fully sufficient to protect all acquired rights.

Hon. Sir MACKENZIE BOWELL—If the hon. gentleman thinks so, all right.

The clause was adopted.

On subclause 3 of section 122,

3. All balls of binder twine not properly and correctly labelled in accordance with the provisions of the next preceding section shall be confiscated to the Crown, and may be seized upon view by the inspector of binder twine.

Hon. Sir MACKENZIE BOWELL—Is there more than one inspector ?

Hon. Mr. SCOTT—I think not.

Hon. Sir MACKENZIE BOWELL—Mr. Haycock ?

Hon. Mr. SCOTT—I think that is the name.

The subclause was adopted.

On clause 3,

Hon. Mr. SCOTT—If they bought before the penalties were imposed they would, of course, not be liable.

Hon. Sir MACKENZIE BOWELL—This protects every person having a stock of twine on hand on the 15th May, 1902. That is long enough.

Hon. Mr. SCOTT—Yes.

Hon. Mr. McKAY (Alma), from the committee, reported the Bill without amendment.

The Bill was then read the third time and passed.

POST OFFICE ACT AMENDMENT BILL.

SECOND AND THIRD READING.

Hon. Mr. SCOTT moved the second read- of Bill (153) An Act to amend the Post Office Act. He said: This is a Bill making certain domestic arrangements in the Post Office Department. There are a lot of isolated cases. The most important thing is the appointment of two chief superinten-

dents, one for Montreal and one for Toronto. Post offices having receipts of half a million dollars are to be supervised by a chief superintendent. There is also a clause relating to transportation, which reads as follows :

10. In places enjoying the free letter carrier delivery system the Postmaster General, in lieu of paying street railway companies for the transportation of letter carriers, may pay to any carrier, to defray his cost of transportation, a bulk sum not exceeding fifty dollars a year, but this provision shall not apply to places where carriers are entitled to free street railway transportation.

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

The House resolved itself into Committee of the Whole on the Bill.

On clause 1,

Hon. Mr. SCOTT—Section 12 of the Act authorizes the appointment of a chief inspector, and this Bill supersedes that. Section 15 of the Act refers to the duties of those officials. It defines the powers of the chief inspector in the post office, and hon. gentlemen will see that changes are made in section 15.

Hon. Sir MACKENZIE BOWELL—Is that covered by clause 2 ?

Hon. Mr. SCOTT—Yes. Instead of being the chief inspector, he is called here the chief post office superintendent.

Hon. Sir MACKENZIE BOWELL—I was going to ask the hon. gentleman the reason for making this change. You substitute the words in clause 15 of the present Post Office Act, 'Chief Post Office Superintendent' for 'Chief Inspector' in each case where it applies. Are there any additional duties given to the post office superintendent that are not now enjoyed by the chief inspector, or is it understood that in repealing the clause which gives the authority to appoint the chief inspector and substitute the chief post office superintendent, the authority of the latter officer in and over the management of a post office where the revenue is up to and over $500,000, repeals the appointment of a chief inspector whose duties in the past have been to go through the whole of a province on inspecting tours, to the different post offices, while the inspector who is under him has districts allotted to him, beyond which he never goes, unless specially authorized by the minister to do so ? What object is there in making this change. My hon. friend told us the other night, when he introduced the Bill, that this chief post office superintendent not only was to supervise the management of a post office where the amount to which I have referred is collected, but that he had a superior position to that of the postmaster himself, though his salary is but $3,000, while the salary of the postmasters in large cities collecting over $500,000 is $4,000.

Hon. Mr. SCOTT—I had no authority for making the latter statement. I assumed that a man appointed with all that array of names must occupy some very high position. I may be mistaken. I do not understand the ramifications of the Post Office Department with the various classifications they have with reference to the clerks and their duties. They are eternally changing them, and it is hard to keep up with them. It does not repeal section 15. Section 1 repeals the clauses of which I have read a part.

Hon. Mr. FERGUSON—I want an explanation of clause 1. I have not been able to ascertain what clause of this Bill provides for the appointment of this new officer.

The CHAIRMAN—Section 2. That is the reason why the two sections are being discussed together.

Hon. Mr. FERGUSON—The second section is amending section 15 of the Revised Statutes.

Hon. Mr. SCOTT—Yes. Section 12 of the Post Office Act, cap. 35 of the Revised Statutes, is repealed, and in section 15, instead of any chief inspector, we have the words 'any chief post office superintendent,' and every post office inspector and assistant post office inspector may, for the purposes of any inquiry or investigation apply to any judge of the Exchequer Court of Canada, &c. That is for the purpose of making inquiry or investigation.

Hon. Mr. FERGUSON—My point is this. We are repealing this section 12, which gives the Governor General in Council power to appoint chief inspectors and so on. What clause of this Bill provides

for the appointment of this chief superintendent that we are talking about?

Hon. Mr. POWER—It is not provided for in this Bill.

Hon. Mr. FERGUSON—Section 15 does not provide for it.

Hon. Mr. POWER—The chief inspector has already been provided for in previous legislation. I do not think my hon. friend the Secretary of State is perhaps treated altogether as he ought to be by his colleagues.

Hon. Mr. SCOTT—Things are pitched into my hands.

Hon. Mr. POWER—He cannot be expected to know the details of all these Bills that come up at the end of the session. I wish to direct the attention of the committee to cap. 28 of the Acts of 1902. Section 9 says:

9. A chief post office superintendent may be appointed at a salary not exceeding $3,000 a year, or whose duty it shall be from time to time to inspect the city post office and such other post office as the Postmaster General from time to time indicates, to examine into their management and efficiency and to advise and instruct the various staff with a view to promoting the efficiency of the service.

And the next section reads:

No person shall be eligible for the appointment of chief post office superintendent unless he has been a clerk or person of higher rank in the city post office for at least ten years. His appointment as such superintendent shall not, unless and until so determined by the Governor in Council, have the effect of relieving him from the position held by him in the service at the time of his appointment, provided that his total salary shall not exceed three thousand dollars a year.

Now, in 1903, there was another Act passed. I take it that when the superintendent was appointed it was felt there was no necessity for a chief post office inspector, provided for in section 12 of the chapter of the Revised Statutes and consequently the superintendent taking over the duties of those inspectors, the section providing for the inspectors has been repealed.

Hon. Mr. FERGUSON—I understand from what the hon. Speaker has pointed out—and I have the section that he refers to before me now—that, in 1902, authority was given by the parliament for the appointment of a chief post office superintendent, and it appears then that section 12 of the Revised Statutes was still left in operation, still continuing the appointment of these post office inspectors. May I ask if this chief post office superintendent was appointed under the Act of 1902? Was an appointment made then?

Hon. Mr. SCOTT—No, I think not, because there is an item this year in the estimates for two superintendents. They were never appointed.

Hon. Mr. FERGUSON—In other words, that power was never exercised. The appointment was not made?

Hon. Mr. SCOTT—No.

Hon. Mr. FERGUSON—And the old section 12 of the Revised Statutes was allowed to remain in force, and the old mode of inspection was changed?

Hon. Mr. SCOTT—Yes.

Hon. Mr. FERGUSON—Now it is proposed to abolish the office of inspector and chief inspector that we have had, as provided in section 12 of the Revised Statutes, and to put into operation the clause of the Act of 1902, empowering the Postmaster General or Governor in Council to appoint a chief superintendent. That gives rise to this thought: what position will these officers be in whose offices are now being abolished? Will they lose their offices altogether?

Hon. Mr. SCOTT—Oh, no. I do not think there are any.

Hon. Mr. FERGUSON—What is their position? If the offices that they hold are being abolished, as section 12 would abolish them, where are they to be? Is there proviison for them in some other law?

Hon. Mr. SCOTT—I could not tell you.

Hon. Mr. POWER—They will probably be appointed superintendents.

Hon. Mr. SCOTT—I know there have been no superintendents named. I understood some time ago the Postmaster General was going to name two new superintendents. I do not say that they are new, but to give new titles to two officials.

Hon. Mr. FERGUSON—Certainly it may be all right, but I think it is due to the House that we should know precisely how the repeal of clause 12 is going to affect old and valuable public servants.

Hon. Mr. SCOTT—The hon. gentleman may be quite sure——

Hon. Mr. FERGUSON—We cannot be sure. If the offices that men hold are swept away, and the Act puts these offices out of existence, we want to know whether men who have been a long time in the service are going to be dropped out ?

Hon. Mr. SCOTT—Without knowing a word about it, I can assure my hon. friend it is not the fact. It has been discussed for months past. I know that there are gentlemen applying for the position, because one of them came to me.

Hon. Mr. FERGUSON—I do not know who the gentlemen are.

Hon. Mr. SCOTT—Nor do I.

Hon. Mr. FERGUSON—The Act says that the government may appoint a chief inspector, with authority, &c. That provision was allowed to remain in the law, while the government in 1902, took to itself power to appoint another officer who should be called 'chief post office superintendent.' If the intention is that the chief inspector, if there is only one—I do not know anything about the persons who are holding the offices, I have no interest in them—if it is the intention that the person who is holding the office should receive the new appointment, we could understand it. If, on the other hand, it is going to put the government in a position to call in a man from outside——

Hon. Mr. SCOTT—He must be ten years in the department.

Hon. Mr. LANDRY—He may be a new man.

Hon. Mr. FERGUSON—He may be a new man. I have not had time to study the Act since the Speaker called my attention to the Act of 1902, to see what it provides. The hon. Secretary of State says that a man must be ten years in the service. That would make it decidedly better, still not safe, because there are a great many men ten years in the service, and some one of these might be appointed, while the man who has been chief inspector and a most deserving man might be superannuated and left out.

Hon. Mr. DANDURAND—Does the hon. gentleman really think that if some one was hurt by this Bill we would not have heard a complaint or a howl ?

Hon. Mr. LANDRY—We do not know. The Bill comes to us to-day.

Hon. Mr. DANDURAND—But it has passed the House of Commons.

Hon. Mr. SCOTT—I will take one stage of the Bill and make some inquiries. I observe there is no chief inspector mentioned in the Post Office Guide. They are called post office inspectors there.

Hon. Mr. FERGUSON—I am sure, if the Secretary of State does not himself complain, we have no right to make any complaint on his behalf, but this is an illustration of how my hon. friend is treated by his colleagues. Should not the Postmaster General have given my hon. friend a brief to explain the matter to this House ? The hon. leader of the Senate comes to this House depending on the post office directory.

Hon. Mr. DANDURAND—I have made a suggestion privately, which I should repeat publicly. We see in the Commons that every time something pertaining to the department arises the deputy minister appears in the chamber to give his minister information. This is general legislation that has been initiated in the other House, which the minister of the department is more cognizant of than the minister in this chamber, and yet he needs the assistance of his deputy by his side all the time. If the deputy minister is required in the House of Commons to remain by his minister who initiates a Bill, a fortiori, should we not have every time, when a Bill affects a department, the deputy minister of that department to assist the minister here ?

Hon. Mr. FERGUSON—I am not surprised at my hon. friend not having information. It would be surprising of he should have it. But the suggestion of the hon. gentleman from de Lorimier is to the point. Why is there not somebody here to give the information when we require it ?

Hon. Mr. BEIQUE—We may be disposed to suggest amendments, which if the proper officer was here to make explanations might not be persisted in.

Hon. Sir MACKENZIE BOWELL—The complaint made by the hon. gentleman is one I have spoken of many times. In the Commons the deputy is sitting alongside the Speaker, and furnishes the information required. I never introduced a government Bill in this House that I had not the government official sitting by the table there, so that when questions were asked I would go to him, and if the hon. Secretary of State would follow the same course it would save trouble.

Hon. Mr. SCOTT—The Post Office Department is a department I am not familiar with. We can let the measure stand till another stage.

On clause 5,

5. Whenever a year's revenue of a post office reaches five hundred thousand dollars, the Governor in Council may by promotion appoint to that post office, at a salary of one thousand eight hundred dollars a year, a person to be designated a superintendent, whose duty shall be such as is from time to time determined by the Postmaster General; and no person shall be eligible for such promotion unless he has been a clerk in a city post office for at least five years.

Hon. Mr. POWER—This is a provision which seems to require explanation. I know that attention was called to it by the hon. leader of the opposition when the Bill was at an earlier stage. Suppose you have a competent postmaster in charge of a city post office. This applies really only to Toronto and Montreal. Here you have the postmaster at Montreal and the postmaster at Toronto receiving salaries of $4,000, and you put in an $1,800 officer, apparently to superintend those postmasters. If he is not to be superior to the postmaster, why should he be called superintendent? That is a matter calling for explanation.

Hon. Mr. SCOTT—The post office business in Montreal and Toronto has increased so enormously that they are establishing sub-offices and introducing the tube system, which exists in New York and London. The proposal in Toronto was to establish an office at the Union station, and then the letters which had been sorted for the different sub-post offices in the city of Toronto would be sent in these tubes like a shot to the particular branch that they were intended for, and the same in the city of Montreal. The Postmaster General can scarcely be charged with extravagance. I am always glad to see a respectable sum paid in the Post Office Department, because if there has been any weakness in the government, I think it is in the matter of the poor pay that the post office clerks receive, and I am glad to see a man get a good living in the Post Office Department.

Hon. Sir MACKENZIE BOWELL—The only reason that I can see for this is that instead of appointing inspectors under the fifth clause, you appoint superintendents. Under the first clause you substitute the words 'chief post office superintendent' exclusively.

Hon. Mr. SCOTT—Those two appointments have no connection.

Hon. Sir MACKENZIE BOWELL—I understand that. There is a chief post office superintendent now, and he has been appointed, Mr. George Ross. The date of his appointment was 1st July, 1902. If they have the power to appoint under this a chief post office superintendent, the office has been already filled; and in the fifth clause, as I have already pointed out, the chief post office superintendent is to take the place of the chief inspector, and the 5th clause then gives the power to appoint a superintendent at $1,800, and if the information the hon. gentleman gave the other night be correct, as pointed out by the Speaker, he would dominate the postmaster who receives a salary of $4,000.

Hon. Mr. SCOTT—I may be entirely wrong in that.

Hon. Sir MACKENZIE BOWELL—Perhaps we had better report the Bill and get the information at the third reading.

Hon. Mr. FERGUSON—I want to point out in this connection that it appears, in 1902, parliament gave power to the government to appoint a chief post office superintendent instead of a chief inspector, and still the duties of that officer were not clearly or fully defined. For instance, with regard to these proceedings that were to be taken under section 15, it was still necessary they should be taken by the chief inspector. Also that the chief superintendent who was appointed a couple of years ago would not really be able during that period to perform his functions, because it was only the chief inspector who could.

Hon. Mr. POWER—I know Mr. Ross has been down to Halifax.

Hon. Mr. FERGUSON—What I want to point out is how lame the law has been left for a period of two years, inasmuch as taking section 15, which is still the law, it was only a chief inspector that could be sent to make the inquiry. Although we created the office of chief superintendent, we did not give that official power to do this, and the department has been left crippled in that way during that time.

Hon. Mr. SCOTT—There is no crippling about it. He performed the duties.

Hon. Mr. FERGUSON—If so he did it illegally.

Hon. Mr. SCOTT—Admitting that, who is going to inquire about it ?

Hon. Mr. POWER—I do not see why the hon. gentleman from Marshfield should feel so strongly about this. If he would turn to section 9 of the Act of 1902 he would find that it provides what the duties of the official should be. Mr. Ross came to Halifax last fall and they were introducing a new system of collecting mails, using carts and also these large boxes for holding newspapers. so that the people do not have to carry newspapers to the post office. He spent some time there instructing the staff in the way things should be done. My hon. friend need not worry ; he has had plenty to do and power to do it.

Hon. Mr. FERGUSON—He has been drawing his salary all right. But if he found a serious defalcation had occurred in one of the offices and it was necessary to institute an inquiry and make application to a court and he would turn to the Postal Service Act to find his authority. I suppose he would expect to find it in section 15, and there it is provided that a chief inspector should make the inquiry, but he is not a chief inspector ; he is chief superintendent. I doubt very much whether he would have authority to put that section 15 into operation at all.

Hon. Mr. POWER—All he would have to do is to call on the post office inspector of the province, whose office is in the building, to take the necessary steps.

Hon. Mr. FERGUSON—Would the inspector of a province be the chief inspector ? If I read section 15 right it is only the chief inspector who could make this inquiry. The inspector of the province would have no more power to do it than any man of the street.

Hon. Mr. POWER—They do it all the time.

Hon. Sir MACKENZIE BOWELL—A number of superintendents have been appointed but I do not find any of them designated chief superintendent. A superintendent was appointed in 1897 in each of the provinces at a salary of $1,600 a year.

Hon. Mr. FERGUSON—But not one of them could perform the functions of chief inspector under section 15.

Hon. Sir MACKENZIE BOWELL—What puzzles me is to know why there is this change in the law, except to repeal it and give power to do that which has been already done.

The clause was adopted.

On clause 6,

6. Notwithstanding anything in section 6 of chapter 28 of the statutes of 1902, as amended by section 3, chapter 49 of the statutes of 1903, the election provided for by the said section 6 of chapter 28 may be exercised at any time within three months after the passing of this Act.

Hon. Mr. FERGUSON—I have an idea what this means, but I should very much prefer to hear it explained from the government benches.

Hon. Mr. SCOTT—If the hon. gentleman has taken the trouble to look it up, I have not had time to do so. I do not profess to know anything about this Bill and if hon. gentlemen prefer, I will move that the committee rise and let it stand until to-morrow. I looked upon this Bill as dealing with a domestic matter in the Post Office Department. I felt perfect confidence in the Postmaster General, and thought we could take the Bill on trust. Nobody outside of the department takes any interest in it so long as letters are promptly delivered and at lower cost. I do not profess to know anything about the details of the Post Office Department. I know it is under the best head that ever controlled the department. It has about doubled in every way since 1896.

Hon. Sir MACKENZIE BOWELL—I am very glad to know that the hon. gentleman has such unbounded confidence in the Postmaster General, whom he designates as the best man that ever controlled the post offices. There may be a difference of opinion on that. If I were to say there never was a Postmaster General who assumed so much and deserved so little, I would be nearer the truth, and could prove it.

Hon. Mr. SCOTT—I know he would not err in the direction of extravagance. I prefer that the committee should rise and report progress, and ask leave to sit again.

Hon. Mr. KERR (Toronto), from the committee, reported that they had made some progress with the Bill, and asked leave to sit again.

PAYMENT OF RAILWAY SUBSIDIES BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of Bill (157) An Act respecting the payment of certain Railway Subsidies. He said: This Bill provides for the payment of those particular subsidies that involved a greater cost than fifteen thousand dollars per mile for construction. As hon. gentlemen know, the usual subsidy is $3,200, except where the cost of the road is in excess of $15,000, and then the subsidy may be increased in the proportion fixed by the statute up to $6,400. Heretofore the practice has been to pay only the $3,200, and wait until the road was finished before any additional amount was paid over to the contractors. The contractors have felt that this was unfair; that they have not been able to finance the building of a road as readily as they could do if they had some idea whether they were to get an increased subsidy over the $3,200. This Bill provides that when the plans and surveys have been completed, if a certificate is furnished by the engineer in charge, which has to be approved by the chief engineer of the department, that the road will cost over $15,000 per mile, say $18,000, then the subsidy that would be paid over in the event of $18,000 per mile being the cost of the road shall be considered, and that 60 per cent of the excess shall be paid during the progress estimates, the balance, 40 per cent, being retained until the road is completed and delivered over. It is simply for the purpose of enabling the contractor to finance better.

Hon. Mr. LANDRY—The whole of the $3,200 will be paid.

Hon. Mr. SCOTT—Yes.

Hon. Mr. LANDRY—And 60 per cent of the excess.

Hon. Mr. SCOTT—Yes, reserving 40 per cent to see that no loss will be sustained.

Hon. Mr. FERGUSON—I think this is a most dangerous Bill, and I will give an illustration which I think will impress itself on the hon. Secretary of State with regard to this very matter. When parliament authorized the construction of 44 miles of railway between Charlottetown and Murray Harbour, in Prince Edward Island, the Minister of Railways for the time being gravely announced in parliament that the surveys were completed, and ample estimates made, and the cost of the road would be $480,000. A return was brought down here the other day in answer to a motion of mine, which shows that between cash already paid up to April last, and estimates for the completion of the road, which is now almost finished, the actual cost of constructing the 44 miles is $1,126,000, or more than double the estimate prepared by the government engineers and submitted by the Minister of Railways to parliament.

Hon. Mr. DANDURAND—What relation has that to this Bill?

Hon. Mr. FERGUSON—It impugns the accuracy of the estimates.

Hon. Mr. SCOTT—The accuracy was on the right side; there could be no injury there.

Hon. Mr. FERGUSON—In that case we had estimates submitted gravely and in good faith, I presume, by the government engineers, that this road was to cost only $480,000, while now we have a statement brought down that the actual cost has gone up to $1,126,000. I imagine it would be the easiest thing in the world for a railway that wants to get a sum in excess of $3,200 to get estimates by engineers that

the road will cost more than $15,000 per mile. There is no trouble in the world. With regard to the bridge over the Hillsborough river, an estimate was made that it would cost $800,000. That was stated on the reports of engineers in the employ of the government of Canada. The same return to which I have referred shows what a dangerous thing we are doing when we allow a payment in excess of $3,200 a mile to be made on estimates submitted by engineers—I presume engineers, too, in the employ of the company that is getting the subsidy ?

Hon. Sir MACKENZIE BOWELL—I am very much surprised at my hon. friend's remarks; he has forgotten that these roads to which subsidies are to be paid are to be built by private companies who have some interest in keeping down expenses, while the line in Prince Edward Island to which the hon. gentleman refers is built by the government. Does he not know the numbers of hangers-on they must provide for, particularly just on the eve of an election ? Why should he be surprised that the actual cost is more than the estimae ?

Hon. Mr. DANDURAND—The hon. gentleman has been long enough a minister of the Crown to know such things.

Hon. Sir MACKENZIE BOWELL—That is no argument; it is a burlesque on the word, but nothing of the kind ever occurred when I was in the government. What roads did we build ? Both the governments built some portions of the Intercolonial Railway, as well as of the Canadian Pacific Railway.

Hon. Mr. KERR (Toronto)—Did not the Mackenzie government complete those sections ?

Hon. Sir MACKENZIE BOWELL—No, the Canadian Pacific Railway completed them.

Hon. Mr. DANDURAND—The government gave them away.

Hon. Sir MACKENZIE BOWELL—Yes, they did, however, complete the Intercolonial Railway. It is strange that my hon. friend should be surprised at the cost of the Murray Harbour branch and the Hillsborough bridge exceeding the estimates, and from the manner in which the hon. Secretary of State accepts my statement he is equally surprised that my hon. friend should consider it strange. If they complete the work without spending another million, it will be an occasion for more surprise.

Hon. Mr. FERGUSON—The company getting this subsidy will have an interest in swelling their estimates, and presenting them to the government to enable them to draw this increased amount of subsidy, and whenever they would demand that increase, there is no question they would be able to get engineers to prove that the road was very expensive.

Hon. Mr. KERR (Toronto)—The great protection is that the certificate is not to be furnished by the company's engineer or on a contractor's estimate. but on the report of the chief engineer of the government railways. It happens to be the same official who occupied that position for a number of years under the able administration of the government which preceded this, and which I understand now for the first time had no hangers-on. It seems to me the estimate must be correct. The criticism has failed to name any hangers-on under the present government ; the former hangers-on I suppose were lopped off.

Hon. Mr. MACDONALD (P.E.I.)—Ever since I have been a member of this House whenever a question of bounties to railways has come up I have been opposed to them. It is a vicious principle. In a country such as this, if a railway is required, and there is trade enough to warrant the building of it, there is enterprise enough to undertake the work without calling on the parliament of Canada for aid. It was well enough perhaps at the outset of confederation, when little was known about the resources of the country, to start one or two roads in that way, but to continue that up to the present time was a great mistake not only on the part of this government. but on the part of the one that preceded it. The political party controlling the government of the day were the parties who received the principal advantage of those railways. I believe they are used, in a great measure, for the purpose of influencing the electors in favour of the government of the day. and, entertaining that belief. I have opposed them at all time since I have had a vote in

this parliament, and I must admit I have generally stood alone. On several occasions I had the support of two or three gentlemen who coincided with me in that view. Unfortunately they have taken their departure for a better world.

Hon. Mr. FERGUSON—They were too good for this world.

Hon. Mr. MACDONALD (P.E.I.)—I hope that was the case. Therefore I am just as much opposed to the increase of these subsidies as I was to the original grant, and if I had any support in this matter I should vote against the subsidy entirely.

Hon. Mr. DANDURAND—The hon. gentleman must be satisfied ; we are moving towards a better order of things, because since the present government came into power it has inaugurated, to a considerable extent, a new policy, guaranteeing the bonds of railway companies, instead of giving them subsidies. That was done in the previous sessions, and on a very large scale last session, I think with the approval of the hon. gentleman. So that what the hon. gentleman could not persuade his friends to do he has seen his opponents do since 1896.

Hon. Mr. FERGUSON—You may guarantee bonds to such an extent that it would be better to build the road at once.

Hon. Mr. WILSON—It strikes me the statement made by the hon. gentleman from Marshfield is a strange one. It appears there is a large amount of public money being expended in Prince Edward Island. Does the hon. gentleman take exception to that? Does he not believe that the road and bridge ought to be constructed, and when we find that this road must be approved by the Deputy Minister of Railways or the Chief Engineer, is not that a sufficient guarantee that the money will be properly expended ? The contractors apparently cannot finance the construction of a road unless they have a larger amount than $3,200 per mile. Is this the first time that a thing of that kind has occurred ? Will the hon. leader of the opposition pretend to say that he has not come to the rescue of companies to enable them to finance the construction of a road ? It has been a common occurrence in the past, and I am surprised now, when it is admitted on all hands that the construction of railways has facilitated the improvement and development of the country, that there are gentlemen in this House who haggle and complain about the large cost of a railway, even when the money is being expended to the advantage and for the benefit of their own province. Unless they wish to retard the progress of the business in the House, it would seem to me they are finding fault merely for the sake of finding fault.

Hon. Mr. MACDONALD (P.E.I.)—The hon. gentleman does not understand the position in the province from which I come. The road being constructed there will be the property of the government ; it is not a private venture.

Hon. Mr. WILSON—Is it necessary or is it not ?

Hon. Mr. MACDONALD (P.E.I)—The railroad which is being built in Prince Edward Island is the property of the government. The greater part of that road was built by the people of Prince Edward Island, before confederation, and the cost of it was taken out of the terms which the government of Prince Edward Island was to receive from the Dominion of Canada and contributed by the people of Prince Edward Island themselves. There is no taunt to be thrown out by hon. gentlemen from any other provinces against the people of Prince Edward Island on account of the railway being constructed there.

Hon. Mr. FERGUSON—The hon. gentleman from Elgin (Hon. Mr. Wilson) can miss a point in a discussion with as great facility as any gentleman I ever heard speak in this House ; so much so that he misses it very much oftener than he strikes it. I was not alleging that there had been extravagance in the building of that road in Prince Edward Island. What I did point out was the fallaciousness of the estimates; that the estimates of cost which were submited have been more than doubled in the construction, although those estimates had been submitted to parliament with all seriousness by the government at the time. I am not, however, discussing the question of extravagance in connection with the construction of the road. That may have occurred ; I have no doubt it did occur. If I had time I think I could show the House

that there has been a great waste of money in the construction of that railway and bridge in Prince dward Island. I may tell my hon. friend, whatever his rule may be in that matter, I am just as much opposed to waste in the public expenditure, if it occurs in my own province as if it occurred in any other part of Canada

Hon. Mr. WILSON—I am not surprised at either of the hon. gentlemen from the island feeling that I have said something to cause them irritation. Why should they not be irritated ? They have been pursuing a certain line, which I am satisfied the citizens of that island would not approve of. Let them go down there and explain on the platform the course they are taking here, and I do not think the people of the island will feel very grateful to them for the way they are haggling over the amount that is being expended for the construction of the railroad and bridge. The hon. gentleman from Marshfield says I more frequently miss a point than hit it. It is easy for him to make that remark. I might do the same, speaking of him, but it would not be an argument. It would be merely empty words, and therefore no argument coming from him or anybody else. I am satisfied the proposition offered in this Bill is a correct one. It is in the interest not only of the construction of railways, but of the country, or we would not have the Bill before us at the present time.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman's accusations against the representatives of Prince Edward Island is easily explained by his speech. Let them go down and explain on the platform, he says, and what will the effect be ? The whole speech of the hon. gentleman is intended to show the people of Prince Edward Island that two of the senators from the island are not looking after their interest. The very charge the hon. gentleman makes against us he has turned against himself by his own utterances. He stated a few moments ago that I had in the past supported subsidies for railroads. That is quite true. The hon. gentleman himself, when he and I had the honour of sitting in the House of Commons together, and the party to which he belonged, opposed that principle to the uttermost extent. I do not know whether the hon. gentleman did personally or not, but I know that bright and shining light, the Minister of Trade and Commerce, denounced it as robbery of the very worst kind, and he said those subsidies were granted for no other purpose than to assist in carrying the elections. He ridiculed them with all the power he possesses, and used all the adjectives he is so capable of using in denouncing the whole thing as a piece of robbery, particularly in the case of short lines ; and yet since these gentlemen have been in power they have subsidized a number of railways, one of them half a mile in length, and in the Subsidy Bill now before the other House, they are subsidizing a road three miles in length, and are duplicating subsidies to some roads—aiding them to the extent of 100 per cent above the aid we proposed. That is the difference between them and their predecessors. They condemned the principle when it was inaugurated by the Conservative government, and now that they are in power themselves, are doubling the iniquity, as they called it, of granting aid to railways; yet one of these gentlemen reads us a lecture because we criticise their conduct. The hon. gentleman himself is too honest and straightforward, but fails when he attempts to make a political point.

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

The Bill was then read the third time and passed.

DOMINION ELECTIONS ACT AMENDMENT BILL.

SECOND AND THIRD READINGS.

Hon. Mr. SCOTT moved the second reading of Bill (148) An Act to amend the Dominion Elections Act. He said : This Bill diminishes the number of electoral districts in which the returning officer has the right to fix the nomination day. The Governor General fixes one day for the whole Dominion. Then there are certain exceptions. There are three exceptions in British Columbia. There were two in Ontario, and they are abolished, and three in Quebec.

Hon. Mr. LANDRY—I think there was only one in Ontario.

Hon. Mr. SCOTT—Yes. Algoma. In British Columbia there are three, but it is

owing to the fact that there is an additional constituency added. Burrard has been divided.

Hon. Mr. FERGUSON—In what position will the Yukon Territory be ?

Hon. Mr. SCOTT—They elect a member.

Hon. Mr. FERGUSON—Will the election there come off the same date and the same day as the general election ?

Hon. Mr. SCOTT—No, I think not.

Hon. Mr. FERGUSON—It is not provided to be held over ?

Hon. Mr. SCOTT—No.

Hon. Mr. MACDONALD (B.C.)—There was a separate Act passed for that ?

Hon. Mr. SCOTT—Yes.

Hon. Mr. LANDRY—Is it provided for in that Bill ?

Hon. Mr. SCOTT—I could not say. The election in the Yukon Territory costs about forty thousand dollars. We disfranchised a good deal of the district. It would have cost about a hundred thousand dollars if it had gone on, so we just took an area around Dawson, and it cost forty thousand dollars.

Hon. Sir MACKENZIE BOWELL—It is not as large as some districts in British Columbia.

Hon. Mr. SCOTT—No. Wherever they heard there were three or four hundred miners away up on the Mackenzie river, they were sending out deputy returning officers, and such a thing was monstrous. As it was, it cost more than all the elections in New Brunswick.

Hon. Mr. MACDONALD (B.C.)—I want to call the attention of the hon. Secretary of State to the fact that there is no occasion in the world for not having those elections on the same day as the other elections in other parts of the Dominion of Canada. It is unfair to whichever party is the weakest in the Dominion of Canada. Supposing the present government have a very small vote in Ontario and the other provinces, then those delayed constituencies hearing the result of the elections, vote with the strongest party, and that would affect both parties.

Hon. Mr. SCOTT—We could not possibly hold the elections on the same day in all those places.

Hon. Mr. MACDONALD (B.C.)—The notices could be sent three or four days earlier to Cariboo and those places. There is a mail every week. Subclause 2 of the Bill says :

2. At every general election he shall fix one and the same day for the nomination of candidates in all the electoral districts, except in the electoral districts of Chicoutimi and Saguenay and Gaspé, in the province of Quebec, and of Comox-Atlin, Kootenay and Yale-Cariboo, in the province of British Columbia.

Then section 29 reads as follows :—

29. In the electoral districts of Chicoutimi and Saguenay and Gaspé, in the province of Quebec, and of Comox-Atlin, Kootenay and Yale-Cariboo, in the province of British Columbia, the returning officers shall fix the day for the nomination of candidates, and also the day and places for holding the polls ; the nomination in the said electoral districts shall take place not less than eight days after the proclamation hereinbefore required has been posted up,—neither the last day of posting it up nor the day of nomination being reckoned ; and the day for holding the polls shall be at as early a date as possible, but not less than seven days after nomination, and at a general election it shall, if posible, be the same day as that fixed by the Governor in Council for the other electoral districts, but not sooner.

There is a contradiction there.

Hon. Mr. SCOTT—It is the old statute.

Hon. Mr. MACDONALD (B.C.)—It excepts them from holding the election on the same day, and then it says if possible they shall be held on the same day. There is no occasion for holding elections on different days.

Hon. Mr. SCOTT—I must differ from my hon. friend. I know that in Burrard it was absolutely impossible to hold them for three months, because in November and December parties have to travel on snowshoes and dog-sleighs.

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

The House resolved itself into Committee of the Whole on the Bill.

On clause 1,

Hon. Mr. FERGUSON—My hon. friend informed us on the introduction of the Bill that there were two less in the number of constituencies held over after the date

of the general election than there were before.

Hon. Mr. SCOTT—No, I think not.

Hon. Mr. LANDRY—Algoma.

Hon. Mr. SCOTT—It will be the same number, because there is one more in British Columbia. Burrard has been divided. There was only one in British Columbia, and it has been divided, one in Ontario—practically the number is the same.

Hon. Mr. FERGUSON—I was going to say to my hon. friend from Victoria that I did not doubt at all if he would push the government a little on the matter they would knock out the whole of them. It is well understood in Canada that the party that wins in the general contest has a better chance in these deferred contests than the defeated party.

Hon. Mr. SCOTT—That might help the hon. gentleman.

Hon. Mr. FERGUSON—I can therefore understand my hon. friend's desire to reduce the number in the waning hopes of the government, and I have no doubt if my hon. friend would push the matter they would knock the whole of them out, because they would feel that it would be better for their party not to have the elections deferred.

Hon. Sir MACKENZIE BOWELL—I should like to have seen an amendment in this Bill. Without interfering at all with the reasons given by the hon. Secretary of State for the delay in holding the elections, I think that a provision might be made by which the fears that have been expressed by my hon. friend from Victoria and emphasized by the hon. gentleman might have been avoided. If it be necessary for a delay of a month or two months to hold the elections in the outlying districts, provision might have been made in the issue of the proclamation for holding the elections providing for a time at which the election should be held in Chicoutimi, and also in Burrard and the other outlying districts to which he has referred. Then the date of the nomination might be fixed by the government, giving ample time to the returning officer to send his officers into these localities, and, then, a certain time after that for holding the elections. That would remove the power from the returning officer to be used by the government to fix the dates to suit the convenience of the government, by which they would expect to derive benefit from it. I am not going to refer to what has taken place at past elections. We do know what took place in reference to the interference of members of the government with the election in one of these districts, and we also know one of the results.

Hon. Mr. FERGUSON—Nipissing.

Hon. Sir MACKENZIE BOWELL—I merely refer to the principle that I think might have been adopted, which would have avoided a repetition of the case to which I have called attention, and it would prevent the use of the power given to returning officers in these districts to manipulate time, either from his own party standpoint, or at the instance of his party, or at the instance of other parties representing that particular district, or at the instance of the government themselves, no matter what government is in power. Whether that has ever suggested itself to the Secretary of State or any of the members of the government, I do not know. If we had time enough to consider this question, I should like to have moved an amendment in reference to these particular districts, in the line I have indicated. I think the hon. Secretary of State would not disagree with that, if he could get his colleagues to accept the principle.

Hon. Mr. SCOTT—The returning officers can be required now to carry out the very suggestion my hon. friend makes. He is required to hold the elections at the earliest possible time. That is the only control. In some of those constituencies it depends entirely on the time of year the elections are held. If it happened to be in the summer season, the time would not be one-third of what it would be in winter. In Burrard it took nearly three months, because the returning officers had to go in dog-trains, and even then the elections were not correctly held, and in some places they were polling ten days after the polls were closed in other parts. You cannot make arrangements for the distant points. The returning officer is bound to use all possible de-

spatch, and if he can only hold the election for such out of the way constituencies on the day the other elections were held, it would be his duty to do so.

Hon. Mr. LANDRY—It would be his duty to do so. I think it would be his duty to have the nomination on the same day, and the writs would be sent earlier so that he would have time to issue proclamations for earlier the same day in all those districts. He may have more time for the return of the writ, but the polling day should be the same in all of the districts.

Hon. Mr. SCOTT—As soon as the parliament is dissolved, the writs issue on the same day, and they go out to every constituency. The only control we have is by requiring the return within a certain day. If you thought it was possible for the returning officer in Gaspé to have his election within a month, you could make the writ returnable within a month. It would depend entirely on the season of the year, whether the distant places were accessible.

Hon. Sir MACKENZIE BOWELL—That is quite true, but to send out the information and the writs for those outlying districts before the others would inform the electors when an election was going to take place. The government is not very likely to do that, because very often governments themselves do not know, but the issue of the writs could be done on one day, and at the same time you could fix the date of the elections in the different constituencies. The hon. gentleman says you could not do that on account of the period in which the election was to be had. The hon. gentleman told us a few moments ago that he had had a great deal of experience. I know he has, and that experience would suggest to him what time he could give for Burrard, which is the most extensive constituency in the country, and also for the others. If it were in the winter he would require the three months to which he has called attention. If it were in the summer it would only require about thirty days. We who have had some experience in elections and with some returning officers, know that if it was left in their hands to hold the election at the earliest possible moment, it would depend on the prejudices of the returning officer, and the suggestions made by him, or by the party to which he belongs as to what he would consider to be the earliest possible moment. He could delay it a month just as well as he could delay it three days, which is a stronger reason for adopting the suggestion which I have made. It would work favorably for both parties, not against one more than another. I have thrown out the hint, but I do not suppose, at this period of the session, it will be accepted. All the charges against both governments about holding elections off at a period when they could best manipulate constituencies, particularly in lumbering districts, where delay can be used to the advantage of the party in power, or vice versa, as the case may be——

Hon. Mr. DANDURAND—Does the hon. gentleman admit that his party drew some advantage from such facilities ?

Hon. Sir MACKENZIE BOWELL—No, I do not admit anything of the kind. I said we were charged with it, but I know the other party has.

Hon. Mr. DANDURAND—The hon. gentleman knows more about others than about himself, or at least says he does.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman knows more than he will admit.

The clause was adopted.

Hon. Mr. BEIQUE, from the committee, reported the Bill without amendment.

Hon. Mr. CLORAN—We obstructed last night, but we are rushing to-night.

The Bill was then read the third time and passed.

BOUNTIES ON STEEL AND IRON BILL.

SECOND AND THIRD READINGS.

Hon. Mr. SCOTT moved the second reading of Bill (165) An Act to amend chapter 68 of the statutes of 1903, respecting the bounties on steel and iron. He said : This is a small Bill of five lines for the purpose of making clear what parliament intended, by adding after the words 'for use' the words 'or when used.'

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

The House resolved itself into Committee of the Whole on the Bill.

Hon. Mr. FERGUSON—Will this not make the provision retroactive a little ?

Hon. Mr. SCOTT—There is nothing said about its being retroactive.

Hon. Mr. FERGUSON—Yes, it will be retroactive, because it is to be held as if it was part of the original Act.

Hon. Mr. SCOTT—That is quite true.

Hon. Mr. POWER—It will not affect transactions which have taken place in the past, but it will operate in this way : If an article is not bought for the purpose of being used in any manufacture, but is afterwards used for the purpose, it will operate.

Hon. Mr. SCOTT—Yes.

Hon. Sir MACKENZIE BOWELL—What has arisen to necessitate the addition of these words ? Has it been an objection by the Auditor General ?

Hon. Mr. SCOTT—Some objection has been offered to it.

Hon. Mr. McGREGOR—I think I could explain. The Nova Scotia Steel and Coal Company are coal-raisers and producers as well as manufacturers of steel. In their case, if they manufactured steel, and it was used by the coal company they could not make the application for the bounty, and the same way in making spikes. It is a case in point with the Nova Scotia Steel and Coal Company, that when an article is used in the coal company, which is a different concern altogether, although under the one company they could not get the bounty.

Hon. Mr. YOUNG, from the committee, reported the Bill without amendment.

The Bill was then read the third time and passed.

SATURDAY SITTING.

Hon. Mr. SCOTT moved that when the House adjourns it do stand adjourned until Saturday, and that there be two distinct sittings of the House on that day, the first from eleven o'clock to one o'clock, and the second from three o'clock, and that each sitting be deemed a separate sitting of the House.

Hon. Sir MACKENZIE BOWELL—Will it be necessary to sit to-morrow (Saturday) evening ? It has not been usual ?

Hon. Mr. SCOTT—I think it will not be necessary.

BILL INTRODUCED.

Bill (167) An Act to provide for the payment of bounties on crude petroleum from Canadian wells.—(Hon. Mr. Scott.)

INLAND REVENUE ACT AMENDMENT BILL.

FIRST READING.

A message was received from the House of Commons with Bill (168) An Act to amend the Inland Revenue Act.—(Hon. Mr. Scott.)

Hon. Sir MACKENZIE BOWELL—Is that a Bill regulating the sale of tobacco ?

Hon. Mr. SCOTT—It is with reference to the forfeiting of licenses.

Hon. Sir MACKENZIE BOWELL—It does not mention tobacco, but that it what it is intended for.

Hon. Mr. SCOTT—Yes, that the license be forfeited in case of sale or assignment of goods under restrictive conditions.

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

The Senate adjourned until eleven a.m. to-morrow.

THE SENATE.

Ottawa, Saturday, August 6, 1904.

The SPEAKER took the Chair at Eleven o'clock a.m.

Prayers and routine proceedings.

INLAND REVENUE ACT AMENDMENT BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of Bill (168) An Act to amend the Inland Revenue Act. He said : You probably are aware that a tobacco trust has for some years been in existence in the United States,

and has absorbed the trade, and fixed prices in that country. A few years ago they obtained a charter to carry on business here, and gradually, by the same methods as they had pursued in the United States, they have absorbed 80 per cent of the trade in Canada. Among other things they discriminate against Canadian leaf, favouring the foreign article.

Hon. Sir MACKENZIE BOWELL—Has the hon. gentleman any authority for the statement he has made, that this tobacco trust has absorbed 80 per cent of the Canadian establishments ?

Hon. Mr. SCOTT—I have been told so by the minister, and I have sent for Judge MacTavish's report, which may possibly give us some information. About six or eight months ago, on representations made to the government, they issued a commission to Judge MacTavish to make a report on the subject, and his report was that it was a trust which was gradually absorbing the whole tobacco trade of the country, and there has been a very general complaint from all sections from those outside of it. The trust has a very large capital, and from the possession of that capital, and the opportunities they have over ordinary dealers, they have been able to control a larger portion of the trade.

Hon. Mr. MACDONALD (B.C.)—Is it the intention of this Bill to compel people to buy tobacco grown in this country ?

Hon. Mr. SCOTT—No. This concern has roped in a very large clientele. They attached a condition to those with whom they deal, that they must not deal with any one else ; that they must give their orders entirely to this concern. We all know very well that a large concern having once established a clientele of the majority of dealers, probably not many of them have bank accommodation, and consequently, find it a convenience to deal with a large house that is able to give them long credits, and so other persons who are in the trade are at a disadvantage for the reason the larger concern attaches to every sale they make the condition that the dealer must not buy elsewhere.

Hon. Mr. MACDONALD (B.C.)—And under this Bill the retailer can buy where he likes—that is the intention ?

Hon. Mr. SCOTT—The intention is to give freedom of purchase. The only way to reach a party who has succeeded in obtaining that control in trade is by withholding a license, unless they deal as other concerns deal—unless they removed from the agreement with the persons who purchase from them this condition that they must only buy from this particular house. Once a man begins to deal with them he is in their debt, and is powerless to go elsewhere. At all events, there is that advantage to him personally, that he gets some advantage, but he is bound to buy only from that particular house. The object is to remove that restriction, which is merely a restriction of trade. This Bill authorizes the Minister of Inland Revenue to withhold a license from any firm that takes that position. That is the whole object of the Bill. I am told that in the cigarette trade the combine have certainly over 80 per cent of the business of the country.

Hon. Mr. CLORAN—This Bill applies, I understand it, to transactions between the company and parties whom they force to accept their goods on that condition. What I want to know from the hon. Secretary of State is this : will this Bill apply to men or dealers who voluntarily enter into a contract with the company ?

Hon. Mr. SCOTT—It applies only to the American Tobacco Company.

Hon. Mr. CLORAN—That is not the point on which I want an explanation. I understand the Bill deals rightly, and penalizes rightly a company which forces dealers to buy from them alone. That is proper in this trade or any other trade. Will this Bill affect me if I voluntarily enter into a contract with the company to sell their goods only ?

Hon. Mr. SCOTT—The party attacked is the tobacco trust, not the people who buy from them. The party who makes this contract, the company which insists when it sells an invoice of goods that the party buying must not purchase that kind of goods anywhere else ; it only affects the American Tobacco Company.

Hon. Mr. CLORAN—If I contract with the company that if they will sell their goods to me, I will sell no other goods of the kind, would this Bill affect me? Will it deprive me of the right of making a contract of that kind with the company ?

Hon. Mr. SCOTT—No, not the purchaser.

Hon. Mr. BAKER—It will deprive the company of making such a contract and will have the same effect.

Hon. Mr. SCOTT—It applies only to the company that sells.

Hon. Sir MACKENZIE BOWELL—This does not, on the face of it, declare that it is confined to tobacco. It applies to every business that is carried on under a license from the Department of Inland Revenue. If the principle be good, then it should apply to every trade as well as to the tobacco trade. In the state of Massachusetts there is a law of a somewhat similar character, but it applies to all business. Now, if this Bill becomes law, it prevents a person from making a bargain to deal in an article of one manufactory exclusively under contract with any manufacturing company, and any violation of it will entail the cancellation of the license. Is not that the purport of the law ?

Hon. Mr. SCOTT—Yes, but the law is intended to apply to only one individual case.

Hon. Sir MACKNZIE BOWELL—Then why not say so ? It would apply to all distillers and brewers as the Bill stands.

Hon. Mr. SCOTT—Oh, no.

Hon. Sir MACKENZIE BOWELL—A denial does not change the law. The provisions of this Bill applies to any and all business carried on under license from the Inland Revenue Department. Now the same mode of doing business is carried on by brewers and distillers who will be affected by this Bill. They give a certain discount to those who will sell their goods exclusively. To prevent a thing of that kind being done, would be a direct interference and restriction of trade. Will this Bill affect a verbal agreement to the same effect as the written contract to which the hon. gentleman refers ? This law will not prevent that. It will be simply a question of honour between the manufacturer and the dealer. If the dealer did not carry out the understanding, the manufacturer would not give him the advantages promised. I believe this question has been before the courts, and the decision is, that contracts of this character are not in restraint of trade under the law. Judge MacTavish, I understand, has decided in the same way although he makes certain suggestions on the question; so that, really I cannot look upon this kind of legislation as other than a direct interference with, and restriction of the trade of the country. I am as much opposed to what are termed monopolies which control and injure other industries and raise the price to the consumer as anybody, but this is the very contrary. Instead of raising the price of the article to the consumer, a general law affecting all trades, and condition of business, I am not so sure that it has the opposite effect. If this Bill were made general in its provisions we might not adopt it with safety, because that would be legislation on a general principle. Are not the facts as shown by the last census return in direct contradiction to the statement of the hon. Secretary of State, that this tobacco trust, as it is termed, has absorbed 80 per cent of the trade ?

Hon. Mr. SCOTT—The cigarette trade, not the general tobacco trade.

Hon. Sir MACKENZIE BOWELL—I think the census of 1891 will show there were about ten manufacturing establishments in the country at that time, and the census of 1901 shows there were twenty-eight, so this tobacco trust cannot have had much effect in restricting the manufacture of tobacco. However, we can deal better with the details of the Bill, in committee.

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

BOUNTIES ON CRUDE PETROLEUM BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of Bill (167) An Act to provide for the payment of bounties on Crude Petroleum from Canadian Wells. He said: As hon. gentlemen are aware, changes were made in the tariff from five cents per gallon to two and one-half cents per gallon. The industry in this country is confined to only a few localities, and those engaged in the industry had always opposed the reduction of the tariff on coal oil. The reduction was made on the demand of the consumers, and the producers claim that they ought to be protected as well as any other industry. Therefore there was no way of cutting down

the price of coal oil, and this device has been adopted as doing the least injury to any industry, giving a bounty to the producers, inasmuch as they lose the benefit of two and one-half cents duty on each gallon of petroleum. The bounty is a cent and one-half on the imperial gallon.

Hon. Sir MACKENZIE BOWELL—This is a further extension of what is termed protection under the bounty system.

Hon. Mr. SCOTT—Helping Canadian industries.

Hon. Sir MACKENZIE BOWELL—Or in other words, to use the hon. gentleman's own language in the past, it is taxing those who do not use the article, for the benefit of the producers—is that it ?

Hon. Mr. SCOTT—Hear, hear.

Hon. Sir MACKENZIE BOWELL—It would be interesting to know when my hon. friend's conversion took place ; whether it was of the St. Paul character, sudden. or the result of long reflection ?

Hon. Mr. WATSON—There has been no public announcement.

Hon. Sir MACKENZIE BOWELL—Then it has been gradual.

Hon. Mr. BAKER—Coercion.

Hon. Sir MACKENZIE BOWELL—If the hon. gentleman would express his honest convictions, I do not think he would move a Bill of this kind. I have been in favour of encouraging certain industries by giving bounties, but my hon. friend and his colleagues have out-heroded Herod on this question, and carried it to such an extent that they are imposing a system of protection of a much worse character than if it were imposed directly. If you put a direct tax on this oil, then the parties who use it would pay the taxes. Under this system those who pay for gas or electric light have to pay also for the production of the cheaper kind of oil that is used by those who have not to pay for gas or electricity. That is the real object of this Bill. I am rather surprised at the sudden transformation that has taken place on this and other questions since the treasury has been in the hands of the present government. No words can be found in the English language stronger than those which have been used by the present Secretary of State in condemnation of this form of protection.

Hon. Mr. DAVID—It is evolution.

Hon. Sir MACKENZIE BOWELL—There may be special cases in which bounties would be perfectly justified without having the effect to which I have called attention, but I am speaking of the principle generally. My hon. friend has been one of the most violent opponents of the bounty system. I do not know what will come next. If there is anything his party have condemned when in opposition, I expect to have it produced in the shape of a Bill of the most arbitrary character at the earliest possible moment.

Hon. Mr. McMULLEN—While I admit that my hon. friend has had a very extended experience in Canada, after all I can hardly endorse fully his views on this subject, for this simple reason : The government has a surplus, and there is no way in which they can more judiciously spend a portion of it than in encouraging the production and sale at a low price of such necessities as coal oil. My hon. friend says that those who pay for gas and electric lights in their houses will have to contribute towards the production of coal oil through this bounty. If there is any commendable feature about it, it is that feature. My hon. friend can afford to have electric light in his house and he can afford to contribute his mite towards giving the poor man cheaper coal oil. I entirely approve of assisting in the development of home industries of this kind. If we leave our producers of petroleum open to competition from the United States they will soon be wiped out of existence. If our wells were tied up, and we were entirely at the mercy of the United States for this commodity, we do not know what price we might have to pay. The Standard Oil Company largely controls the oil interest, and they might extract from our people double what it will cost in this way to encourage the development of the oil industry in Canada. It would be wrong to allow these industries to be crushed out, and while I deplore the putting on of a heavy duty to keep them alive—because if we did that they would be sure to increase the price of oil—when the treasury can afford a small bounty to encourage the industry, and when the effect would be to cheapen oil to consumers

in this country, I think it is a laudable, prudent and statesmanlike act. I commend the government for the course they are taking, and I think they are entitled to credit for it. My hon. friend says it is another form of protection. Whatever you may call it, in my humble opinion, it is a desirable course to take from every standpoint. You are legislating in the interest of the great mass of the people and in a way that must commend itself to every one.

Hon. Mr. FERGUSON—My hon. friend can turn a corner with about as great agility as anyone I have ever met with. My hon. friend is on record hundreds—I would probably be right in saying thousands of times in saying that protection in every form is legalized robbery. Now he says the protection in this Bill, and it is protection to the very core, is wise and statesmanlike legislation.

Hon. Mr. McMULLEN—I never condemned granting a bounty to a home product.

Hon. Mr. BOLDUC—I should like to ask the hon. Secretary of State how many oil wells are in operation to-day? I am informed that the Standard Oil Company practically own all the oil wells in the Dominion. If so why should we pay a bounty of one cent and one-half on each gallon they produce, while at the same time reducing the duty by two and one-half cents? I may mention also that since the reduction in the duty, there has been no change in the price of oil in the country. Why? Because the Standard Oil Company has a monopoly of the oil sold in Canada, and of the Canadian oil wells. Before this Bill is read the second time, I should like to know from the hon. Secretary of State if what I have heard is correct, that the Standard Oil Company practically own all the oil wells in Canada?

Hon. Mr. DANDURAND—The hon. gentleman from Lauzon has been misinformed when he states that the Standard Oil Company control a majority of the oil wells in Canada. They own a certain number indirectly, but if I am to judge by the vote taken among the well-owners of Petrolea district some time ago, on a question which interested the Standard Oil Company and in which they participated actively, the independent well-owners not only were a majority in number, but represented a larger area and a larger number of wells than the Standard Oil Company and their sympathizers. I think that answers the hon. gentleman's question.

Hon. Mr. LANDRY—He asked the information from the Secretary of State.

Hon. Mr. DANDURAND—If the Secretary of State has any official information on the subject he will furnish it, but as I am somewhat familiar with the question, I thought I could give my hon. friend the benefit of my experience. With reference to the price, I know the Standard Oil Company do not market the principal part of the oil sold, in the city of Montreal. They may lead in certain oils, but illuminating oil is not controlled by them in Montreal. The independent companies have sold as much coal oil as the Standard Oil people, who are known in Montreal under the name of the Imperial Oil Company. The independent companies have a greater sale in Canada than the Standard Oil Company under its divers names. As to the price of oil, I will not be contradicted when I say that following the announcement that crude oil was to be admitted free of duty, refined oil was reduced, as the benefit of that reduction was given to the consumers by all the companies, the independent companies as well as the large United States corporation. At all events, that was the announcement through the press to the citizens of Montreal. I cannot speak for other parts of Canada.

Hon. Mr. BOLDUC—I am very much indebted to the hon. gentleman for the information he has given, but at the same time I would have preferred to have the information officially and from the hon. Secretary of State.

Hon. Mr. SCOTT—We have no figures. Certainly, in making the change we did, it was at the instance of the Canadian producers. It was represented that if they did not receive that assistance, the Canadian oil wells would be practically closed, and those views were pressed very strongly by representatives of the counties of Lambton and Kent, where the oil region is. Hon. gentlemen who have read any of the local papers of that district will see that the farmers from time to time are discovering wells. Where none have been discovered

before, they are being found now at a certain depth. It is an industry that is largely among the people ; there is no doubt about that. The Standard Oil Company will grasp all they can get. That is their policy, and it would be very much to be regretted if they were able to absorb the Canadian crude oil industry. It is hoped also that this may stimulate oil industries elsewhere. As hon. gentlemen are aware, even up on the Saskatchewan, there are parties now boring for coal oil and up north of Edmonton. I do not know whether they have succeeded to any extent. They have also discovered oil in New Brunswick, and this Bill will stimulate those efforts.

Hon. Mr. LANDRY—What about the Gaspé oils ?

Hon. Mr. SCOTT—I do not know. Although mentioning those, I do not attach any importance to them because they are entirely inprospecto. They may never be valuable, but it is just as well to encourage, if possible, an industry of that kind. In reference to the observations of my hon. friend, my views on the particular question have not undergone any change, if the conditions were such as I would have desired. When in 1896 the present government faced the conditions that existed, it would have been most improper for them to have swept away industries that have grown up in the preceding years, and it is not a sign of statesmanship at all to adhere to the opinions and views expressed years ago. Am I to be bound by the views I held 20 years ago or five years ago ? The conditions are changing more rapidly in our days than in former years. Did the world think any less of Sir Robert Field when he changed his views on that important question ? Mr. Gladstone entered public life as a strong High Church Conservative, a man who opposed home rule bitterly in his early years, and who changed his views, and they are now erecting monuments because he changed with the times.—and that is really the duty of a statesman, to recognize conditions and to change with the conditions. I am never ashamed to change my opinion. None of us are infallible. We gain experience every day, and that man is not fit to hold a position as administrator who says that I expressed such an opinion five years ago and I must adhere to it. It is sometimes wise to make a change.

Hon. Mr. LANDRY—The people are going to make a change.

Hon. Mr. SCOTT—I think we have laid the foundation for Canada's prosperity so broad and satisfactory that even if a change does take place the progress of the country cannot be disturbed.

Hon. Sir MACKENZIE BOWELL—Has the hon. gentleman a recollection of any report having been made by the late Dr Dawson giving the result of his investigation as to the existence of oil, not on the Saskatchewan, but about Athabasca ?

Hon. Mr. SCOTT—No, no more than in a very general way.

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

The House resolved itself into Committee of the Whole on the Bill.

(In the Committee.)

On clause 2,

2. The Governor in Council may authorize the payment out of the Consolidated Revenue Fund of a bounty of one and one-half cent per imperial gallon on all crude petroleum produced from wells in Canada on and after the eighth day of June, one thousand nine hundred and four—the said bounty to be paid to the producer of the petroleum.

Hon. Mr. SCOTT—The total amount paid under this clause was between $175,000 and $200,000. It is impossible to make any absolutely correct estimates.

Hon. Sir MACKENZIE BOWELL—I want to call the attention of the hon. gentleman from Lauzon (Hon. Mr. Bolduc) to this matter. He said he understood all the oil wells in the western portion of Canada were owned by the Standard Oil Company. My hon. friend from de Lorimier pointed out that that was not the case, a statement which, I think, is quite correct, but I think my hon. friend from Lauzon has perhaps confounded the fact that the refineries in Pretrolia and the western section are mostly all owned by the Standard Oil Company, and consequently they control the price of the raw product that is owned by the independent producers, and that being the case they can control, and have controlled the price of coal oil. There is no mistake about that.

Hon. Mr. DANDURAND—I differ absolutely from my hon. friend. I know that the assertion that the Standard Oil Company own all the refineries is not correct. There are two refineries in Canada, one at Sarnia owned by the Standard Company and one at Petrolia owned by the Canada Oil Company, absolutely independent, and this Canada Oil Company has been fighting the Standard Oil Company.

Hon. Sir MACKENZIE BOWELL—I stand corrected. I am inclined to think the hon. gentleman is correct. I know they were acting in unison for some time, and at the same time they had been fighting each other.

Hon. Mr. LANDRY—A sham fight.

Hon. Sir MACKENZIE BOWELL—I am much obliged to my hon. friend for calling attention to it.

Hon. Mr. SULLIVAN—It does not affect the price of oil ?

Hon. Sir MACKENZIE BOWELL—No, but you must bear in mind that, if a portion of the oil-producing wells in western Canada are owned by the Standard Oil Company, we are bonusing their product just as well as we are bonusing the product of the Canadians who produce it, and the greater the number of wells the Standard Oil Company succeed in getting possession of—and with their enormous wealth they are gradually absorbing them and no doubt will be enabled to absorb them all because I do not think the refinery to which my hon. friend has called attention, that is owned by the Canadian Company, have the wealth to withstand the onslaught of the Standard Oil Company if they think proper to make it ; and if they do not make it, it is because there is a tacit understanding between them to keep up the price. I do not think there can be a doubt about that, and it is a pity the Inland Revenue Department have not dealt with the Standard Oil Company as they propose to deal with the tobacco trust. I want to point out to the hon. gentleman from Wellington this fact, that if the government were to place crude oil upon the free list entirely, it would place the whole market in the hands of the Standard Oil Company. If you have direct and distinct free trade with the United States in any particular article, you place Canada in the same position as a state of the union so far as a trust affects it, because if the trust in the United States be sufficiently strong, and wealthy enough to control the trade of that country, they can also, under free trade, control it in Canada, unless you can establish here an industry with the same wealth and power that they have. The result is that you drive out of existence the manufacturers of Canada and you place Canada in the same position as the union, so far as a trust is concerned, plus the expense of freight in sending the article into Canada ; and in order to meet that you give to the producer one and a half cents per imperial gallon for all crude oil that is produced, and by that means the Standard Oil Company will get as much as the Canadian producer provided they pump as much of the oil. So that you are bonusing this hydra-headed monster that is controlling the oil wells of the whole country just as effectually and to the same extent that you are bonusing the Canadian producer.

Hon. Mr. DANDURAND—I beg to differ from the hon. gentleman, and from the conclusions he draws from that legislation.

Hon. Sir MACKENZIE BOWELL—I should like to be convinced.

Hon. Mr. DANDURAND—I shall try to convince the hon. gentleman. I doubt that the Standard Oil Company owns oil-producing lands to any extent in Canada, and I have reason to believe that all they have got in the way of control is through contracts with a number of well-owners to give them their crude oil at a certain rate. A large majority of the well-owners sell their crude oil either when the Standard Oil Company needs it or to the refinery in Petrolia. But the day the crude oil of the Standard Oil Company is admitted free—it has now under this law the right to do so—it would very quickly drop the purchase of Canadian oil, and as their refineries can get at very cheap rate the United States crude oil to our borders, a thing not to be objected to, because the production in Canada is much below the fifty per cent mark of what is used in the Dominion, we must of necessity rely upon United States crude oil. But if that bounty were not given, the Standard Oil Company, with its immense fleet of steamers

would draw its crude oil exclusively from the United States, and the Canadian oil producers would be without a market for their product.

Hon. Sir MACKENZIE BOWELL—I do not want to be convinced of that.

Hon. Mr. DANDURAND—So far my hon. friend admits the argument. This bounty has the effect of giving a help to the Canadian producer, and giving him a chance to sell a cheaper article to advantage, if the bounty is taken into account, so this bounty enables the government to put on the free list the crude oil. We are encouraging the maintaining and the pumping of those Canadian wells by the giving of that bounty, and through the giving of that bounty the country is getting richer by the fact of this Canadian production from its own land, and the users of coal oil, who are a very large class in this country, are getting their oil two and a half cents a gallon cheaper. We have been contending for a number of years in favour of cheaper oil. I have felt that the reduction which was made in 1897 of one cent was not sufficient, and the people of the province of Quebec thought they were entitled to cheaper oil. They are absolutely satisfied with the fact that under this legislation the duty has been cut down by fifty per cent.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman made one great mistake. This Bill does not put crude oil on the free list. It does not refer to it at all.

Hon. Mr. DANDURAND—No. I am arguing generally on the legislation of this session.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman argued that this Bill placed crude oil on the free list. Does not the hon. gentleman believe that the object could be accomplished much better by putting a direct tax on the crude oil which comes from the United States into Canada ? Of course it would. By placing the bounty on oil you assist the Canadian producer, there is no doubt about that, and also the Standard Oil Company in Canada and you leave them free——

Hon. Mr. DANDURAND—There are Canadian producers selling to the Standard Oil Company.

Hon. Mr. DANDURAND.

Hon. Sir MACKENZIE BOWELL—If that be the case, and you give a bonus to the Canadian producers they can afford to sell the oil under the bounties they receive, to the Standard Oil refining Company, can they not ? But that is not the point. If you leave the law as it is you drive out of existence the Canadian oil producers in the western portion of Canada. That is, I think, admitted, and this Bill admits the fact, because in order to enable them to continue the production of the oil you bonus them to the extent of 1½ cents per imperial gallon. Suppose instead of giving them 1½ cents on the imperial gallon, you impose a duty of 1½ or 2 cents upon the importation of every gallon of oil produced in the United States, then they will have a direct protection and the general pocket would not be taxed to meet it.

Hon. Mr. SCOTT—The consumer would then pay more for his refined oil.

Hon. Sir MACKENZIE BOWELL—Not a bit of it. That does not follow at all. If you adopt that principle you had better produce the oil and distribute it free among the people upon the principle laid down by my hon. friend, that those who are able to light their houses with gas and have a little to spare might just as well devote it to lighting the houses of other people who are not so fortunate. How much does my hon. friend contribute in that direction from his own private purse? If he contributes it, it is because the law compels him to. It is not of his own generosity. I dare say he gives as much to the poor as anybody, but I question very much, if the question was put to him as to the price of oil, that he would give one cent for this reason, but he gives it because he has to give it. If he had to pay his share for the amount of oil that was consumed in the county of Wellington he would kick as hard against it as against some other matters.

Hon. Mr. WATSON—I should like to say a word about a subject which should be discussed in this connection, which has not been referred to at all. The members of the House have been considering what the result of the bonus has been on the price of refined oil. I want to call the attention of the House to the fact that it has a much wider bearing than that, for crude oil is used largely for manufacturing pur-

poses, heating purposes, and so on. I remember a few years ago when the government of which the hon. leader of the opposition was a member raised the duty on crude oil. At that time the manufacturers were using a large quantity of crude oil. By raising the duty it practically gave the producers of crude oil a monopoly of the business and a great many using crude oil in the manufacturing of machinery had to abandon the use of petroleum and use coal, and it is claimed by manufacturers that this bounty will enable them to again start the use of crude oil for manufacturing and heating purposes. If that is the case, this Bill is in the right direction. I call attention to the fact that in the United States they are using crude oil on locomotives. A greater quantity of heat can be produced out of a ton of oil than out of the same weight of coal and railways are using the crude oil at a great many points for fuel. I know that manufacturers in Ontario have fully appreciated the bounty offered by the government on crude oil, claiming that it enables them to use crude oil again as they have done in the past. There can be no doubt at all about this huge monopoly in oil and I, along with the hon. leader of the opposition, would approve of the government taking power to license the sale of oil as they do with regard to the sale of tobacco. I think the time has come to consider the stand we should take in Canada, when we see the result of those immense monopolies and trusts in the United States where nearly everything there is money in to-day is governed by a trust. They are settling down in the States to the fact that something must be done to give the masses of the people some show for their money. These trusts are growing in numbers and power and it is the duty of the government of Canada to protect our country against such a danger to the state. We have it here to a certain extent, but not to the extent that they have it in the States.

Hon. Sir MACKENZIE BOWELL—Does this Bill accomplish the object the hon. gentleman refers to ?

Hon. Mr. WATSON—It is in the right direction, because there is no monopoly at the present time in the exploration for crude oil, and every day we read of new oil fields being discovered and developed, and as these wells are found people will be encouraged to work them when they are going to get a bonus of one and a half cent a gallon on the oil produced. I think it is a move in the right direction, and certainly ought to meet the opproval of the House.

Hon. Sir MACKENZIE BOWELL—Let me congratulate the government on another conversion to the principle of protection. My hon. friend tells the committee that all the manufacturers are in favour of this measure, because it will give them a cheaper fuel.

Hon. Mr. WATSON—Not all.

Hon. Sir MACKENZIE BOWELL—Well, we will say the manufacturers, but not all. That is another system of protection. Does the hon. gentleman not believe that those manufacturers whom he formerly denounced as legalized robbers, would like to have all their fuel furnished at the expense of others ? I do not believe they would object.

Hon. Mr. WATSON—I am not a recent convert at all. I opposed the duty on crude oil in the House of Commons, and gave similar reasons for it—the fact that crude oil was being used for fuel by manufacturers, and on account of the duty being put on it they had to shut up their furnaces. They claimed they could do much better with crude oil as a fuel than with coal.

Hon. Sir MACKENZIE BOWELL—What year was that ?

Hon. Mr. WATSON—I do not remember the year.

Hon. Sir MACKENZIE BOWELL—I should like to know when the period existed in this country when there was no duty on crude oil.

Hon. Mr. WATSON—I was referring to the time the duty was increased. It was not free. I am not a convert at all. I am simply approving of the government's policy in putting the crude oil on the free list, as I believe it should have been put before. I am also in favour of giving a bounty for the production of oil, thereby encouraging natural industries in Canada instead of imposing a duty on the manufactured article imported into this country, which is bound to fatten the pockets of the

monopolists. Under this bonus the people who produce the oil get the one and a half cents a gallon and the consumer gets the advantage of two and a half cents a gallon on the refined products. The price of oil has been reduced. It is advertised in the Conservative papers as being reduced. I remember when the Ottawa 'Citizen' announced that oil was reduced two and a half cents a gallon, and the Montreal 'Gazette' said it was reduced two cents a gallon. It was simply a matter of news, that because the duty was reduced the price was reduced.

Hon. Mr. LANDRY—How does it stand now ?

Hon. Mr. WATSON—I do not know.

Hon. Mr. FERGUSON—When I hear hon. gentlemen opposite say that they are not opposed to protection and never have been, and when the same thing is asserted in the press and on the platform and all over the country, I am led to reflect what a wonderful delusion we were labouring under when we thought we had free traders and opponents of protection in this country. It was simply a delusion. The hon. gentleman from Portage la Prairie, the hon. gentleman from de Lorimier and the hon. gentleman from Wellington never were free traders and never opposed protection at all.

Hon. Mr. EDWARDS—There is at least one free trader left, and I think there are more.

Hon. Mr. SCOTT—Put him up on a high pedestal.

Hon. Mr. EDWARDS—Oh, no. I simply want to protest against the principle of giving this bounty. It is entirely wrong, and based upon no sound economic principle whatever.

Hon. Mr. SCOTT—Quite true—a compromise.

Hon. Mr. EDWARDS—I cannot understand a principle which gives a bounty to the production of oil any more than a principle of giving a bounty to the products of the farms. There is not one particle of difference. It is wrong in its entirety, and I simply desire to place myself on record against it.

Hon. Mr. FERGUSON—I should have made one exception in regard to there having been no free traders in the past or at the present time in Canada in favour of my hon. friend, but I am afraid his free trade principles just go so far as preaching it without practising it. My hon. friend has seen the finger-post on the road, and is like that post, because, though he points to the way, he never travels it. He is always found supporting protectionist measures of the government. He drops in as a supporter of the government all the time, and preaches free trade.

Hon. Mr. EDWARDS—I think there are many others who hold the same view that I do ; but I want to say to the hon. gentleman from Marshfield that if at any time he will move a resolution enunciating the principles of free trade he will find me a supporter.

Hon. Mr. FERGUSON—Why does not the hon. gentleman move it himself ?

Hon. Mr. EDWARDS—What is the use so long as we have so many high strung protectionists as my hon. friend who has just resumed his seat ?

Hon. Sir MACKENZIE BOWELL—The hon. gentleman from Rockland ought to do it himself so as to place himself on record. That would be the honest way of doing it. We would not expect any gentleman who holds opposite views from those of the hon. gentleman to make the motion. The hon. gentleman could do it himself, and I should like to see the ministerialists vote against each other.

Hon. Mr. EDWARDS—It is too late in the session to provoke a debate on the question now.

Hon. Mr. LANDRY—Will the hon. gentleman vote against this Bill ?

Hon. Mr. DANDURAND—We are in committee.

Hon. Mr. LANDRY—We shall see if he votes against it.

The clause was adopted.

The Bill was read a third time and passed.

ANIMAL CONTAGIOUS DISEASES ACT AMENDMENT BILL.

SECOND AND THIRD READINGS.

Hon. Mr. SCOTT moved the second reading of Bill (166) An Act to amend the

Animal Contagious Diseases Act. He said: This measure includes a generic disease. It appears there is considerable injury to Canadian stock by the stock which comes from the United States which are diseased in the generic organs. The name of the disease is maladie du coit, and it provides that the compensation for slaughtered animals shall be two-thirds instead of one-third, and it fixes the valuation.

Hon. Mr. FERGUSON—I have looked over the amendments proposed to the Act in the Bill now before us, and I cannot see any objection whatever to them. I think they are in the right direction, but I must express my profound regret that the government has not dealt thoroughly with this question. The Contagious Diseases of Animals Act is, I think, without exception the worst Bill on our statutes. It was dealt with the last time most unskilfully, and, I would say, with a stupidity that is perfectly marvellous on the part of the Department of Agriculture. The Contagious Diseases Act is like the Indian's gun. It calls for a new lock, stock and barrel.

Hon. Mr. SCOTT—If the hon. gentleman has any views well thought out and will give me a memorandum of them, I shall call the attention of the minister to it. He is guided by officials who profess to make a study of the subject.

Hon .Mr. FERGUSON—I think the Minister of Agriculture knows these are not only my views in regard to the class but the views of others also.

Hon. Sir MACKENZIE BOWELL—What is the new disease ?

Hon. Mr. SCOTT—It is a disease of the generic organs, akin to syphilis. It is a venereal disease and it has been found necessary to add that to the Act.

Hon. Mr. WILSON—I think the Bill is certainly in the right direction, a very important move in the direction to prevent diseases that are accumulating not only in the United States but in the western part of Canada. We have had that disease there, and it is something that ought to be remedied if there is a possibility of doing so. While I can sympathize with my hon. friend from Marshfield that the Contagious Diseases Act may be deficient in many respects, he must bear in mind that with the inferior animals as well as with the human race, it is very difficult indeed to deal with those diseases. We must progress slowly and reasonably, and, therefore, I hope my hon. friend may be spared long enough to ascertain in the future that the government is doing everything in their power to remedy a matter that should have been looked after many years ago.

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

The House resolved itself into Committee of the Whole on the Bill.

On clause 2,

Hon. Mr. POWER—What is the reason for increasing the proportion of the cost that the country is going to pay ? I think the owner of the animal ought to bear the heavier portion of the loss which is incurred by his having a diseased animal. The old rule was that the country paid one-third but this Bill provides that the country shall pay two-thirds.

Hon. Mr. SCOTT—It has been considered that sometimes a man's animal might be saved, and it is thought to be a hard case that the animal should be killed. It is difficult to be perfectly sure of it, and, therefore, it is thought to be fair that the government should pay two-thirds.

Hon. Sir MACKENZIE BOWELL—Is the latter clause of this paragraph any different from the law as it stands on the statute-book ? I know it is as far as the two-thirds is concerned, but it says the owner of the animal shall be entitled to compensation at the full value of the animal so slaughtered—that is the value of the animal before it became diseased. Is that any change or did the old law provide for the payment under similar circumstances on the value of the article at the time ?

Hon. Mr. SCOTT—There is no change in it. The old law provided that when it was shown that an animal had been slaughtered on insufficient grounds, and that it was not justifiable, the owner should be entitled to the full value of the animal.

Hon. Mr. SULLIVAN—That should be changed. How can you ascertain if it is slaughtered on insufficient grounds ? These

vague terms should be wiped out. Supposing it was said a man died for insufficient reasons, would that not be vague, and who has made a mistake ? It is most confusing and perplexing legislation. I suggest that that Bill should be left over. I would not vote for it on any account. It would show stupidity on the part of the Senate to vote for such a thing. These few lines alone kill the whole Bill and make it stupid. Who is to diagnose the disease ?

Hon. Mr. SCOTT—The officers of the department.

Hon. Mr. SULLIVAN—How would they know they had made a mistake ?

Hon. Mr. SCOTT—We must trust to somebody. They employ the best experts they can.

The CHAIRMAN—The post mortem will show it.

Hon. Mr. SULLIVAN—Why do you not provide that if on the post mortem it shall be found that the animal did not die of that disease——

Hon. Mr. BEIQUE—This is the law as it stands.

Hon. Mr. SULLIVAN—I thought that was new. If it is the law, why is it repeated ? The clause reads :

Provided that when it is clearly shown that an animal has been slaughtered on insufficient grounds, and that the slaughter was not in accordance with, or justifiable under, this Act, the owner shall be entitled to compensation at the full value of the animal so slaughtered.

What does that mean ? If the slaughter was not done properly, if the animal was struck in an improper place, that would be improper slaughtering, and it is very vague. I certainly think the Senate will show a great deal of stupidity if they adopt this language.

Hon Mr. FERGUSON—I do not agree with my hon. friend. If he knew as much as I do about the Bill, and the incongruity of it, he would refrain from criticising this clause, because it is perfectly hopeless to make the Bill respectable by amending it as is now being done. It contains a perfect absurdity, because it provides that suspicion is a proper ground for slaughtering an animal, and it provides that if the animal was not slaughtered in accordance with, or in a manner justified by the Act, the owner may be compensated. Suspicion is not a proper cause for killing an animal and I doubt, under the strict interpretation of that clause, whether the owner could obtain compensation. The hon. gentleman would have a big task on his hands if he tried to make this Act presentable, and the only change this makes in the existing law is to pay more equitable compensation to the owners. That is right. It provides that the owners of the animal may be paid under two sets of conditions, one where the animal is found not to have been affected with the disease and the slaughter has been found to have been without justification, then they are to be paid the full value, and it fixes in section 3 the value of grade animals on one scale and of pure-bred animals on another scale. Both of them are very much more correct than it was in the Bill as it originally stood, and the Bill, notwithstanding the incongruity in the language, will be doing a service because it provides more equitable treatment for the owners of animals.

Hon. Mr. SULLIVAN—From the lucid explanation of the hon. gentleman I think it would make the affair a great deal more stupid ; but I wish to state that two or three session ago, when the Hon, David Mills was leader of the House, cases of that kind came up, tuberculosis, matters involving a tremendous amount of scientific work and a tremendous amount of patronage, employing experts and buying microscopes, &c., I asked the hon. leader of the House to refer the Bill to a committee composed of the medical men of the House, and that Bill was never heard of since. It was a good thing. This is another instance of semi-scientific men trying to dabble in the French language.

Hon Sir MACKENZIE BOWELL—Was that Bill properly slaughtered ?

Hon. Mr. SULLIVAN—It should be properly slaughtered ; I never saw more unintelligible jargon than there was in that Bill.

The clause was adopted.

On clause 3,

3. Subsection 4 of the said section 12 is amended by adding at the end thereof the following : ' but shall not exceed, in the case of grade animals, one hundred and fifty dollars for each horse, sixty dollars for each head of cattle, and

fifteen dollars for each pig or sheep; and in the case of pure-bred animals, three hundred dollars for each horse, one hundred and fifty dollars for each head of cattle, and fifty dollars for each pig or sheep.'

Hon. Mr. POWER—That is a very good amendment. As the law stands there is no limitation.

The clause was adopted.

Hon. Mr. WILSON, from the committee, reported the Bill without amendment.

The Bill was then read the third time and passed.

THE MILITIA BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of Bill (No. 5) An Act respecting the Militia and Defence of Canada. He said: The Bill now under consideration makes certain changes in what is called the Militia Act of Canada, and it is thought better to recast the whole Bill, as ought to be done in very many cases than to submit for consideration changes which involve a reference to a number of statutes passed in former years. We had a sample of that in the Post Office Act. To understand it we had to refer to numerous volumes, and I think it is very bad practice, although I heard some hon. gentlemen recommending it rather than have a new Bill. If changes are made, it is better to give us a new Bill, and that has been the policy adopted in reference to the Militia Bill. The most important change is the substitution of what is called a militia council for the general officer commanding, rather substituting a chief of staff in his place with the aid of this militia council. The Militia Council is to consist of the Minister of Militia, who is president, the chief of staff, the adjutant general, quartermaster general, the master general of ordnance, the deputy minister and the chief accountant. They are the advisory board for the minister in all matters affecting the regulations of the department.

Hon. Mr. SULLIVAN—Is there any imperial officer on that board?

Hon. Mr. LANDRY—There may be.

Hon. Mr. SCOTT—There may be, but there is not at present. Under the Militia Act as it stood, there was a branch known as the naval militia. That has been removed from that Act, the intention being to place it under the control of the Minister of Marine and Fisheries and it is more germane to that department. We already have, as hon. gentlemen know, vessels that are under the control of that department, a very small fleet, and therefore it seemed better in the institution of a naval reserve that we should connect it with the department that has charge at the present time of vessels having sailors. I do not think the Bill will be ready for the present session, but that is the object of removing it from the Militia Department, to found a force to be known as the naval reserve.

Hon. Sir MACKENZIE BOWELL—Is that provided for in the Bill?

Hon. Mr. SCOTT—No, it is removed entirely from the Militia Department, and a Bill will be submitted at a future session. It was impossible this year to prepare it. The provision in the old law was that the officer of the army who had the same rank as a Canadian officer, took precedence, and now it is proposed to change that and the Canadian and imperial officers will rank according to the date of their appointment. In the past the imperial officer, no matter how young he was, or how recently he might have been appointed, if in the same rank, he took precedence of the Canadian officer. There is provision for the officer commanding the imperial troops at Halifax to take command of the militia in time of war, and the Bill provides also that a senior officer of the department should be appointed.

Hon. Sir MACKENZIE BOWELL—That is not new.

Hon. Mr. SCOTT—I really cannot say. Provision is made in the Bill to increase the permanent force from 1,000 to 2,000 men, and also to increase the pay of the permanent force as well as the pay of the active militia. As regards the active militia, the increment of the officers and the men who recently performed annual training in camp, they have been paid according to the new scale, and it has been found a great incentive to good work being done, and has worked most satisfactorily. Changes have also been made in the mode of calling out

the militia in aid of the civil power. The clause as it originally stood provided that any three justices, of whom the mayor might be one, it was optional, it need not be compulsory, could order out the militia. Now it is proposed to use the word 'shall.' If the head of the municipality refuses, provision is made for calling on a judge to give the authority for calling out the troops in the event of a riot. The Bill will have to be considered in committee.

Hon. Sir MACKENZIE BOWELL—I do not propose to discuss at any length the merits or demerits of the Bill at the present moment, further than to call attention to one remark made by the hon. gentleman in reference to the substitution of a council for the general officer commanding, and the hon. gentleman gave us the names of the officers who are to compose this council. If I have read the Bill aright, there is no such provision in the law. That is merely a statement made by the Minister of Militia, as to what he may do in the future, but it leaves the power entirely in his hands to appoint just whom he pleases. He indicated to the House of Commons whom he thought would compose that council. Those who have had any experience in managing and working the volunteer force of the militia of this country will concur in the objection which I am about to urge upon that point. I am not opposing or expressing any opinion in opposition to the formation of the council to which my hon. friend has called attention, but I think it is exceedingly unfortunate, in order to remove that council from even suspicion of political influence, that the names of the parties who are to form that commission should not be mentioned in the Bill. In England the gentlemen who are to form that council are to consist of four military men, the names are given, and three or four, I am not sure which just now, are civilians. They are put on for very good reasons, and that is the suggestion thrown out by the Minister of Militia as to the formation of this council, that a certain number of them shall be military men, who are supposed to have experience, officials who are under the minister in his department and consequently would be subservient to the will of the minister. There cannot be a doubt about that. The composition of the council in England makes the members of it independent of the minister, and of the government, and equal to the minister, so that each member of that council stands in the same position in relation to the minister, that each member of the cabinet in Canada or England stands to the sovereign. That is, they must be unanimous in whatever recommendations they make in connection with the army or navy, and if one of that council differs from his colleagues upon principle or for any other reason, he has to pursue a course exactly similar to that which is pursued by a cabinet minister. He either subordinates his own opinion to those of his colleagues, or he leaves the council. That is the position, as I understand it, of the council as it exists in England. It makes it a totally independent body. Supposing the Militia Council of Canada is composed, as foreshadowed by the hon. Secretary of State, first of the Adjutant General, who is under the control and direction of the minister; and the deputy head who has to do just what the minister tells him. He is there a nonentity, so far as the administration is concerned. His whole duty is to do what he is told to do. Then how much better position is the Accountant in? I forget who the other gentleman was. I think he is the Master General of Ordnance, that is Mr. Macdonald. Every one of those gentlemen is under the head of the department. That is, they are under the command and direction of the Minister of Militia, and, consequently we might just as well abolish the council altogether, because when the minister comes down with his propositions they will be taken for granted, unless the principle is carried to a much greater extent than it should be of governing by deputy. He has a proposition to make and a plan to suggest to his colleagues; he suggests it and asks for the authority of a council composed of men suggested by the hon. gentleman, and what position are they in then? I will not use the language of my hon. friend with reference to the Contagious Diseases of Animals Bill, but I will certainly say that the council would not only be ineffective, but utterly useless. I do not propose to go into the other point referred to by the hon. gentleman; as my hon. friend indicated, we can do it better in committee. There are many features of the Bill which are a very great improvement on the present law; there are also omissions which I think it would be

our duty as an integral part of the British empire to provide against.

Hon. Mr. LANDRY—Did the hon. gentleman mention, among those who are to compose the Militia Council, the name of the Minister of Agriculture ?

Hon. Mr. SCOTT—No.

Hon. Mr. LANDRY—That is a mistake.

Hon. Mr. DANDURAND—I suppose the hon. gentleman thinks the ministers are disqualified from sitting on such a council ?

Hon. Mr. LANDRY—No, but is he going to do justice to the agricultural class by putting him on the council ?

Hon. Mr. DANDURAND—There are hon. gentlemen in this House who seem to turn up their noses at farmers.

Hon. Mr. FERGUSON—My hon. friend need not champion the cause of the farmers in this House, because I am myself a farmer.

Hon. Mr. DANDURAND—But the hon. gentleman is a dyed in the wool Tory before he is a farmer.

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

The Senate adjourned until 3 p.m.

Second Sitting.

The SPEAKER took the Chair at Three o'clock.

Routine proceedings.

INLAND REVENUE ACT AMENDMENT BILL.

The House resolved itself into a Committee of the Whole on Bill (168) An Act to amend the Inland Revenue Act.

(In the Committee.)

On first clause,

Hon. Sir MACKENZIE BOWELL—Has the minister any further explanation to make on this ?

Hon. Mr. SCOTT—This is the result of the inquiry made by Judge MacTavish, and I notice that in his report he refers to legislation on very similar lines in the state of Massachusetts.

Hon. Sir MACKENZIE BOWELL—I called attention to that this morning.

Hon. Mr. SCOTT—The minister thinks it is in the interest of the great body of the people. They are becoming alarmed that this huge concern will, like its progenitor, develop into a trust and may be attended with serious consequences—that they may fix the prices for leaf and products, and it is for these reasons that the minister thought it wise that this action which he considered to be in restraint of trade should be at once checked, and that these parties should be placed on the same plane as all other manufacturers and not allowed to sell goods on the basis on which they have therefore been selling them. My hon. friend called attention to the fact that this Bill affects all industries under the Inland Revenue. That may be quite true, but I presume the minister's announcement, that it was only intended to apply to the manufacturers of cigars and cigarettes, will be sufficient to induce parliament to accept the Bill if they are in favour of it.

Hon. Sir MACKENZIE BOWELL—Whatever the House of Commons may do, I do not think the Senate will be prepared to accept a declaration from the minister as to the effect which the Bill may have on one particular industry, and his announcement of the fact that it is not intended to apply to any other. I take it for granted that if a case arising under this Bill were brought before a judge, he would not take the declaration of a minister on the floor of parliament as an interpretation of the Act itself.

Hon. Mr. DANDURAND—No such question can arise before a judge.

Hon. Sir MACKENZIE BOWELL—How does my hon. friend come to that conclusion?

Hon. Mr. DANDURAND—By the terms of the Bill.

Hon. Sir MACKENZIE BOWELL—The terms of the Bill are general, and apply to every industry in the Dominion that is carried on under a license. How then can my hon. friend say that a question of that kind could not arise before a judge ?

Hon. Mr. DANDURAND—Because it can only arise before the Minister of Inland Revenue.

Hon. Sir MACKENZIE BOWELL—That is the point I was coming to. Not only does this establish a principle which is wrong in itself, but it makes the Minister of Inland Revenue the absolute, judge, jury, and hangman in the case. Talk of the tyranny of the Turk, or of Russia! Could you place a law upon the statute-book giving more arbitrary power than this gives to a single minister? What is there to prevent the grossest frauds being perpetrated under this power given to the minister? Understand me, I am not accusing the present minister nor do I suppose for a moment he would do it, but it places the power in the hands of any gentleman who may be the Minister of Inland Revenue for the time being. Supposing he wants to exercise this power, every one living in Ontario knows how power is exercised by the inspectors of tavern licenses, and by those who recommend and grant licenses to sell liquor, particularly at election times. This power could be used precisely in the same way. I do not wish to be understood as advocating the liquor trade, but a brewer advances to a tavern-keeper a certain amount of stock conditional on his selling only the product of his brewery. That would come within the meaning of this law, because that is carried on under a license. Any one who has been in England and has observed this particular point, knows that there are districts in London where you will find on the signs 'Dealers exclusively' in a certain quality of beer, Bass', Allsops', or some other, and the conditions on which they obtain the beer from the brewers is that they will not deal in any other. This tobacco trust controls trade to the same extent precisely. This Bill unfortunately affects the liberty of the subject to this extent, as provided in subclause 2:

2. The decision of the Minister of Inland Revenue as to whether any sale or consignment of goods is, or is not, subject to any such conditions, or upon any such terms, as is or are defined in subsection 1 of this section, shall be final.

I repeat, it makes him the judge and jury in the case. The power here given may be used to influence a large number of men engaged in this particular business, and it may be exercised in the same manner as other powers, to which I have called attention, are exercised. Do not understand me to be advocating the interests of tobacco or liquor dealers; the position I take is against interference directly with trade and with the liberties of men who are engaged in trade. My hon. friend says this is a monopoly. Is it monopoly? Judge MacTavish in his report says it is not a monopoly within the meaning of the criminal law, and a judge who tried a case of this kind in the province of Quebec—I think it was in the city of Quebec—gave the same decision. Now, when I pointed that out to a gentleman who is advocating this Bill, how do you think I was met? He said: 'Oh, they were bribed, to give that decision.' I said I was not prepared to accept that explanation. I have a better opinion of the judge at Quebec who gave that decision. He gave it under the law as it stands on the statutes, and that is not a statement you should use in favour of a Bill of this kind.

Hon. Mr. DANDURAND—Nor one that should be repeated.

Hon. Sir MACKENZIE BOWELL—What does the hon. gentleman mean by that?

Hon. Mr. DANDURAND—It seems to me it is putting up a man of straw to knock it down easily.

Hon. Sir MACKENZIE BOWELL—No, he is one of the advocates of this Bill. I gave no credence to the statement; I mention it as a reason which was given to me why I should pay no attention to the decision of the judges, and I do not think I should be held responsible in the manner my hon. friend indicates, for repeating that which is being said by the advocates of this Bill, because I repudiated it to the man who mentioned it. I want to put a question in a way different from the manner in which it was put by the hon. gentleman from Victoria (Hon. Mr. Cloran); I should like to get an explanation from the hon. Secretary of State, if he can give it to me: Supposing I, a grocer in Ontario, should go to a manufacturer in Montreal, not the manufacturer come to me, and say to him: On what terms can I purchase a certain brand of tobacco which you manufacture, and which is very popular in the section where I live? Perhaps the first question he would ask is: 'What is the extent of your trade?' because

just in proportion to the extent of my trade would be the advantages he would give to me. I would state the extent of my trade is $50,000 a year, and his reply would be : 'If you will take my tobacco on the terms which I suggest, I will give it to you for ten or fifteen per cent less than I will sell it to another man who deals in all kinds of tobacco.' Would he, under such circumstances, come within the meaning of this law ? I think he would.

Hon. Mr. SCOTT—No, there must be an agreement to buy from nobody else.

Hon. Sir MACKENZIE BOWELL—Very well, say that I give that pledge; it would not be a written contract. I would say, 'If you give me a discount of ten per cent below the price you sell to others I shall sell only your goods.' That would not be a violation of this law, and yet my hon. friend says he wants to prevent the restriction of trade. That is what puzzles me. The law itself is a direct and positive restriction of trade. What was the object for the present government putting a duty on the raw leaf ? I know that was advocated for years, while I was in the government, and it was resisted for certain reasons then given, that they could deal better with the excise duties and it would be safer for the revenue than to put a duty on the raw leaf grown in Canada. Another reason was that it was always represented to the government and the Minister of Inland Revenue, that no tobacco fit to use either as chewing tobacco or for the manufacture of cigarettes or smoking tobacco could be made out of Canadian leaf. These were the reasons that induced the government not to take that step. The present government, however, took a different view of that question and carried out a principle, which, to my mind, ought to have been carried out years before. They placed a duty on the raw material. What has been the effect of that ? In 1897 the total amount of Canadian leaf, so far as the Inland Revenue reports show, was about 600,000 pounds manufactured during that year. The last year's output by the different factories, amounted to no less than 3,041,687 pounds. That is the result of a protective policy, and I commend my hon. friends for having adopted it. It furnished to the manufacturers of this country the product of the farmer to the extent of over 2,000,000 pounds, while under the free admission of foreign leaf tobacco there was only about 600,000 pounds of Canadian leaf manufactured in Canada. That has been the result through the introduction of United States capital in addition to Canadian capital in building large factories. I do not know the qualities of tobacco ; I never did or could use it, but if the taste can be acquired for the use of tobacco made from Canadian leaf, then we have just so much added to the industry of the farmer who raises the leaf, and we find employment to the extent of the output of the factories, that would not exist otherwise except in the manufacturing of tobacco from the foreign leaf. The protection given to the producers of tobacco in Canada was a good move, as the result has shown. It has been in force only a few years and the output of the factories has reached nearly four million pounds, instead of about half a million pounds before the duty was imposed. If the enforcement of this law, and throwing the manufacturing into the hands of a larger number will lead to the use of more of this kind of tobacco, so much the better for the farmers who produce it. But the quality of the article will have to be the ground on which it is sold and used. Now, as a matter of principle if it is right as applied to this particular industry, is it not right in all other branches of industry ? Let me give a practical illustration in the business that I have been connected with ever since I was a boy. Suppose a manufacturer of type-setting machines came to our town and wanted to sell me a couple of machines. I asked what the price was, and if he would give a certain reduction for cash. Having obtained his terms, I said 'I will give you the list price on condition you will not sell a machine to our opponents in this town.' Would that be wrong, I should like to know ? Was that man who sold the type-setting machines to be restricted in the sale of the article ? That is the principle underlying the bottom of this whole legislation, and it applies to every conceivable business in the country, though the present government have not the courage or the power to adopt and place on the statute-book a law similar to that on the

statutes of Massachusetts. If it is good for one branch of business it is good for the whole, but believing, as I do, that it is a direct infringement of the liberty of the subject and placing a power in the hands of the Minister of Inland Revenue that is not exercised by the Czar of Russia, I not only give utterance to my opinions on the subject but will record my vote against the adoption of any such principle in our legislation.

Hon. Mr. McMULLEN—I did not endeavour to follow my hon. friend's argument. I have been looking over the clauses of the Bill, particularly subsection (B), 'Notice of forfeiture'. It may possibly be reasonable to follow the man that violates this law if it is adopted, but I cannot see the reasonableness of following the owner of the property. The clause reads :

> From and after the insertion thereof the license shall be null and void ; and no license shall be granted to any other person for carrying on any business in the premises occupied by him until the Minister of Inland Revenue is satisfied that the dealings above referred to have ceased.

Hon. Mr. SCOTT—That is necessary.

Hon. Mr. McMULLEN—Supposing I was the owner of the property and I leased it to a man in the tobacco and cigar business. There are many places in connection with hotels where such a business is conducted. The lessee might enter into a covenant of this kind, and violate the law and he might lose the right to sell.

Hon. Mr. SCOTT—It only applies to the large manufacturer.

Hon. Mr. McMULLEN—It declares that the place in which he does business is deprived of a license until such time as the Minister of Inland Revenue is satisfied.

Hon. Mr. SCOTT—That is the manufacturer—only one person.

Hon. Mr McMULLEN—If it only applies to the manufacturer, and not to the seller, it is a different thing. I thought it applied to those who sell cigarettes.

Hon. Sir MACKENZIE BOWELL—It is a most arbitrary thing to put on the statutes

Hon. Mr. CLORAN—A great parliamentarian said once that there was no law ever passed that you could not drive a coach and four through. I believe there are very few of our laws that you cannot drive eight horses and a coach through. The object of this Bill is to crush a monopoly. That I am in favour of. I am opposed to trusts and monopolies, but in this Bill I find means taken to do away with an evil in social or commercial life. I am afraid that the provisions in this Bill go to justify the maxim which is not admitted either in theological, social or commercial life, that the end justifies the means. The end of this Bill is exceedingly good and proper and one that should be attained by correct means, but if the means taken to attain the object are not within the limits of individual or public right, then it is a proper position to take to discuss the merits of the means. For instance, to do away with a monopoly this Bill proposes that a license of a man carrying on a monopoly shall be set aside and cancelled if he does a certain thing. That certain thing is this, if he :

> (a.) makes a sale of any such goods, or consigns them for sale upon commission, to another person, subject to the conditions that the purchaser or the consignee shall sell or deal in goods of a kind produced by, or obtained or to be obtained from, any other manufacturer or dealer ; or
>
> (b.) makes a sale of any such goods, or consigns them for sale upon commission, to another person, upon such terms as would, in their application, give more profit to the purchaser or the consignee if he should not sell or deal in goods of a like kind produced by, or obtained or to be obtained from, any other manufacturer or dealer.

I believe it is within the right of parliament to say so, but this clause does not cover the action of a man who would be as guilty as the manufacturer himself. For instance, the retailer, as has been pointed out by the hon. member from Belleville, might go to a manufacturer and ask him to sell him goods and say : 'Now, what advantage will you give me if I will sell only your goods ?' This law does not govern that transaction. Consequently, you leave a loophole whereby the object of the Bill is defeated. This Bill strikes at a manufacturer who makes a contract. If you want to have the Bill effective, it should strike at the retailer and every man who wants to make a monopoly contract with the company that this Bill prevents the company from making. So the Bill is not complete. Another way to get rid of the penalty under this law is this : A manufacturer produces to the extent of.

say, one million dollars. Under this law he cannot sell to wholesalers or retailers under an exclusive contract. What has the manufacturer to do to set aside this law? All he has to do is to call in John Brown & Company and sell the entire product to them, without any conditions or contract. John Brown & Company pay one million dollars for the output and put the product on the market under contracts which this Bill is designed to guard against. The law will not govern John Brown & Company's action and there will be no penalty, because John Brown & Company are not manufacturers. That is why I say this law, although designed to accomplish a good object, will not attain that end. The manufacturer makes no contracts, but any retailer may go to the American Tobacco Company and offer to sell their goods exclusively. Now, why should not the law strike at that retailer as well as at the manufacturer? Why waste time putting on the statutes of this country a law which will be ineffective, however good the object it wishes to attain? I am not here to suggest the means which should be taken by the government or the department, but I point out the very weak spots in this Bill. Having had something to do with the administration of justice in this country, I say it is not right to put on the statutes laws which are not clear as to their meaning, and which will prevent judges on the bench from exercising their discretion in the administration of the law. Judges find it a great hardship to be obliged to interpret the meaning of Acts of parliament. I know I have often been asked, why not make your laws clear, so that there will be no responsibility resting on our shoulders when we have to interpret them? In the last clause the minister is given an extraordinary power, a power that I should not like to exercise, a power which can be exercised in the courts of our country only through three channels—the prosecuting counsel, the jury and the judge. Under this Bill enormous interests are left to the discretion of one man. It is a tremendous power to put in the hands of any one, that he shall be the prosecuting attorney, the jury and the judge. I quite agree with the hon. member for Belleville that it is a dangerous power to place in the hands of any man, however able and conscientious he may be. I am not going to say that the present Minister of Inland Revenue would not discharge his duties faithfully and conscientiously, but parliament ought to be very guarded in giving such power to any one individual, especially when it is a question of administering public affairs. We never can tell when a time may arrive when a spirit of vengeance, or party welfare, or other influences, may cause the administration of the department to be turned against the ends of justice. I am prepared to accept the Bill as a half-way measure towards destroying this evil in commercial life, which, in the end, attacks the social welfare of the people, but I would ask the leader of the House, in dealing with measures of this kind, that when they propose to attain a useful object, they should at the same time adopt fair means to accomplish their end.

Hon. Mr. MACDONALD (B.C.)—I want to call attention to a point which seems to have been omitted. An importer of tobacco may make contracts with any one and promise discounts on the conditions which have been mentioned, and this Bill would not touch him. You touch the manufacturer but not the importer.

Hon. Mr. POWER—In dealing with measures affecting the revenue, we must give a certain amount of credit to the representations made by the minister in charge of the department, who is in a better position to know where the shoe pinches than an outside observer. There is no question there are a great many provisions in our revenue laws which seem tyrannical. The Customs Act contains provisions which seem utterly repugnant to one's ideas of justice and fair-play. The leader of the opposition presided over that department for a good many years, and he is quite aware that what I say is true. The hon. gentleman was not anxious to be a tyrant, and he was not a tyrant, but it was absolutely necessary, in order to be in a position to deal with the various schemes which suggest themselves to people in trade to evade the revenue law, to have the law strict and apparently unreasonable. This Bill affects simply the manufacturer. The hon. gentleman from Victoria (Hon. Mr. Cloran) thought it should affect the dealer also. He wanted to know why it was limited to the manufacturer. There are two reasons why, one that the manufacturer is

the only person who comes under the control of the Department of Inland Revenue. That department has nothing to do with the dealers outside.

Hon. Mr. MACDONALD (B.C.)—How about the importer ?

Hon. Mr. POWER—The importer does not come under the control of the Inland Revenue Department. The reason why the dealer is in a different position is this : If the manufacturer refuses to sell to the dealer the dealer cannot go elsewhere ; he cannot get the same article from another party. Where agreements have been entered into with certain persons to sell the products manufactured, then the dealer who does not accept the terms of the manufacturer, has no opportunity to purchase elsewhere. Then the hon. gentleman suggested that this measure might be defeated by a firm named John Brown & Company buying out the whole stock of the manufacturer. The case which has given rise to this particular legislation is the case of a company called the Empire Tobacco Company. I should like to know how many John Browns there are in Canada who could buy out the Empire Tobacco Company ?

Hon. Mr. EDWARDS—They could buy themselves out.

Hon. Mr. POWER—The law could not apply to the case where a dealer met a manufacturer and asked as a favour that he should do something. It must be a case where the manufacturer makes that a condition. If the man comes voluntarily and says, 'I wish to sell your tobacco, and I do not propose to sell any other tobacco but yours,' there is nothing in this Bill to prevent the manufacturer letting him have goods on special terms, but the manufacturer must not make it a condition with the dealer that he shall not sell the goods of any other manufacturer. It seems to me that is a reasonable proposition. I believe in liberty as far as it is consistent with the general good, but it is evidently a very objectionable condition of things that dealers in various articles are tied up to sell the products of certain manufacturers only. The hon. gentleman who leads the opposition referred to the case of brewers in England. I think it is recognized in England that these 'tied houses,' as they are called, constitute a very objectionable feature in connection with the sale of beer in England.

Hon. Sir MACKENZIE BOWELL—The same thing exists in Canada, only it does not appear on the signs.

Hon. Mr. POWER—It is an unfortunate condition of things. I take it for granted that this Bill is to apply only to the tobacco manufacturers, but I think it is based on a sound principle. It is in the interest of freedom of trade and contract, apart from the first contract with the manufacturer, and if it applies to other things as well as tobacco so much the better.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman attempts to illustrate his argument by reference to the Customs Act. He will find there is no such power vested in the Minister of Customs.

Hon. Mr. POWER—I said some of the customs laws were tyrannical.

Hon. Sir MACKENZIE BOWELL—I stated, when I spoke before, that I did not wish to be understood as insinuating anything against the hon. gentleman who is at present Minister of Inland Revenue, but I said this was not a sound principle, and I repeat there is no such power vested in the Minister of Customs. There are clauses in the Customs Act which, to the uninitiated, appear very tyrannical, and in opposition to what would be considered the liberty of the subject. But when you come to consider the reasons for placing these apparently tyrannical sections in the Customs Act, it is exclusively to protect the revenue and not to interfere with any individual. For instance there is a clause which is considered extraordinary; the person who is accused has to prove, in the case of violations of the Customs Act, that he is innocent. That is not applied in any British country to any other business or any other proceedings in connection with trade; but the reason for that is, unless that clause were in the law, it would be impossible to reach the frauds which are being committed by the smuggler, for the reason that his books and his invoices are the only evidence which would prove the violation of the law. I merely give that as an explanation to show that so far as I understand the two positions they are not at all analogous.

In this particular I take a different view altogether from the Speaker. He says he thinks he is right for certain reasons: I think it is a direct interference with trade and commerce in its broadest and in its narrowest sense.

Hon. Mr. DANDURAND—The leader of the opposition says that he does not find in the report of Judge MacTavish that the American Tobacco Company and the Empire Tobacco Company—and they are one and the same company—had in Canada a couple of years ago a monopoly of the tobacco trade. That is obvious. But the question which should have been discussed, perhaps at greater length, by the hon. gentleman from Belleville is whether, from the report of Judge MacTavish, there is not a strong presumption that that monopoly is about to be formed.

If the methods adopted by this United States trust are such as to bring about a monopoly into its own hands of the tobacco trade of the country, then should we not be a unit in favour of enacting laws to prevent that object from being attained. The parties who are in the trade are meeting the competition of the United States trust. One firm they have already injured so considerably, that they have been crowded out fatally by the methods followed by the trust, and if that is not prevented by this Bill the Canadian companies will be crowded out the market altogether. The plan is a very clever one. The tobacco trade is carried from the manufacturer to the retailer through the wholeseale grocers of Canada. The wholesale grocers of Canada have an army of commercial travellers who cover the country from the Atlantic to the Pacific. In taking orders for a multitude of things they take orders for tobacco of various kinds. The United States trust did not create a demand from its inception for certain brands of tobacco or cigarettes or plug tobacco of their own manufacture. They came in with immense wealth behind them and bought the manufacturers which made the best brands and had the best reputation on the market. They did not weight themselves with a load to carry from the bottom of the mountain up. They took the brands that were already on top and stimulated the demand considerably by an immense expenditure of money in advertising—spent hundreds of thousands of dollars not only towards creating but stimulating the demand for various brands. When they had done that through a considerable expenditure of money, they then applied the methods complained of. Now, what are the methods, and what is the effect of them? It is to offer to the wholesale grocer a certain advantage if he will deal exclusively in those brands. The wholesale grocer has already such a demand for those brands, that he must carry them, but the owner of those brands, the United States Tobacco trust, will only give him those brands on terms that will pay him to sell them provided he signs an exclusive contract. If he does not sign the contract, he is given only two per cent discount, and it has been established in evidence that two per cent is not worth thinking of in the carrying on of that trade. So that the wholesale dealer is face to face with this difficulty: either secure the handling of those brands which are in great demand, or fall back upon the brands of the independent manufacturers for which there is less demand and lose profitable customers not only in the tobacco trade but for other articles, who will go to the wholesaler who can sell them what they require. In this way the wholesalers have been compelled to sign exclusive contracts; and what was the result? When the wholesale grocery trade of Canada has closed its doors to all other manufacturers, and has agreed to handle exclusively the goods of the United States trust, where are the other manufacturers? The other manufacturers you may say could send out an army of commercial travellers and sell their goods throughout the land and save the profit of the middleman. But it is no small expense to cover the provinces with commercial travellers for just one line of goods, and it is admitted that it is an immense burden upon them. They have, besides, to reach the retailer directly. They must open thousands of accounts. They have the whole difficulty of collecting those accounts. They have the losses which they sustain by selling to small dealers throughout the land. When they sell to a few wholesale grocers of good repute they know with whom they are dealing, and stand very little risk indeed. With that system of closing the re-

gular channels of trade which carry those goods from the tobacco manufacturer to the retailer through the wholesale grocer and the monopolizing of those channels by one company alone the result is fatal. It has already been felt, according to the allegation of all the other manufacturers, and what will be the result? To my mind it is inevitable that the company that monopolizes those avenues of trade through the wholesale grocers is bound to monopolize the trade of Canada. This measure has for its object the prevention of such a condition. The day when this monopoly is established, the tobacco grower will be at its mercy; the trust will pay the price it pleases. The hon. leader of the opposition has congratulated the government. It is not very often that he is in that mood.

Hon. Sir MACKENZIE BOWELL—Always when they are right.

Hon. Mr. DANDURAND—He has congratulated the government on their protective policy in encouraging the growing of Canadian leaf tobacco, but there is in that congratulation a sting or a taunt. He thinks the Liberal party is going back on its policy. It is useless for me to dilate upon the fact that there is no free trader in Canada except the hon. gentleman from Russell (Hon. Mr. Edwards).

Hon. Sir MACKENZIE BOWELL—I did not allude to you, because I know you were always an honest protectionist.

Hon. Mr. DANDURAND—If the hon. gentleman will look at the expression of policy of the Liberal party he will see that we have always been for a revenue tariff in this country.

Hon. Sir MACKENZIE BOWELL—The leaders of the party have been on each side of every conceivable question that is contained in the books.

Hon. Mr. DANDURAND—The hon. gentleman is speaking of the Liberal party.

Hon. Sir MACKENZIE BOWELL—I am speaking of the leaders of the party.

Hon. Mr. DANDURAND—I say there are here no absolute free traders, as there are in England, people who will accept direct taxation as a result of free trade. There are few instances, but even if we go back to the book by which these absolute free traders go, if we go to the theorists, to all the writers who have thought and expressed their views upon free trade, we have them all admitting that in a new country, for the purpose of developing a new industry, protection is not bad but is tolerable. We are in that condition towards tobacco. Here is a Canadian industry which needs to be protected and needs to be developed under very difficult circumstances owing to the competition of a foreign country alongside of us, which has secured a long and admitted lead, and I think to even the free-trader, even the hon. gentleman from Rockland would admit that this is a case where the government did right to intervene without violating its own principles. The hon. gentleman from Victoria spoke of the retailer not being covered by this Bill. The retailer as well as the wholesaler comes under the exclusive contract system, and the retailer has had to accept, in very many cases, the law that was imposed upon him, and will I know in some cases be gladly freed from these contracts which were imposed upon him. So that when the government deals with the party who holds the license, the government deals with the proper party. The hon. gentleman from Victoria has spoken of the chance that would be given to the licensee to turn over the whole output of his factory to a go-between, who would thus be able to escape from the prohibitions of the law. I am not very much afraid of such a subterfuge being resorted to, without the government's arm being long enough to reach it. I will add but one word as to the extraordinary power contained in this Bill—called so by the hon. gentleman from Victoria, and criticised by the hon. leader of the opposition as well. The hon. leader of the opposition was in parliament in 1886, possibly a Minister of the Crown himself.

Hon. Sir MACKENZIE BOWELL—Yes.

Hon. Mr. DANDURAND—And he must have shared the responsibility of his colleagues in putting upon the statute-books the revision of the Inland Revenue law as we find it there. Yes, if the hon. gentleman has a good memory—if not, he can refresh it by looking at the law—he will find the same power given

to the Minister of Inland Revenue in a still more stringent form. The Minister of Inland Revenue is given, in virtue of the law, which came out of the joint brain of the hon. leader of the opposition and his colleagues at the time, the sole judgment and right to give a license to a party or withhold a license from him. A man, in order to obtain a license, must make application under the terms of the law, must state where he will do his business, give diagrams of his manufacture, &c., and yet when he has done that, and even when he has shown that he is of good repute, that he has the capital he requires to carry on the business, the Minister of Inland Revenue can withhold his license from him, and he can do more than that. How long is that license for ? It is for twelve months, and when that licensee comes back after the twelve months have expired to get a renewal of his license, the minister can refuse to grant it, without giving a reason. I think that this law is far less stringent than the one the hon. gentleman put on the statute-books, because the Minister of Inland Revenue can only act within the four corners of the Bill which is now being discussed, and he must keep within the spirit and within the letter of that law, and render his judgment. The hon. gentleman from Victoria says he renders his judgment without the safeguards that are given the citizens of this country. The citizens of this country are not surrounded with the same safeguards as are found in this Bill. It was said that the judge who renders a judgment generally has a prosecutor before him that hears the defence. The judge before whom the citizens of this country appear for judgment, is clothed by this parliament with very considerable powers, and is given absolute responsibility. He is responsible only to his conscience, while in this case the judge who will with a due sense of responsibility render that decision and cancel that license will have to answer before one superior tribunal for his Act ; he will be responsible before the parliament of Canada, and it is upon his responsibility as a member of the government of Canada, forcing all his colleagues to share in that responsibility, that he will render a decision which will surely be criticised and passed upon by the parliament of Canada at the following session.

Hon. Sir MACKENZIE BOWELL—With reference to a proper investigation into the Inland Revenue to which the hon. gentleman has referred, it is just as susceptible of a satisfactory explanation as that which I gave to the hon. Speaker in reference to the other question. I have not the time to discuss it now, unless the hon. Secretary of State desires it. I know he wants to occupy as little time as he can with this measure.

Hon. Mr. SCOTT—I will take the hon. gentleman's word for it.

The clause was adopted.

Hon. Mr. YOUNG, from the committee, reported the Bill without amendment.

The Bill was then read the third time and passed.

POST OFFICE ACT AMENDMENT BILL.

THIRD READING.

The House resumed in Committee of the Whole, consideration of Bill (No. 153) An Act to amend the Post Office Act.

(In the Committee.)

Hon. Mr. SCOTT—At the time the committee rose, we were considering section 6, which reads as follows :

Notwithstanding anything in section 6 of chapter 28 of the statutes of 1902, as amended by section 3, chapter 49, of the statutes of 1903, the election provided for by the said section 6 of chapter 28, may be exercised at any time within three months after the passing of this Act.

That has reference to the letter-carriers. They were allowed an option whether they would continue on under the superannuation plan—those who had been paying superannuation, or whether they would come in under the more recent Civil Service Act, which only entitles them to a fixed sum, when their time expired, and they have asked for three months longer in which to decide the matter. The explanation I have received from the Post Office Department reads as follows :

Under the Act of 1902 it was made optional with letter-carriers to come under the new scheme contained in that Act, or to remain under the old law. The time in which to exercise the option expired within three months after the passage of the Bill, and some of the

letter-carriers, when it was too late to exercise that option requested to be allowed to come under the operation of the new law, and last year parliament passed an Act extending the time. That time has now expired, and now a considerable number of letter-carriers have again stated their desire to avail themselves of the provisions of the Act of 1902.

Not having made their choice, this section gives them three months further time in which to exercise the option. The memorandum further states:

It is purely a matter of choice with the letter-carriers as to whether or not they come under this Act or remain under the old law. The difference in principle is that under the old law, a letter-carrier was paid an annual maximum salary of six hundred dollars. Under the new Act he is paid at the maximum, $2.25 a day, and is also eligible for an annual bonus of $20. Thus he may, under this law, earn in the 315 working days, say $705, which with the $20 bonus makes $725. More than half are in under the new Act, and many more wish to be also transferred to it.

Hon. Mr. FERGUSON—I informed the House when we were in committee before that I had found a satisfactory explanation of this clause myself, but my hon. friend was not then able to give one, and he has done quite right now in furnishing the House with the information. There is no objection, as I informed the House then, to merely extending the time within which the letter-carriers could exercise this option. I might point out to my hon. friend that we have been proceeding up to this time in what was felt to be not a very satisfactory manner, because explanations which we were seeking were not given to us. My hon. friend no doubt has these explanations now with regard to the first section. I have been looking at it still further, and I confess I cannot very well understand what the state of the law has been during the last two or three years, or how it will be now that we repeal section 12.

Hon. Mr. SCOTT—I will read what the department have sent me. It is as follows:

This section abolishes the office of chief inspector for the Dominion. No chief inspector has been appointed since the death of Mr. Sweetnam, and it is proposed to abolish the office.

They make another name for the office and call him the Chief Post Office Superintendent. In regard to subclauses 2 and 3, the department state:

At the present time besides chief inspectors and post office inspectors, we have assistant post office inspectors who frequently conduct examinations and inquiries, as does the chief city superintendent. It is proposed by the change in this section to give to the assistant post office inspectors and to the chief city superintendent the same powers that have hitherto been held by the inspectors, viz., to hold inquiries and to examine persons on oath or affirmation.

The explanation given by the deputy minister is that the business was so largely increased that they required additional inspectors vested with power to make the investigation.

Hon. Mr. FERGUSON—I scarcely think that explanation is complete. We are now repealing section 12, and section 12 defined the duties of the chief inspector, and gave power to make certain inquiries. I do not find the duties assigned to the chief inspector by section 12 now proposed to be repealed, have been enacted as belonging to the chief superintendent, and, in my judgment, if we repeal section 12 we will have the chief superintendent without the power to do what the chief inspector has been doing. If we read section 12 we will find that it gives power to the chief inspector with regard to instituting inquiries, and controlling assistant inspectors in every part of Canada; and then we turn to the amendment of the year 1902, and in section 9 it provides that the chief post office superintendent may be appointed at a salary not exceeding $3,000 a year, whose duty it may be to inspect the city post offices, to examine into their management and efficiency, and to advise and instruct the various staffs, with a view to promoting the efficiency of the service. If my hon. friend will compare clause 9 of the Post Office Act, of 1902, with section 12 that we are repealing, he will find that there are powers in this clause we are repealing, that are not contained in this section of 1902, and I think what we will have is a chief superintendent clothed with very limited powers indeed, and it seems to me that since the death of the chief inspector, we have not had any officer, but a superintendent under section 9 of the Post Office Amendment Act of 1902, and that officer has not been in a position to perform his

duties efficiently, or to perform some duties at all, inasmuch as there being no chief inspector, there was no person to set in motion these inquiries that are provided for in section 12.

Hon. Mr. SCOTT—I submitted that to the deputy minister, and he said there was ample power under the Post Office Act, and they never had it questioned.

Hon. Mr. FERGUSON—My hon. friend is an expert in interpreting statutes, and if there is that power he will be able to show us where it is to be found. I confess I cannot see it. If hon. gentlemen will look into it carefully they will find that since the death of the chief inspector there has been no officer in the department who could legally have made an application to a court for the carrying out of an inquiry. In fact, I do not think, since he ceased to appoint anyone as chief inspector, that any one was legally empowered to institute such an inquiry, and no provision was made under the old Post Office Act as it is found in the Revise Statutes for any one to make application to the court for a subpœna or to compel the attendance of witnesses, except the chief inspector. We are now proposing that the chief superintendent shall be able to apply to a judge, and that is right; but since the death of the chief inspector, the gentleman who has been drawing the salary of chief superintendent has not been able to perform the duties of chief inspector with regard to summoning witnesses or conducting an inquiry, and if we now repeal section 12, I doubt very much if power will remain in the superintendent to do those things that the chief inspector had power to do under that section.

Hon. Mr. SCOTT—That is not the opinion of the department. Mr. Ross has been actually carrying on the duties and performing the services, and it has not been challenged by anybody. I presume the Act has been carefully looked after by the Department of Justice. My hon. friend shakes his head.

Hon. Mr. FERGUSON—The Postmaster General may be an adept at issuing proclamations of a certain character in the manner of a potentate, but he has not been carefully discharging the duties of his department. It is evident from the amendments now proposed to be made that he allowed the Post Office Act to get into a crippled condition by certain amendments which he made in the law, and that it has been dragging along in that crippled condition for the last two or three years. Under the Act of 1902, he created the office of chief superintendent. He left in the statutes the clause which assigned duties to the chief inspector, but similar duties were not assigned to the chief superintendent. The chief superintendent has been drawing his salary and performing some work for the department, but he is not empowered, and will not now be empowered, to perform the duties which devolved on the chief post office inspector up to the time of his death. It is clear that during the last two or three years there has been nobody in the department with power to make an application to the Exchequer Court of Canada or to any judge, as provided in section 15, with regard to these inquiries which were specially the duty and within the power of the chief inspector to institute. That is the position in which things have been, and in which they will remain unless some power is given to the chief superintendent to perform the functions which belonged to the chief post office inspector under the law as it has stood up to the present time. Now I will read section 9, of the Act of 1902, and my hon. friend will very soon discover that my view is right:

> A chief post office superintendent may be appointed at a salary not exceeding $3,000 per year, whose duties may be from time to time to inspect the city post offices and such other post offices as the Postmaster General may indicate, to examine into their management and efficiency and advise and instruct the various clerks, with a view to promoting the efficiency of the service.

These are the duties that were assigned by parliament to the chief post office inspector under the law as it stands in the Revised Statutes. It provides that the Governor in Council may from time to time appoint one or more persons to be chief inspector of the Post Office Department, with authority over all, or over as many post office inspectors, and assistant post office inspectors and their respective districts, as the Governor in Council designated, and with such other duties connected with the Post Office Department as are assigned to

him or them by the Postmaster General, and with power in any part of Canada to inquire into and investigate complaints or suspected cases of misconduct or mismanagement on the part of any person employed in the post office, or perform duties in, or in connection with, any post office in Canada, &c. These are the powers, and then the procedure in carrying out an investigation instituted by the chief post office inspector under that clause is given to him in section 15. Now, my point is that the chief superintendent, appointed under the Act of 1902, has not the power to institute these inquiries which the chief post office inspector has the power to institute under section 12, which we are now repealing, and that he had not the power up to the present time of making this application to court; that there was no person who had the power under the law to make these applications to court with regard to inquiries instituted under section 12. The chief superintendent, who was appointed under the Act of 1902, had no more power to make this application than the man on the street, because it was enacted that the chief inspector should do it, and no other man, so far as I can see, can perform the duty that the chief inspector was specifically empowered to perform. There is the last paragraph of section 15, which might seem to help out a different interpretation, but I think, when you read it closely, you will find that it does not do so, and it is now proposed to repeal that.

Hon. Mr. SCOTT—No.

Hon. Mr. FERGUSON—Yes; in fact, we agreed to that. My hon. friend will find it in section 2 of the Bill:

> By striking out of the first line thereof the words 'Any chief inspector,' and inserting in lieu thereof the words 'The chief post office superintendent and every post office inspector and assistant post office inspector'; by striking out of the eighth line thereof the words 'chief inspector,' and inserting in lieu thereof the words 'chief post office superintendent, inspector, or assistant inspector, as the case may be'.

The assistant post office inspector would have power to take similar proceedings as the chief inspector is empowered to take under section 15 with regard to any inquiry that it was his duty to make, but it does not appear from the Post Office Act that it was his duty to make these important inquiries which are set forth in section 12. It was the duty of the chief inspector to make them. Anyway, it is not worth while considering that, because we are now proposing to strike out this paragraph of section 15 altogether, and therefore it will not be helpful hereafter at all events in working out the law. I hope I have made myself sufficiently plain. There can hardly be any doubt about it unless there is some other clause which I have overlooked, and to which I can find no reference made in the various amendments to the Post Office Act since 1897. Unless something has been done which I cannot see, that is the position in which things have stood and will stand that since the death of the chief post office inspector, the department has been in a crippled condition because there was no person to make these particular inquiries required under section 12 and no person to bring matters before the court as provided in section 15, and when we have repealed section 12 we will leave the department still in a crippled condition, inasmuch as the chief superintendent will not have power to institute these inquiries that are provided for in section 12, although he will from this time forward have power to make application to a court which only the chief inspector could make up to the passing of this amendment.

Hon. Mr. SCOTT—But the powers to be given now under section 15 extend not only to the chief superintendent, but to every post office inspector and assistant post office inspector. The section will read:

> The chief post office superintendent and every post office inspector and assistant post office inspector for the purpose of any inquiry or investigation may apply in term or vacation to any judge of the Exchequer Court, &c.

It gives the power to all those persons.

Hon. Mr. FERGUSON—I say this Bill is going to make that right as far as the procedure of applying to the court in the future is concerned; but the department has been in a crippled position ever since the death of the chief inspector. That only covers part of my point; the important point is when we are repealing section 12 are not we leaving the power with any person in the department which the chief inspector had under section 12?

Hon. Mr. SCOTT—Yes.

Hon. Mr. FERGUSON—Where is it?

Hon. Mr. SCOTT—I am not going to look it up, certainly. When those Bills go to the Department of Justice, I do not feel called upon to look them up.

Hon. Sir MACKENZIE BOWELL—Has the Department of Justice reported on this Bill ?

Hon. Mr. SCOTT—I presume so. I am quite sure the Post Office Department will not be caught in the dilemma my hon. friend represents.

Hon. Sir MACKENZIE BOWELL—I am not sure about that. They may be innocently caught. I call my hon. friend's attention to the fact that the late Minister of Justice, when occupying the position that he now occupies, said that these Bills had been brought in without reference to him. The point raised by the hon. gentleman from Marshfield is very important, and the third reading might be delayed until the hon. gentleman can ascertain where the power and authority is, if there is any doubt about it.

Hon. Mr. POWER—I cannot see how there is any doubt as to the effect of this Bill when it becomes law. Because the second clause says :

2. Section 15 of said Act is amended by striking out of the first line thereof the words 'any chief inspector,' and inserting in lieu thereof the words 'the chief post office superintendent and every post office inspector and assistant post office inspector.'

Then when you get down to the eighth line of the section you find the chief inspector again struck out and these other words substituted.

Hon. Mr. SCOTT—Any number of those officials are substituted for the chief inspector. The reason given was they required a very considerable number, the investigations having increased very largely, and it was quite impossible to deal with them unless they had a number of officials vested with power to make the investigations from time to time.

Hon. Mr. FERGUSON—My hon. friend the Speaker, omits just one point, and that is with regard to procedure. This amendment makes the procedure all right in the future, but where is the power to institute these inquiries ? Certainly section 9 of the Act of 1902, does not give that power. It gives general power with regard to oversight over things and all that, but inquiries such as are provided for in section 12 of the old Act, I do not find vested in the chief superintendent at all. While my hon. friend the Speaker is quite right in pointing out that the procedure now is made clear, the point I am at a loss to understand is, who in the department now has the power to institute these inquiries which will require applying for subpœnas and all that procedure mentioned in section 15 ?

Hon. Mr. SCOTT—Those persons holding the offices we have named.

Hon. Mr. FERGUSON—They have power to issue subpœnas ?

Hon. Mr. SCOTT—They have power to carry on an investigation before a court.

Hon. Mr. FERGUSON—I do not see that.

Hon. Mr. POWER—If the department have not made it right, they will suffer.

Hon. Mr. FERGUSON—That is just the point I want to be enlightened on. If my hon. friend can show me that power is vested, under any law passed since 1897, or since that time, in the chief superintendent or any other officer, I am then enlightened and my objection will be removed.

Hon. Mr. SCOTT—I will ask the deputy minister to be here at the next stage.

Hon. Sir MACKENZIE BOWELL—Clause 12 gives certain powers to the inspector. You have repealed that clause, and then you substitute for the chief inspector a chief superintendent, but you give him no powers.

Hon. Mr. SCOTT—I think section 15 covers it. I do not profess to have made a very deep study of it, but it does seem to me that section 15 covers it.

Hon. Mr. FERGUSON—It is very important we should know this. I have compared as far as possible, all the amendments throughout, and I cannot see that the power in section 12 that we are now proposing to repeal has been vested in this chief superintendent. If that were done all would be right ; if it is not done, the department will be powerless in cases that may arise in connection with the post office, and nothing could be more important. Criminal prosecutions, or what will lead to criminal prosecutions, may require to be instituted with regard to steal-

ing letters, defalcations or anything of that kind, and it is necessary that some person in the department should have power to start inquiries to lead up to that. It is all very well to provide procedure once the inquiry has been instituted, but it appears to me if it was necessary under the old Act to clothe the chief inspector with power to start and conduct these inquiries, it is equally necessary to vest such powers in the chief superintendent.

The clause was adopted.

On clause 7,

Hon. Mr. SCOTT—The explanation about this is that section 6, chapter 20 of the statutes of 1898, which is being amended by section 7 of this Bill by inserting the words 'stampers' and 'sorters,' exempted clerks employed in the city post offices, from passing the promotion examination provided for by section 39 of the Civil Service Act, stating that they shall be examined only on the work of the post office at such times and by such persons as are from time to time designated by the Postmaster General. The amendment to this section is intended to include also 'stampers' and 'sorters' under the provisions of this section of the law.

Hon. Mr. FERGUSON—That is what it is proposed to do, but it is made retroactive. The only inference which can be drawn from this section is that the Postmaster General has been away back since 1898, at at all events since 1902, dealing with these stampers and sorters under the Post Office Act, while they were really under the provisions of the Civil Service Act, and that he has been dealing with them contrary to law. Now he finds it necessary to amend the Act and give it a retroactive effect, so that the actions of the minister during these years shall be made legal and effective, just the same as if they were made according to law. I have looked over it, and that is precisely what I find is being done. Perhaps it is all right to have it done, but it does not indicate that this great Postmaster General of ours has been conducting the affairs of the department with that care and accuracy with which many people credit him.

Hon. Sir MACKENZIE BOWELL—It simply means that he exercised powers he had no right to exercise, and I presume this is one of the cases where the Auditor General has stepped in to prevent the payment of salaries that ought not to have been incurred under the law.

Hon. Mr. SCOTT—If so, I never heard of it.

Hon. Mr. FERGUSON—It is just another instance of where a proclamation from the same source has not the effect of law.

Hon. Mr. POWER—I do not see what Sir William Mulock has to do with the merits of the clause before the committee. The question is whether this clause should pass. I am not saying whether the Act of 1898 was wise or not, but that Act exempted those clerks from civil service examinations, and if the clerks are exempt, the stampers and sorters ought to be also.

Hon. Mr. FERGUSON—It is perfectly equitable, but the Postmaster General should have been guided by the law. He has no right to set himself above the law and do things that the law did not warrant him in doing, and although it may be perfectly right now to make the illegal conduct of the Postmaster General good and valid, it does not say that the Postmaster General was not reprehensible.

Hon. Sir MACKENZIE BOWELL—There are many questions asked at the civil service examinations which are undoubtedly irrelevant to the duties which the person has to perform. Confining the examination to the duties which the person has to perform, whether a sorter or a stamper in the post office, is quite right. Suppose he fails in that examination, and has been in the employ of the department for a long time, is it to be understood that he is to be dismissed and that only those who pass the examination are to be retained?

Hon Mr. SCOTT—I am quite unable to answer that, but I do not think he should be dismissed, from my point of view.

The clause was adopted.

On the eleventh clause,

Hon. Mr. SCOTT—At present the salaries are determined by sec. 'B' of the schedule contained in the Civil Service Act, but this is only intended to apply to city offices,

on what is commonly known as civil service basis. There are now growing up a good many places called cities, which are not on city basis. Therefore it is left to the Governor in Council to determine whether such offices shall or shall not be on city basis. If so section 'B' applies. This makes no change in the actual condition of affairs to-day.

Hon. Mr. FERGUSON—That certainly is a very smooth explanation, but it does not reach the vital point in this amendment. This is a very sweeping change indeed. Gradually, since the present Postmaster General assumed office he has been taking to himself, by the amendments we have passed from time to time, more and more power with regard to the employees of that department. The power to deal with the post office employees has been gradually taken away from the Civil Service Act and put into the provisions of the Postal Act, bringing them under the control or power of the Postmaster General and taking them away from their former position in the Civil Service Act. Now this amendment provides :

11. The provisions of section 25 of the Civil Service Act (including schedule B therein referred to) regarding officers, clerks and employees, shall only apply to the officers, clerks and employees appointed by the Governor in Council to positions in post offices in such cities as are from time to time determined by the Governor in Council to be within the meaning of the said section and schedule. In all other cases the salaries and allowances of postmasters shall be determined in accordance with the provisions of section 33 of The Post Office Act.

It will be in the power of the Governor in Council at any time to declare that certain cities are within the meaning of schedule 'B' of the Civil Service Act. Any officials in the cities that are so declared, will come under the Civil Service Act, but where there is no Order in Council to that effect, existing or made, all the rest will pass under the Postal Act within the power of the Postmaster General. It is simply taking all the officers of the department out of the control of the Civil Service Act and bringing them under the Postal law, excepting where a special order is made by the Governor in Council to the contrary.

Hon. Sir MACKENZIE BOWELL—Does this give power to the Postmaster General to recommend to his colleagues to have an Order in Council passed removing any city——

Hon. Mr. FERGUSON—All will come under the power of the Post Office Department, unless there is an Order in Council passed to say they shall not.

Hon. Sir MACKENZIE BOWELL—That is what I intended to say. The present Civil Service Act regulates the salaries of post office inspectors, mail clerks, &c. Will this clause have the effect pointed out by the hon. gentleman from Marshfield? If it is to have that effect, you had better at once accept the suggestion I made a few days ago, and repeal the Civil Service Act, because it has been violated in almost every department. Would the hon. Secretary of State make a note of this fact, together with the other point raised by my hon. friend, and on the third reading of the Bill let us know really what they mean by this clause?

Hon. Mr. SCOTT—I think the hon. gentleman from Marshfield has properly explained it. I myself have long been of opinion that the Civil Service Act is not adapted to the Post Office Department as it is to other departments, because there are classes of officers there that are not found anywhere else. When the Civil Service Act has come up, I have always protested against post office officials coming under it. It may apply to first, second and third class clerks, but when you come to a number of officials below that in the Post Office Department there are no corresponding positions in the civil service. The effect was, last session, that the messengers were put in with sorters and stampers. What is the consequence? Messengers are now able to run up to $700 a year. It is absurd, preposterous.

Hon. Sir MACKENZIE BOWELL—It should not have been done.

Hon. Mr. SCOTT—It was done to help the messengers. When you go outside of first, second and third class clerks, all other classes in the post office should stand by themselves, and should not come under the Civil Service Act.

Hon. Sir MACKENZIE BOWELL—There is a great deal of force in what the hon. gentleman says, but it applies to all departments where men have to be appointed with-

out any other qualification than power to do physical work. It applies to almost every department, but more to the Post Office Department on account of the number of men they must have, packers and sorters, who do not require any great amount of intellectual ability or education. But why not confine it to them? Surely the Civil Service Act should apply to those who are clerks of the department.

Hon. Mr. SCOTT—Yes; I limited them to first, second and third class clerks.

Hon. Sir MACKENZIE BOWELL—A third-class clerk, or temporary clerk, may be made, after experience, a second-class clerk, and so on up to the highest point; but this clause repeals the whole, and it is really setting aside the Civil Service Act and placing it in the hands of the minister to an alarming extent. The department with which I was connected for a number of years furnishes another illustration of giving the minister too much power without the knowledge of his colleagues. Now, as to preventive officers, for instance, the present Minister of Customs has very ingeniously substituted another word in the amended Customs Act in order to overcome that difficulty, and it is just what the Postmaster General is doing now.

Hon. Mr. FERGUSON—It is proper that we should understand what we are doing. We are practically blotting out the Civil Service Act, so far as it relates to the Post Office. We provide that all the clerks and employees under schedule B of the Civil Service Act, excepting those that may be in cities, especially described by an Order in Council, will pass under the control of the postal law. I want to make this point in connection with that: We have been making an appearance at least in Canada since confederation, of trying to build up a civil service on respectable lines in connection with the Civil Service Act. I admit freely that neither party have completely done their duty with regard to that. Although we have had a Civil Service Act, we have passed so many supply Bills with provisions that 'Notwithstanding anything in the Civil Service Act to the contrary,' so and so shall be done, and have left so many loopholes for the purpose of getting out, that persons can be appointed with large salaries, over the heads of older and more experienced men, for political reasons. I do not know that this government has transgressed in this direction much more than any other.

Hon. Sir MACKENZIE BOWELL—I do.

Hon. Mr. FERGUSON—But they have added the sin of hypocrisy because they have condemned their opponents for doing it, and my hon. friend says they have done it more than their opponents. We will not make anything by recriminations, but we should look at this point: The Civil Service Act is an Act that provides better for fair-play, and for disinterested treatment in the Civil Service of Canada than is provided in the Postal Act, and it is very important that we should retain all the officials that are under the Civil Service Act under the provisions of that law, and make the law better, unless we make the postal law equally fair and just to the officials. Now, we have not done that. It is the sweet will of the Postmaster General, that we are handing these officials over to, and I think we are doing a dangerous thing, and some day or other parliament will wake up on this question and straighten up our Civil Service Act and make it more efficient, putting it on the same lines as the Civil Service Act in other advanced countries, and when we do that we will have to gather up all the officials that we are now allowing to slip from under the provisions of that Act, and bring them under the folds and safeguards of a proper Civil Service Act.

Hon. Mr. SCOTT—I quite admit that the Civil Service Act is an illogical and preposterous series of tangles, and I should be glad to see the two political parties meet together, and appoint experts to frame a new Act.

Hon. Mr. McMULLEN—I might say I entirely agree with the remarks that have fallen from the Secretary of State, and I agree somewhat with my hon. friend from Marshfield. Undoubtedly our Civil Service Act should be entirely recast. I can well remember when hon. gentlemen opposite were in power. There were two commissions appointed to examine into the Civil Service of Canada, and report recommending whatever should be done in the way of changes. The last report that was made,

a proposed Act to recast the whole Civil Service Act. It never was cast; it never was even introduced, and it lay as a dead letter. There was nothing done. I have railed at the Civil Service Act and the rottenness of it, when I was in the House of Commons. My hon. friend the leader of the opposition knows that for years I claimed there should be a Civil Service Board of Supervisers. That commission recommended it, and that these men should inspect the entire work of the civil service, and wherever they found that there was a large number of clerks doing limited work, they should recast the work of that department and dispense with the services of those that were not necessary. I believe if a board of that kind was appointed we would save a very large amount of money. I agree with what the hon. Secretary of State has said. I dare say each government that has been in power has felt it impossible to keep within the limits of the Civil Service Act. I know that years ago there were votes and votes passed, with the provision, 'Notwithstanding anything in the Civil Service Act to the contrary,' so that both parties agree that something should be done.

Hon. Mr. SULLIVAN—I congratulate the Senate, slim as it is, on this beautiful evidence of deathbed repentance. They have agreed that both sides of the House are equally sinful, but they did not, as is usual with dying repentant sinners, give any promise of better behaviour in the future.

Hon. Sir MACKENZIE BOWELL—In case they don't get well.

Hon. Mr. SULLIVAN—I hope they will crystallize these sentiments into resolutions for improvements in the future, and that we shall have a recasting of the Act next session.

Hon. Sir MACKENZIE BOWELL—There is one point in connection with that report of the civil service to which the hon. gentleman referred, a great deal of difficulty was found in carrying into effect their recommendations. Their recommendation, was based to a great extent upon a principle which prevails in England, on the appointment of civil servants, based almost exclusively upon their educational requirements. My hon. friend knows very well that there are many men of the highest education, young men who are totally unfit to perform the duties of an ordinary clerk, and consequently it is difficult in dealing with questions of that kind to carry out in its entirety the recommendations made by that committee; but the great object in the passing of the Civil Service Act, was to ensure the appointment of men qualified to do the work which has to be done in different departments. I have already admitted that in the matter of sorters and packers in the Inland Revenue and Post Office Departments, that a civil service examination is totally unnecessary—that is under the law. I remember very well, as an illustration of what I mean, when we were discussing it at the Treasury Board, Sir Alexander Campbell was very strongly in favour of the educational requirements. I put it to Sir Alexander Campbell 'Will the hon. Minister of Justice tell me what necessity there is for a man asking the question which I have in my mind, as to where the Chignecto canal was to be built. What in the world has that to do with the examination of cloth, as to whether it is composed of linen or cotton, and which is the most valuable component part? I said, 'Can you tell yourself?' But of the four gentlemen of the board there were only a few of us who knew where the Chignecto canal was, and I would not have known had it not been for the fact that I had been discussing the canal question.

The clause was adopted.

Hon. Mr. KERR (Toronto), from the committee, reported the Bill without amendment.

The Bill was then read the third time and passed.

DEBATES OF THE SENATE.

REPORT OF COMMITTEE ADOPTED.

Hon. Mr. BEIQUE moved the adoption of the report of the Standing Committee on Debates and Reporting of the Senate. He said: The first portion of the report deals with the special reporter of the Senate, and will be found at page 684 of the minutes. It contains the resolution which has been passed heretofore, to bridge over from the present session to the next session, but leaving it entirely to this House next session,

to decide as to whether the special reporter will be continued, and leave it in the power of this honourable House to dispense with the service upon giving one week's notice. The same resolution was passed last year, and on several previous occasions. The committee did not think that they could decide the question—that it was a question for the House to decide whether the special reporter should be continued or not, and I think it would be well to take up the question early at the opening of parliament next year and decide what is best to be done. The other portion of the report recommends the payment of $200 to Mr. Bouchard as one of the French translators of the Debates, and $100 to Mr. Chapman, the other French translator of the Debates, as a bonus for the heavy translation work which was done last year. As chairman of the committee, I think the bonuses are fair, and should be voted. Mr. Bouchard is the chief translator of debates. There are two translators of the French debates, Mr. Bouchard and Mr. Chapman.

Hon. Mr. McMULLEN—I was going to observe that the first paragraph of this report appears not to be sufficiently explicit. It reads as follows :—

> Your committee recommend that Mr. H. R. Holmden be again appointed for the next session of Pariament, upon the reporting staff of the Senate, to be paid at the rate of thirty dollars ($30) per week, with the understanding, however, that his services may be dispensed with at any time during the session upon one week's notice given to him.

I think we should say 'commencing with the beginning of the session.'

Hon. Mr. BEIQUE—That is always understood.

Hon. Mr. SCOTT—That is the usual order for years.

Hon. Mr. BEIQUE—I move that the report be adopted.

Hon. Mr. FERGUSON—I should like to inquire whether the French translation is kept reasonably well up-to-date ? When I was on the committee we had a great deal of difficulty on account of the translations being allowed to get behind, and we had to put on an additional force to keep up with the work.

Hon. Mr. BEIQUE—Yes. they are well up this session. I think they are up to the 24th June. Last session the work was very heavy.

Hon. Mr. FERGUSON—That is very satisfactory. It has always appeared to me, that if the French translations are to be of any use, they should be printed at once. Printing them a year after, seems to be almost a total waste of public money. I am in entire accord with the contents of the report, but I should like to know as to whether any provision is being made or can be made, which will provide for the more prompt receipt by members of the proofs, the more prompt correction of them in the 'Hansard,' and, if possible, the more prompt delivery of the revised Debates to members of the Senate, than in the past ? I approve of the distribution of the unrevised Debates in 'Hansard' form. It is very convenient because the unrevised Debates, after all, are an important part of the record, because if people want to know at any time what is being said in parliament, they wish to see it almost at the time. After it becomes a week old, it is simply a record. Of course we like to have our speeches embalmed in decent form. The unrevised edition should be delivered very soon after the speech has been made, and it should be in a form that could be sent out to any person who wished information as to what happened on any measure of any consequence. But the difficulty has been about the matter of corrections. A rule was made that these sheets should be pasted on foolscap with wide margins for members to note corrections. I only saw that pasting once during the session. The number of copies was limited. There were not enough to cut up in that way, and there was not a large enough staff to paste them. Members did not get them, and we had to make our corrections on the margin of the form that we received. The margin seemed to be quite inadequate for that purpose, even if it had been printed on good paper. It was printed on paper so bad that you could not make your corrections with ink, because it would spread.

Hon. Sir MACKENZIE BOWELL—Use a pencil.

Hon. Mr. FERGUSON—I bestowed a good deal of labour in looking over a very long speech I made on the Transcon-

tinental Railway Bill, and I blotted every page, and when I turned back I could not decipher my own corrections, and I had to do it all over again. If I had done it with a pencil probably I would have avoided all that trouble. I do not wish to have this system departed from, of furnishing the unrevised proof in the 'Hansard' form, I suppose at the present time, we cannot get over the difficulties that stand in the way of having a very prompt delivery in this House. Three years ago, when I was on the Debates Committee, the late Minister if Justice was also a member of that committee, and we summoned the King's Printer before us, and we went into an inquiry on the matter, and the King's Printer gave us the most exact and complete information. There was no question raised that he did not satisfactorily explain as far as he was concerned, but he showed plainly that it was absolutely impossible for the Printing Bureau, with its present facilities, to give the Senate the same service as is furnished the House of Commons, and that to do so would require larger premises and a larger staff. We tried to impress on Mr. Mills the necessity of treating the Senate the same as the House of Commons. It might cost a little more, but it would be money well expended, and it would keep the Senate's proceedings right up-to-date. The House would occupy a more important position in the estimation of the public than it does now when it is often a week or ten days before the revised 'Hansard' can be got out. In connection with that, there is a lack of facilities in communicating with the Printing Bureau, and I am pleased to know that the hon. gentleman had this in his mind, and that he is going to provide a remedy. I find that we are dependent upon the courtesy of the officers of the House of Commons in sending the copy to the Bureau and bringing back to our reporters the printed proofs The copy is given to a messenger who hands it to an officer of the House of Commons, who keeps a thorough register and a thorough communication for the House of Commons' own work, but does not feel obliged to do so with regard to ours, and if our copy arrives in the House of Commons at a time when there is no House of Commons work to go down the copy will remain until the Commons have something to send. I think in one case one of our documents was held over twenty-four hours without being sent to the Printing Bureau, because there was no provision for their being carried directly from our end of the building.

Hon. Mr. SCOTT—It would be easy to arrange that. A couple of boys on bicycles, one here and one at the Bureau, would do the work. There would be always one on hand to take the documents down. In regard to the Printing Bureau, hon. gentlemen know my views. As long as six years ago, I had an item in the estimates, and it was struck out every year, until this session, although in the House of Commons it was urged by members on both sides, that the Printing Bureau should be enlarged and proper facilities provided. The work there has been quadrupled. It would be idle to suppose that the printing facilities that were calculated to perform the work of parliament twelve or fifteen years ago are adequate for the vastly increased strain on the Bureau at present. The government are now building an addition to it; that will be completed before we meet next year.

Hon. Mr. FERGUSON—Is there an addition being erected ?

Hon. Mr. SCOTT—Yes, they are erecting an addition. It was only to cost $7,500, to be a store-room outside; however, we managed to have it built quite as substantially as the remainder of the building, and fire-proof, and now I have induced the Minister of Public Works to carry it up on a level with the upper floor of the building, and that will give it increased facilities. The present roof is very combustible. The building is fire-proof until you get to the upper story, which is stuffed with inflammable material, and all built of wood, unfortunately. It is now proposed to put on a flat roof and make the attic available and fire-proof like the rest of the building, so after this year there will be no difficulty in having a sufficient force there to perform the work.

Hon. Sir MACKENZIE BOWELL—I am totally at variance with my hon. friend from Marshfield as to the character of fold-

ed sheets for proof-reading. A more inconvenient system could not be adopted than that which has prevailed during the present session. I should like to call my hon. friend's attention to the last paragraph in the report. The committee recommend that $200 be paid to Mr. Bouchard and $100 to Mr. Chapman as a bonus to each of them for the heavy translation of last year. I have always understood that Mr. Chapman was one of the best translators upon the staff. He was strongly recommended for appointment by the hon. member from Grandville (Hon. Sir A. Pelletier). I have learned that it was on account of his absence during a portion of last year that he is given only $100. I met him in Paris last February and when I heard the encomiums passed on him as a literary man, I felt proud of him as a Canadian. He went there in his literary capacity and obtained honours which reflect credit upon Canada. I learned that he employed a substitute during his absence, by whom the work was done as well, if not better than the other translators, and that he paid out of his own pocket $150 to his substitute. If you give him only $100 of a bonus he will be out of pocket $50. It seems to me from the credit which Mr. Chapman reflected on Canada and his ability as a translator he should be put on the same footing as Mr. Bouchard.

Hon. Mr. BEIQUE—If the facts were as the leader of the opposition stated, I would agree with him in admitting that the recommendation should have been $200 for each of them, but the hon. gentleman has been misinformed. Mr. Bouchard, who has been in the service for some 20 years, has no office in the building. He has to make the translation at his house, and he has to communicate with the Printing Bureau and that entails a great loss of time. That is one of the reasons taken into consideration by the committee. I would have preferred not to state the other reason, but since the question was asked, I must state the fact. Mr. Chapman is well qualified to translate, and it is not because he was away that he does not receive as much as Mr. Boucahrd, but because the translation made by the party to whom it was entrusted by him was not properly done. Strong complaints have been made, and I have myself deemed it my duty early in the session to remonstrate as to the manner in which some portions of the translations have been made. Taking that into consideration, the committee thought they should make the recommendation which appears in the minutes. We are all proud of the honours Mr. Chapman has received, and for my own part I regret sincerely that we could not conscientiously deal otherwise than we have dealt with the matter. Now, with regard to the advance sheets of the printing and the means afforded for correction, as chairman of the committee I have given a good deal of attention to the matter this year, and have been able to ascertain what is wanted for next session to perfect the system. About a month or six weeks ago we inaugurated the system of issuing an unrevised edition. We soon found that the margin was too narrow to admit of corrections, and I arranged with the clerk of the House to have one of the messengers placed at the disposal of the reporters to paste copies of the unrevised edition on wide sheets to give space for corrections. I got these sheets on several occasions, but I noticed some time ago that they were not prepared half the time. I remonstrated and found that it had not been done for one reason or another. If I am a member of the Debates Committee next year, I will try to have a system established whereby there will be a special messenger to carry the reporters' manuscript to the Printing Bureau and get receipts for everything he takes and showing the hour of delivery, so that every one will be responsible for his own delay. It is the only way to deal with the matter properly and efficiently.

Hon. Sir MACKENZIE BOWELL—Could not the hon. gentleman add another $50 to the bonus given to Mr. Chapman, so that he will not be out of pocket ?

Mr. BEIQUE—I cannot change the report.

Hon. Mr. McMULLEN—I wish to direct attention to the press report in the 'Globe' of the proceedings of this House on Thursday night, when the previous question was moved. I have no objections to the publication of an accurate report, even though the subject is not very creditable, but I do not like to be misrepresented. That report

in the 'Globe' was entirely misleading. In the first place it said that the hon. member for Toronto (Hon. Mr. Kerr) asked that my words be taken down. He did nothing of the kind; it was the hon. senator from Victoria (Hon. Mr. Cloran) who asked for it, and there were several other errors. I notice always that when little incidents of that kind occur in the Senate, the newspaper reports try to make it look about as ridiculous as possible. The Senate is entitled to due courtesy.

The motion was agreed to.

MUTUAL RESERVE FUND LIFE ASSOCIATION.

The Order of the Day being called:

Resuming the adjourned debate on the motion of the Honourable Mr. Cloran: That the Clerk of the Senate be directed to lay on the table all the accounts which have been or which may hereafter be presented to him for payment, in connection with the Select Committee appointed to investigate the position of the Mutual Reserve Fund Life Association of New York in Canada, with a view of having the Senate approve of them and authorize the clerk to pay the same.—(Hon. Mr. Dandurand.)

Hon. Mr. DANDURAND moved that the Order of the Day be discharged and that it be fixed as an order for the second sitting on Monday next.

Hon. Mr. CLORAN—By adopting this motion. does it have the effect of putting this order at the end of a list?

Hon. Mr. SCOTT—It will be immediately under the Bills.

Hon. Mr. CLORAN—Will it hold the position it occupies now, the first order after the Bills?

Hon. Mr. DANDURAND—Yes.

The motion was agreed to.

THE PRINTING OF PARLIAMENT.

MOTION.

Hon. Mr. WATSON moved the adoption of the third report of the Joint Committee of both Houses on the Printing of Parliament. He said: The report provides for an increase and that the officials shall be placed on the same basis as the Civil Service for annual increases, but it has been pointed out by Mr. Fielding that if they did, the Printing Committee would practically lose control of the services of these gentlemen, and a proviso has been suggested at a recent meeting.

Hon. Mr. YOUNG moved in amendment:

That the third report of the Joint Committee of both Houses on Printing of Parliament be concurred in, with the exception of the words 'that from and after the present fiscal year the said superintendent, the first and second assistant superintendent, and the clerk of distribution of printed documents of parliament receive their respective annual increments as provided by the Civil Service Act,' and that the following proviso be added, namely, 'provided that the said second-class junior clerk shall continue to perform the duties hitherto performed by him.'

Hon. Sir MACKENZIE BOWELL—In the documents ordered to be printed is the report of Judge Britton's investigation in the Yukon concessions ordered to be printed? I do not mean the evidence, but the simple report itself? I think that ought to be printed for circulation.

Hon. Mr. WATSON—I think that was left in the hands of the chairman.

Hon. Mr. FERGUSON—In the case of the Chinese Commission, a sub-committee was appointed to see that the report itself should be printed in a form that would bring it within the compass of ordinary readers. There was such a mass of matter that few would attempt to wade through it, but a compendium was got up for publication. Perhaps a similar course could be pursued with regard to the report on the Treadgold concession.

Hon. Mr. WATSON—The matter was mentioned, and left in the hands of the chairman with the understanding it was to be printed. The premier gave an undertaking in the House of Commons that it would be printed, and while no motion was made that it should be printed, it was understood that it would be.

The amendment was adopted and the motion as amended agreed to.

ALIEN LABOUR LAW AMENDMENT BILL.

FIRST READING.

A message was received from the House of Commons with Bill (162) An Act respecting Aliens.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the Bill be read the second time at the second sitting on Monday next. He said: This Bill has undergone so many changes in the House of Commons that I am quite unable to say what those changes were from the original Bill that was printed.

The motion was agreed to.

The Senate adjourned until Monday next.

THE SENATE.

Ottawa, Monday, August 8, 1904.

The SPEAKER took the Chair at Eleven o'clock a.m.

Prayers and routine proceedings.

BAGGAGE TRANSFER FROM INTERCOLONIAL RAILWAY TRAINS AND FERRY BOATS BETWEEN LEVIS AND QUEBEC.

INQUIRY.

Hon. Mr. LANDRY inquired of the government:

Did a person named Rouleau, of Lévis, once have the contract for the transfer of baggage from the trains of the Intercolonial Railway to the ferry-boats between Quebec and Lévis, and vice versa?

Did the government afterwards give this contract to Messrs. Halé & Marceau?

In what year, and for what reasons, was this contract taken away from Mr. Rouleau?

Have Messrs. Halé & Marceau relinquished their contract to the government?

Why?

Was it on the expiration or before the expiration of the said contract?

Who succeeded Messrs. Halé & Marceau, and who is now doing the work for the execution of which they had the contract?

Hon. Mr. SCOTT—The answer is no.

FRENCH TRANSLATION OF MILITIA REGULATIONS.

INQUIRY.

Hon. Mr. LANDRY inquired of the government:

When will the French officers of the French militia of Canada be put in possession of a French translation of the rules and regulations for the militia and of the last volume of Infantry Exercise?

Hon. Mr. SCOTT—It is expected that a revised edition of the Regulations and Orders for the Militia will be issued at an early date. A French edition will be issued as soon as possible thereafter. As the 'Infantry Training, Canada, 1904' required slight modifications, which are now under consideration, with a view to deciding whether this manual of training shall obtain as the drill book for the militia, it is difficult, at this stage, to say it would be printed in both languages, but, if it is to obtain, it should certainly be printed in French as well in English.

SALE OF WOOD TO THE GOVERNMENT.

INQUIRY.

Hon. Mr. LANDRY inquired of the government:

How much have Messrs. Arcand & Bros. received for the sale of wood to the government since 1896 on the St. Maurice?

Hon. Mr. SCOTT—Departmental records do not show that any wood was purchased from Mr. Arcand since 1896.

SUPPLY OF IRONMONGERY.

INQUIRY.

Hon. Mr. LANDRY inquired of the government:

Has Mr. Arthur Desaulniers, of the county of Champlain, obtained from the government since 1896 a contract for the supply of ironmongery?

At what price, and how much has been paid him each year?

Hon. Mr. SCOTT—This department has no knowledge of any contract having been entered into with Mr. Arthur Desaulniers.

GOVERNMENT CONTRACT WITH MR. ADOLPHE CRETE.

INQUIRY.

Hon. Mr. LANDRY inquired of the government:

Has Mr. Adolphe Créte, of Grandes Piles, obtained a contract or contracts from the government since 1896?

For what amount?

For what objects?

In what years?

Hon. Mr. SCOTT—This department has no knowledge of a contract having been entered into with Mr. Adolphe Créte.

DREDGING OF RIVER BATISCAN.

INQUIRY.

Hon. Mr. LANDRY inquired of the government:

How much has the government expended yearly since 1896 for the dredging of the River Batiscan?

Who represented the government in these works and supervised the execution of them?

How much a day did these representatives receive?

Hon. Mr. SCOTT—The answers are as follows:

1896-97	Nil.
1897-98	Nil.
1898-99	Nil.
1899-1900	$ 10.00
1900-01	10,488.28
1901-02	11.108.68
1902-03	9,826.14
1903-04	6,061.38
	$37,494.48

Messrs. A. J. M. Isola, Arcade La Haye and Philippe Cossette.

Mr. Isola was first paid $2 per working day, then his salary was increased to $3 per day.

Messrs. La Haye and Cossette were paid $2 per working day.

GOVERNMENT EXPENDITURE ON RIVERS ST. ANNE, BATISCAN AND ST. MAURICE.

INQUIRY.

Hon. Mr. LANDRY inquired of the government:

What amount of money has the government expended, year by year, from 1895, inclusive:
(a.) On the River St. Anne, county of Champlain?
(b.) On the River Batiscan?
(c.) On the River St. Maurice?

Hon. Mr. SCOTT. The answers are:

(a)

1895	$14,906 05
1896	4,373 90
1897	3,003 83
1898	48 00
1899	24 00
1900	24 00
1901	1,199 21
1902	2,907 17
1903	48 00
Total	$26,534 16

(b)

1900	$ 10 00
1901	10,488 28
1902	11,108 68
1903	9,826 14
Total	$31,433 10

(c)

1895	$ 1,721 50
1896	955 77
1897	162 33
1898	1,048 43
1899	255 00
1900	6,291 30
1901	9,598 29
1902	11,498 83
1903	14,552 54
Total	$46,074 99

PAYMENTS TO JOSEPH LACHANCE.

INQUIRY.

Hon. Mr. LANDRY inquired of the government:

What amount has the government paid, since 1896, to Mr. Joseph Lachance, contractor, and to the municipality of Ste. Anne de la Pérade, respectively, for the purchase of stone used in or to be used in the works on the River St. Anne, in the county of Champlain?

Hon. Mr. SCOTT—The name of Jos. Lachance and that of the municipality of Ste. Anne de la Pérade do not appear on accounts for stone purchased, since 1896, for works in the River St. Anne.

PAYMENTS TO ERNEST VALLEE, AND MR. HERMENEGILDE LEDUC.

INQUIRY.

Hon. Mr. LANDRY—The hon. gentleman handed me, on Saturday, in answer to the question 'What are the sums of money which the government has paid yearly since 1896 to Mr. Ernest Vallée and to Mr. Herménégilde Leduc, both of the county of Champlain, and for what objects were these sums paid'. The answer was 'would the hon. senator ask for a return, and there is a note.' As the hon. senator does not mention any special works, it would necessitate the examination of a very large number of accounts. We might agree that this motion would be carried as a demand for a return.

Hon. Mr. SCOTT—Yes.

PAYMENTS FOR PUBLIC WORKS IN THE COUNTY OF CHAMPLAIN.

INQUIRY.

Hon. Mr. LANDRY inquired of the government:

To whom has the government entrusted the distribution of the money due for public works in the county of Champlain since 1896?

Hon. Mr. SCOTT—Payments were, when possible, made by cheques, when not, they were entrusted to the paymaster.

PUBLIC MONEY ON DEPOSIT AT STE. STE. ANNE DE LA PERADE.

INQUIRY.

Hon. Mr. LANDRY inquired of the government:

Has the government since 1896, made any deposits of money in the bank kept by Mr. J. A. Rousseau, at Ste. Anne de la Pérade ?
What is the amount of such deposits ?
How much has been paid in interest on these deposits, and to whom was the interest paid ?

Hon. Mr. SCOTT—No money was deposited by this department.

SUPPLY OF STONE FROM THE RIVER STE. ANNE DE LA PERADE.

INQUIRY.

Hon. Mr. LANDRY inquired of the government:—

How much has the government paid since last session, and to whom, for the supply of stone for the works ordered or executed, (1) in the eastern part ; (2) in the western part of the River Ste Anne de la Pérade ?

Hon. Mr. SCOTT—Would the hon. senator ask for a return. This answer will necessitate the examination of all the accounts from December, 1903, to March 4th, inclusively. Some 75 different parties have supplied stone, and their accounts will have to be examined and the amount of each given.

PAYMENTS TO MR. PIERRE NAULT.

INQUIRY.

Hon. Mr. LANDRY inquired of the government:—

How much has Mr. Pierre Nault received yearly since 1896 for the supply of iron and wood respectively ?

Hon. Mr. SCOTT—Would the hon. senator give more details, such as the name of the place and the works in connection with which the expenditure was incurred. The department have not been able to find any such thing.

Hon. Mr. LANDRY.

LEGAL EXPENSES OF THE BEHRING SEA ARBITRATION.

INQUIRY.

Hon. Mr. DOMVILLE asked for the names:—

1. Of the Canadian counsel in the Behring Sea case ?
2. How many days each served ?
3. How much per day was paid each counsel ?
4. Amount each counsel got, naming counsel ?
5. Amount of retainer paid each counsel ?
6. Total amount each of the counsel got, and the names ?

Hon. Mr. SCOTT:

1. The Canadian counsel before the Behring Sea Claims Commission were F. Peters, F. L. Beique and E. V. Bodwell.

2. F. Peters, 237 days ; F. L. Béique, 183 days ; E. V. Bodwell, 188 days.

3. Fifty dollars.

4. F. Peters, $13,350 ; F. L. Béique, $9,650 ; E. V. Bodwell, $11,500.

5. F. Peters, $500 : F. L. Beique, $500 ; E. V. Bodwell, $300.

6. Answered by No. 4.

THE LATE SENATOR AIKINS.

Hon. Mr. SCOTT—Before the Orders of the Day are called it is my melancholy duty to remind the House that one more of its old and honoured members has passed to another and, I trust, better world. It was my privilege to sit with the late Senator Aikins for a number of sessions in the old parliament of Canada. He was elected in 1854, and he sat in the parliament of United Canada from 1854 to 1861. Then he was elected for probably the most important division then existing, and perhaps also to-day, considering the population, and the principal cities and towns in the district, for the legislative council in the old parliament of Canada. Having known the late Senator Aikins for over forty-four years, I am reminded that he is a man who stood very high in the estimation of his fellows, honourable and high-minded in all particulars. In every characteristic of life he secured the esteem and respect of those with whom he came in contact. From the earlier years when I knew him he was a Liberal.

When it became evident in 1864, 1865, and 1866 that it was incumbent on both political parties to solve the many problems

that then engrossed the attention of the politicians of the day, Mr. Aikins became one of the coalition government formed by the late Sir John Macdonald, and, like many other men, even of the Liberal party, was won over by the charming manner and the influence that the late Sir John Macdonald was able to exercise on those with whom he was associated. Mr. Aikins was never an extreme politician, always being guided by what he conceived to be best in the interest of this country. He lived a life full of usefulness and was honoured by his fellow-men. I may say that after withdrawing from Canadian politics, he became Lieutenant Governor of Manitoba for five years. On his retirement from that office, it was recognized that he deserved any further elevation that could be offered to him and he was reappointed to the Senate. His death is a matter of sincere regret to me, particularly as those who were early in public life like myself are so rapidly passing away. There are very few of us left now who sat in parliament early in the fifties. I can only say that the late Senator Aikins earned the esteem and kindly feeling of all those with whom he had associated in the years he was a representative man. He has gone to his rest full of honours and with the respect not only of those with whom he was associated, but also of these who had the pleasure of being acquainted with him. I, therefore, move that the Senate express its regret in the ordinary way at the departure of our late friend and colleague.

Hon. Sir MACKENZIE BOWELL—I can add very little to that which has already been said by the hon. Secretary of State; but I can say for myself, that ever since I had the honour of sitting in parliament with the late Senator Aikins, in the House of Commons and particularly in the Senate and as an associate in the government from 1878, until his appointment as Lieutenant Governor of Manitoba and his return to the Senate as an independent member of this body, I was on as intimate terms with him as any one could possibly be. All that has been said of him by the hon. Secretary of State is literally and absolutely correct. I do not know that Senator Aikins had an enemy anywhere. From 1854, he was elected as a member of the Liberal party, and remained so until circumstances arose which necessitated dropping strong party feelings in order to bring about confederation of the provinces. He became a member of what was termed the Coalition party. While I freely admit the reason given by the hon. Secretary of State for the deceased senator remaining with and under the leadership of the late Sir John Macdonald, was probably the result, to a certain extent, of those charming fascinating manners of the late leader, I should like to go a little further and say from my personal knowledge and intercourse with Mr. Aikins, in addition to the attractions which characterized the late leader of the Conservative party and gave him such an influence over those with whom he was associated, there were other reasons why he remained with the Conservative party. Those reasons were that he had come to the conclusion that the policy of that party, the principles which had brought them together, were best suited to the interests of the country. From my personal and intimate knowledge of the late senator, I do not think any personal likes or dislikes would have induced him to depart from that which he believed to be absolutely right.

Hon. Mr. SCOTT—Hear, hear.

Hon. Sir MACKENZIE BOWELL—We differ, as the hon. gentleman very properly says, in accordance with the constitution of our minds, and our association, on matters governing the country as in other matters, and in that respect he was led. I have reason to know and believe, from thoroughly conscientious convictions of what was right. Of late he suffered from physical infirmities and it was only through the care, attention and devotedness of his family that his life was spared to them for so long a time. It is seldom that a man who has been, like the late senator, half a century in public life and actively participating in all great questions which have agitated the country during that period, passes to his eternal rest without a single word ever having been uttered, or an insinuation made against his reputation for honesty and sincerity. This will be a pleasant reflection for his family, and must be to all who, like the hon. Secretary of State and myself, had known him for so many years. It will be well for those of us

who have served our country in accordance with what we believe to be right for so long a period, if we can leave to our families and friends a reputation of a like character. I deeply regret the loss of one whom I have known and respected so long. No less than three of our fellow-senators, have passed away since the beginning of this session. How many more will be taken from us before next session no mortal can tell ; but I hope when our turn comes, that we may leave behind us such a character and reputation as that of our late friend and colleague, Senator Aikins.

Hon. Mr. KERR (Toronto)—As the only representative in the Senate of the home district which the late senator represented in public life, I may be pardoned for adding a few words to what has been so well said by the two hon. gentlemen who have just spoken. Senator Aikins was widely known throughout the district from which he came. He was personally known to a very large number of those who elected him in the first instance to positions of public trust, and he was largely known in later years by a still larger circle of people throughout that community. He was considered to be a man of sound judgment and business capacity. He was known to be possessed of an upright mind and many high qualities of personal character and individual worth. Possessing the attributes in a community where he was so well known for many years, it will not be amiss to say that he has lived respected and died regretted by a very large circle of friends and acquaintances.

Hon. Mr. YOUNG—I cordially concur in all that has been said of our late colleague. I wish to call attention to the fact that we of Manitoba also had an acquaintance with Mr. Aikins as governor of our province, where he, by his honourable record, endeared himself to people of all parties, and left the province regretted by every one who had the pleasure of his acquaintance and knowledge of his high ideals in the office which he held. He bore in this House a very high record as senator, and he also held what may be considered the higher position as governor of the province of Manitoba, to the satisfaction of the people of that province, and his departure was regretted by them when his term of office expired.

Hon. Sir MACKENZIE BOWELL.

MILITIA ACT AMENDMENT BILL.

IN COMMITTEE.

The Order of the Day being called :

Committee of the Whole House on Bill (5) An Act respecting the Militia and Defence of Canada.

Hon. Mr. SCOTT moved that the Speaker do now leave the chair.

Hon. Mr. LANDRY—We have not yet received the French version of this Bill. I consented the other day to the second reading on condition that we would have the Bill in French before going into committee. I think it was the hon. minister himself who promised that that would be done.

Hon. Mr. SCOTT—I did so, and I do not know the cause of the delay.

Hon. Mr. YOUNG—Possibly the hon. member, in consideration of the circumstance, will withdraw his objection.

Hon. Mr. DeBOUCHERVILLE—If the hon. minister will consent to postponing the third reading of the Bill until it is printed in French, I shall request my hon. friend from Stadacona to withdraw his objection ?

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. LANDRY—With the understanding that we shall have the French edition before the third reading, considering the session is so advanced, I am willing to withdraw the objection, but I protest at the same time against this way of dealing with the Senate, and particularly with the French element of this House. We have a right to have the Bill in French.

Hon. Mr. SCOTT—No doubt of it.

Hon. Mr. LANDRY—We should have it, not so much for the use of the House, but if I had had copies of it some time ago, I would have been in a position to make suggestions that I cannot make now. I withdraw my objection on the understanding that we are to have the French edition of the Bill, before the third reading.

Hon. Mr. SCOTT—The hon. gentleman is quite within his right. The Bill should have been translated into French. I do

not know whether the hon. gentleman is aware of the circumlocution through which these Bills have to go. I have represented the facts to my colleagues and suggested a change. Those Bills are translated, and sent down to the Bureau and printed in due time, but we have a gentleman at the head of the translating branch in the House of Commons who piques himself on having a particularly French style of language, and he alters line after line and page after page. The hon. gentleman would be surprised if I showed him the alterations that are simply changing words without changing the meaning. I do not think that is proper. Delay arises not alone in this particular case, for I have had occasion to complain of it repeatedly; the translation department is delayed in consequence of this gentleman choosing to make his changes after the translation is completed and in print. It is not fair or right. There is no reason why this Bill should not have been translated a week or a fortnight ago. The changes made by the House of Commons during the past week have been comparatively trifling, and are limited to a few paragraphs and there is no justification or excuse for this delay. It ought not to be tolerated, and I propose to express my opinion to the members of the government who have control over that gentleman. If he is so particular about the translation and wants it in particular French he should do it himself. It is done by other men who are probably as good translators as he is, and then after they have devoted their time and attention to the work, he makes changes in it. I have brought it to the attention of the Prime Minister and have showed where this gentleman has altered words where it made no important difference and there was no justification for it whatever, except that he has individual ideas of his own about translation.

Hon. Mr. LANDRY—I would add this information, that in the House of Commons, the French translation of that Bill has been completed. Only the amendments made since the Bill was reported from committee had to be translated. That is why there is no excuse for the delay in printing the French edition.

The motion was agreed to.

(In the Committee.)

On clause 2, sub-clause (g),

(g.) 'On active service,' as applied to a person subject to military service, means whenever he is enrolled, enlisted, drafted or warned for service or duty during an emergency, or when he is on duty, or has been warned for duty, in aid of the civil power.

Hon. Mr. LANDRY—When a man is enrolled, does that mean when he is on active service ?

Hon. Mr. SCOTT—It is to be read with the remainder of the sentence. The mere enrolling would not put a man on active service, but when he is enrolled for service or duty during an emergency.

Hon. Mr. LANDRY—The interpretation of this Bill is embodied in the sub-clauses of this second clause. 'Emergency' is defined in sub-clause (b) and it 'means war, invasion, riot or insurrection, real or apprehended.' Are we to understand that this applies to every man when he is enrolled ?

Hon. Mr. SCOTT—An ordinary enrolment would not be an enrolment under this section; it is only when he is required for active service, for the purpose set forth.

Hon. Mr. LANDRY—To understand that properly, the punctuation should be different.

Hon. Mr. POWER—I think the clause can have only one meaning ; he is on active service only during an emergency or when he is called out in aid of the civil power.

Hon. Mr. SULLIVAN—The word 'subject' covers it all. It only refers to conditions which arise when he is on active service.

Hon. Mr. LANDRY—The law says that active service means whenever he is enrolled.

Hon. Mr. POWER—Enrolled for what purpose ?

Hon. Mr. LANDRY—'Enrolled, enlisted, drafted, or warned for service or duty.' That applies to the word 'warned.'

The CHAIRMAN—Just so soon as he is warned, he is on active service.

Hon. Sir MACKENZIE BOWELL—There are three circumstances to which the words 'active service' apply. First he must be enrolled before he becomes a member of the corps. Then he may be warned and called out in cases of emergency; but, when he is on duty, there are other duties besides those which pertain to aiding the civil power. The words 'active service' would apply to a man on any duty after he has become enrolled. Active service means men who are enrolled and called out in case of an emergency, or to any duty, or being warned for duty in aid of the civil power.

The clause was adopted.

Hon. Mr. LANDRY—Will any reasonable amendment we may offer be accepted ?

Hon. Mr. SCOTT—Certainly, if it be made apparent that it would improve the Bill. The Bill is here for that purpose.

Hon. Mr. LANDRY—I know a Bill was in the other House recently, and they would not permit a single amendment, because they said if any amendment were accepted it would defeat the Bill in the Senate. We want to know if the same rules apply here ?

Hon. Mr. SCOTT—I presume at this stage of the Bill, if it were a mere technical point, it would not be done ; but on any point involving a principle I think it is open to the Senate to make a change. It is a matter of opinion whether the changes would be necessary or not. The Bill has undergone a close scrutiny, and has been before the Department of Justice, and has engaged the attention of experts for a considerable time. So that on a cursory examination one would not hastily want to make a correction unless it was proper.

Hon. Mr. FERGUSON—I am surprised my hon. friend should ask a question. Do not we all know that this Bill is sent down to us to be swallowed en bloc. Sent to us at this late stage. is it not plain that such is the case ? We are just to read it over.

Hon. Mr. SCOTT—A much more intricate Bill passed the House of Commons on Saturday where they were afraid to make a change. That is a Bill which the Bank of Commerce devoted a great deal of time to, where they would not allow a single change to be made. They recognized that there was a sound principle in it, and unless for some good purpose it was not desirable to make any change in it, and I presume the same principle would guide us here.

Hon. Sir MACKENZIE BOWELL—I think if the hon. Secretary of State gave a short answer and said 'Yes, if it meets the approval of the government,' he would have answered the whole question at once. It is just possible he might have a new Bill to amend the Bill we have just passed. We have already amended two Bills passed this session, and I think the attention of the Secretary of State has been called to a Bill where amendment of a serious character has been made. Whether they propose to amend it or not I do not know, but that has nothing to do with this question. I am very much inclined to think that the statement, particularly broadly made by my hon. friend to my right, is the correct one. I question very much whether any amendment, no matter how pertinent or how necessary, would be passed. We have a Bill for the purchase of a railway coming up next, although I believe it is not yet before us, just of the same character.

The clause was adopted.

On clause 3,

3. The Interpretation Act and section 2 of this Act shall apply to all regulations, orders and articles of engagement lawfuly made or entered into under this Act.

Hon. Mr. LANDRY—Why is the word 'lawfully' inserted in this clause ? Who is the judge ?

Hon. Mr. POWER—That is the existing law.

Hon. Mr. LANDRY—That reason might be given to children. but it is really no reason.

The clause was adopted.

On clause 4.

4. The command in chief of the militia is declared to continue and be vested in the King, and shall be exercised and administered by His Majesty or by the Governor General as His representative.

Hon. Mr. LANDRY—In this clause the words are 'Commander in Chief of the

Militia' and in the former Act the words were 'Commander in Chief of the Land and Naval Militia.' There is a distinction here between the existing statute and this Bill. This applies only to the land militia ?

Hon. Mr. SCOTT—Yes.

Hon. Mr. LANDRY—I suppose we shall have no wars between now and next session to know how the militia will succeed ?

Hon. Mr. SCOTT—I hope not.

Hon. Sir MACKENZIE BOWELL—Taking the explanation of the hon. Secretary of State, and looking at the time, we will find the reason is this : the defence of the country is to be divided between the Minister of Militia and the Minister of Marine and Fisheries. The Minister of Marine and Fisheries would be the head of the Admiralty and the Minister of Militia the head of the land forces.

Hon. Mr. FERGUSON—Where is the Minister of Agriculture?

Hon. Sir MACKENZIE BOWELL—He is to be general superintendent, to supervise the other two; in other words whenever he has any political object to accomplish he will interfere and become the acting head, and perhaps the Minister of Militia may very conveniently be out of the way, so as to enable him to accomplish the political ends he has in view. That is the only explanation I can conceive, and I now give it to the minister. Perhaps the Secretary of State can explain why it is the two defensive branches of the country are to be under two heads ? In the past it has been under the one head, and it should be so, I think, now—that is, the general supervision. It does not follow that because the Minister of Marine and Fisheries has to do with some of the vessels that are navigating the river, that the supervision of the naval force should be relegated to him. I can only give one reason for it myself, and that is we do know that the Minister of Marine and Fisheries objected to take what we considered to be—I do not consider it—an inferior position in the cabinet unless certain duties that pertained to other departments were relegated to him, so that he could have a certain amount of patronage at his disposal for his friends. That is the plain interpretation of it. We do not know what has been done altogether, but we know to a certain extent; that is that a portion of the duties pertaining to the Minister of Public Works has been transferred to the Minister of Marine and Fisheries. The principle which guided them in doing it might be applied to every department of the government, but I do not know any reason why the Minister of Militia should not have supervision of the construction of a drill shed and everything that pertains to it, because he really knows more about it than the Minister of Marine and Fisheries can possibly do. I have given hon. gentlemen my reasons why I think this change has been made. It is to take from one minister and give to another, in order to make the department over which the Hon. Mr. Prefontaine presides more important than the other. That is the only reason I can suggest for it.

Hon. Mr. POWER—The question before the committee just now is clause 4 of the Bill, and the objection taken is that there is nothing said about the naval militia. This clause provides that the command in chief of the militia is declared to continue and be vested in the King, and that covers the naval militia as well as the land force ; we have no other military force in Canada except militia. We have no troops which are, in law, regular troops; so that when you vest in the King the command in chief of the militia you vest in him the command of all the military forces in Canada.

Hon. Mr. FERGUSON—That does not include the navy.

Hon. Mr. POWER—It appears to me it does. It includes naval militia as well as land militia.

Hon. Mr. FERGUSON—The militia means all the military force in Canada; but we draw a clear distinction between militia and naval force.

Hon. Mr. LANDRY—We were told a moment ago that the term 'militia' was to be applied only to land forces, and not to the naval force.

Hon. Mr. DANDURAND—The naval forces have not been created, I understand?

Hon. Mr. LANDRY—No.

Hon. Mr. DANDURAND—So that this bill does not provide for it.

Hon. Mr. LANDRY—No.

Hon. Mr. DANDURAND—There was a sum in the estimates which was withdrawn. A proposition was to come before the House of Commons, but it was withdrawn. So why discuss this question now ?

Hon. Mr. LANDRY—The hon. minister says it does not apply to the naval forces.

Hon. Mr. KERR (Toronto)—What naval forces are there in Canada to-day ? Until the forces are created we are only talking about air.

Hon. Sir MACKENZIE BOWELL—The present law provides for a military naval defence. What is the use of people attempting to draw such hair-splitting distinctions as has just been done ? It is simply a question asked very pertinently, why were the two forces put under separate heads, and a simple explanation could have been given to that.

Hon. Mr. FERGUSON—The Bill states that it is a measure respecting the Militia and Defence of Canada, and we have the Minister of Marine and Fisheries announcing that he is about introducing a Bill for the creation of a naval militia. There is a clear intention to separate the authority, and the changing of those words shows that there is such a determination ; still, notwithstanding all that, we are calling the Bill a Bill respecting the Militia and Defence of Canada.

Hon. Mr. LANDRY—I will call the attention of the hon. minister to the law as it stands to-day. The law reads : 'The command in chief of the land and naval militia.' And 'the land and naval militia' is stricken out all together and the words 'The commander in chief of the militia,' substituted. In the law as it stands to-day, it says 'By His Majesty' that means personally. Could we have any explanation why this change to-day ?

Hon. Mr. SCOTT—Under the British North America Act, the Governor General represents His Majesty.

Hon. Mr. LANDRY—We are not speaking of the present Bill at all, but under the old law it was by Her Majesty personally.

Hon. Mr. POWER—Was that not absurd ; how could Her Majesty command personally ?

Hon. Mr. LANDRY—I thought what was in the law before was absurd enough, and we should remedy it.

Hon. Sir MACKENZIE BOWELL—The only reason suggested is that stated by the hon. Secretary of State, that the Governor General represents His Majesty, and when the words 'His Majesty' are mentioned in any of the clauses, it means the Governor General. The Governor General in Council means the action of Council sanctioned by the Governor General. Hence, I do not see any necessity for striking out the words 'His Majesty.' If 'His Majesty' were left in the Act as it was, then the Governor General as he is represented here would exercise the same right through the powers that he received from the Crown, and this seems to me to be another step in the direction indicated by the Solicitor General in London the other day, that it is to cut another of the links that connect the two countries. Obliterate the word wherever you can, as it has been throughout the whole of the Bill, and it will be understood, by those who give the matter any consideration, looking at the past utterances of certain political gentlemen and leaders of opinion, in this country, that cutting adrift is really what it means. I do not know that any good is to arise from discussing that point ; because my opinion is that if you move an amendment to substitute the words to which the hon. gentleman has called the attention of the Senate, and make the Bill similar in character to the old law in this respect, it would be voted down. I have taken this opportunity to give utterance to my sentiments and put them on record as to why this change was made, and because I think we are advancing in that direction as fast as we can by the action of the present party.

Hon. Mr. SCOTT—I feel bound to disclaim the hon. gentleman's idea that the changes made in the Bill have in any way a tendency in the direction he indicates. The best tie between this country and the mother country is the recognition of this country in the management of its own domestic affairs. That will be the strongest tie, when other ties will fade away, that will preserve Canada to the empire. It is our free system of government which makes us fully appreciate the value of the union of the empire. No other tie can be as strong as the appre-

ciation of the liberty and privileges we enjoy under the Union Jack, and there is not the slightest fear that the mere expression of words, will have any meaning at all to weigh in the balance with the feelings of loyalty that exist among the Canadian people. The surest and strongest tie is a representative form of government.

Hon. Sir MACKENZIE BOWELL—I quite agree with the hon. gentleman, as far as the vast majority of the people are concerned.

Hon. Mr. DANDURAND—I am surprised at the hon. Secretary of State taking the remarks of the hon. gentleman seriously. The hon. gentleman is in active politics, and is plying the game now that was played in 1900, and as fruitlessly, I hope.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman has no right to say I am playing a game. I am uttering a sentiment which I believe to be true and correct.

Hon. Mr. DANDURAND—We are all doing that.

Hon. Sir MACKENZIE BOWELL—I have very great doubt. While the hon. gentleman has imputed to me motives that I do not entertain, he must not be surprised if he gets a retort as long as I keep within parliamentary usage. I intend to give utterance to my sentiments on this and on other occasions, and the hon. gentleman may do precisely the same; and when I do so, and when I object to his statements, I shall not tell him he is making them from party motives and insincere purposes. I take it for granted he is sincere, and I hope he will give us credit for being sincere.

Hon. Mr. DANDURAND—The hon. leader of the opposition should not be the only one to impute motives.

The clause was adopted.

On clause 5,

5. There shall be a Minister of Militia and Defence, who shall be charged with and be responsible for the administration of militia affairs and of the fortifications, ordnance, ammunition, arms, armouries, stores, munitions and habiliments of war belonging to Canada, including the initiative in all matters involving the expenditure of money.

Hon. Mr. LANDRY—Are we to understand by this clause that there are occasions when the Governor General is not the representative of the Crown?

Hon. Mr. KERR (Toronto)—It is just a re-enactment.

Hon. Mr. LANDRY—I do not care what was in the Act previously. If all the Act must remain as it is, we do not need this Bill at all; but if we want to improve the law, we should try to do so.

Hon. Mr. KERR (Toronto)—Would it be an improvement to say the Governor General was not the representative of the King? If the Governor General is the representative of the King, why not put in those words? How could he act differently?

Hon. Mr. SCOTT—There is really no object in having the King's name mentioned in this. It is on a very much broader foundation. The fifteenth section of the British North America Act provides that the commander-in-chief is declared to be vested in the Queen. That is the sovereign. The sovereign of the Dominion is the head of the army and navy of Canada.

Hon. Mr. LANDRY—Suppose there is a levee en masse ordered by the Governor General, and the government should say: 'Oh, we have no authority to interfere in that case, because in the law it is provided that the Governor General is acting as a representative of the Crown'?

Hon. Mr. SCOTT—But under our system of government, he must act with the consent of his advisers, just as in England.

On sub-clause 2,

2. The Governor in Council may, from time to time, make such orders as are necessary respecting the duties to be performed by the minister.

Hon. Sir MACKENZIE BOWELL—That is the old law with slight amendments. The words 'in all matters involving expenditure' are left out.

Hon. Mr. LANDRY—There is an inversion.

Hon. Sir MACKENZIE BOWELL—I think it is a good change. I have no fault to find with it. Then the Minister of Militia and Defence is left out.

The clause was adopted.

On clause 7,

7. The Governor in Council may appoint a militia council to advise the minister on all matters relating to the militia which are referred to the council by the minister. The composition, procedure and powers of the council shall be as prescribed.

Hon. Sir MACKENZIE BOWELL—This is with reference to the appointment of a militia council. The Secretary of State, when he introduced the Bill, gave us the names of those whom it was suggested would constitute the council. Would he be kind enough to repeat those names ?

Hon. Mr. SCOTT—The minister himself will preside. Then there will be the chief of the staff, which is a new appointment. That has not existed before. Then the adjutant general , the master general of ordnance, the deputy minister, the chief accountant of the department—they are the advisory board.

Hon. Sir MACKENZIE BOWELL—The explanation given in the other House of the reasons which led to this change, was to adopt as much as possible the principle which has been adopted in England, the appointment of a council who are to advise. This is, I must confess, a very poor imitation of that which has been enacted in England. If the hon. senators will look at the recommendation which has been adopted by the council in England and will consider for a moment the position of that council, they will see a vast difference between that which is proposed by this clause in Canada, and that which is in force in England. In England, the council is totally independent of the militia, and independent of parliament. Here, if the appointments are made as has been indicated by the hon. Secretary of State, they become mere creatures of the minister. He has the same officers at his disposal at the present moment as he will have if this council is appointed. I do not know any clause in this Bill, so far as I have been able to investigate it, that defines the powers given to this council. In England they are vastly different. Their powers are defined, and it was further provided that this council must agree upon any recommendation which is made to the government, and that if any one of them disagrees with his colleagues, he has to leave the council, the same as a member of the government who disagrees with any policy which may be proposed by the cabinet, he has to surrender his own individual opinion or retire. Who are the parties who are to compose this council in England. First of all, the council is to be composed of the Secretary of State for War. He is the head of the department and occupies a position in the cabinet similar to that which is occupied by the Minister of Militia in Canada; then we have the chief of staff. The inspector who is to be appointed is supposed to take the place of the chief of the staff ; then the adjutant general and the quartermaster, and the master general of ordnance. These are all men occupying high and responsible positions in the force in England, and the civil members would be the parliamentary Under Secretary of State for War and the Provincial Secretary. The permanent Under Secretary of State for War is to be secretary, and he occupies a position somewhat similar to that of the deputy head in this country. The duties that are laid down for these officials are that the Secretary for War is responsible to the Crown and to parliament, as our Minister of Marine would be, and would be the means of communication with parliament, and the first department—that is the military policy in all its branches—the war department, intelligence, mobilization, training, military history, and higher education in the war regulations. These are the duties. In the third military branch the duties would embrace transportation, &c., while the Secretary of State would have the management of the civil part of the business, which would be the financing, looking up the estimates, and so on. It is not necessary that I should take up time in going into that. Taking the summary of the duties, the minister is responsible for operations of war, &c., but I will not weary the House with that. I propose to show what these particular recommendations were, that is the alternative adopted by the government. I am reading now from 'The Broad Arrow,' the military gazette of England, under the head of 'Army Council.' The fourth paragraph reads as follows :

> 4. The members of the Army Council will act in a dual capacity (a) as colleagues of the Secretary of State at the council table, and (b) as superintendents of the several branches into which the business of the War Office will be divided.
>
> 5. The responsibility of the Secretary of State to parliament and to the country for the administration of the military forces will in no sense be diminished, but it will be shared by the members of the council.
>
> 6. The council will decide all questions of military policy and all important questions affecting more than a single branch of the War Office.

7. The decisions taken will stand, and executive orders will be issued in the name of the council as a whole. It thus becomes the duty of any military member or members of the council who may dissent from a decision taken either to resign office, or to accept a share of responsibility for the action involved. While therefore loyalty to the service should prevent any member from retaining office, if what he considers a vital principle of policy is contravened, loyalty to colleagues will prevent the opinions of individual members from becoming known outside the council room. The dissent of any member who does not thereupon resign is, by that fact, annulled, and he must accept his share of the consequent responsibility.

Now here is a council which is totally independent in character. They must agree with each other upon questions of policy affecting the army and the navy. How far will the appointment of the gentlemen to whom the Secretary of State has called attention come within the meaning and intention of the council? They are the appointees of the government of Canada, serving in a department over which the Minister of Militia presides, and, consequently, must become the mere echo of the minister himself as to matters of policy; and what will be the regulations to be adopted by the government in case those gentlemen differ from the minister? Does anybody suppose for a moment that the minister will surrender his opinion, and that he will allow these gentlemen, who are creatures of his own or of the government, to change the policy of the government? It seems to me so ridiculously absurd when you think of it in its application, that one can scarcely conceive the adoption of that policy under the circumstances suggested by the hon. Secretary of State. If we were to have an independent body to compose that council, and to advise the minister, who would not be subject to the dictation of the presiding officer—and I want the hon. Secretary of State to understand that I am not applying this principle to the present minister or any other minister, because if there is a change that same law will prevail, and the same power will be vested in the future minister as is vested in the present minister. But if the council was somewhat similar in composition to that appointed in England, and the regulations governing them were those that I have read as governing that council, then much good would result from it. I shall also read from the same report, in the paper from which I quoted on April 2, of the same year, as follows:

In part I, section III, of our report we have laid stress upon the need for effective inspection, and we have proposed the appointment of an inspector-general of the forces, with a staff of inspectors, 'subject to the Army Council.'

2. We have defined the duties of the inspector-general as 'those of review and of report upon the practical results of the policy of the Army Council within the financial limits laid down by the cabinet.' Thus he should 'form a judgment, either personally or through his staff, as the Army Council may direct, on the efficiency of officers and men, on the handling of troops, on the standard and system of training, on the suitability of equipment, and generally on all that affects the readiness of the forces for war.'

The important point as applied to our present position is that clause which refers to the efficiency of officers and men. Under this regulation, we could not have in England an interference with any member of the cabinet with the Inspector General, whose duty it is to do that which Lord Dundonald did in the case of the difference that arose in the 13th Scottish Light Dragoons in the eastern townships of Quebec. I look upon this clause as exceedingly important for the welfare of the militia in this country. If there is one thing more than another that would destroy the efficiency of the militia force in this country, it is the introduction of party policy. I do not say politics, because that can be used in a much wider sense, but I say party policy. I have had a good many years' experience in the volunteer force of Canada. I assisted in raising a volunteer corps as far back as 1857 and in that corps these officers were Conservatives and Liberals and, so far as my knowledge is concerned, either in that independent company or in the 15th Battalion with which I served during the Fenian raid, or in the 49th Battalion of which I was an officer for some years, the question of politics never entered into consideration, and many of our principal officers, captains, lieutenants and others belonged to the Liberal party. The colonel originally belonged to the Liberal party and I was connected with the other. Every man in this country when he comes to the conclusion that party politics will govern the selection of the officers of the force, must feel that it will interfere with the efficiency of the militia.

Paragraph 7 of the report of this commission recommends as follows:—

7. The inspector-general and his staff should have no executive or administrative functions. They are intended 'to provide the Secretary of State and the Army Council with eyes and ears.'

That is a very forcible statement. The inspector general must of necessity be an experienced army officer. The Minister of War in England may not necessarily be so, so that when you have an inspector general of large and extensive experience, it rests with him, under these regulations, as the report says, to provide the department with eyes and ears. The 7th paragraph continues :

And their reports should deal only with existing facts, pointing out defects, commenting upon efficiency, and thus enabling the governing body of the army to know the practical results of the measures it adopts. Their attention should be concentrated upon the question of the fitness or unfitness of the army for war.

Of course I can understand, the distinction there is between England, with a large standing army, and Canada dependent as it must be in the future altogether upon its volunteer force ; consequently, the same rigid rules will not in all cases be applicable here as in England. But, unless principles such as those which are laid down in this report to which I have called attention are adopted in this country, I fear that that council will be as great a farce as possibly can be conceived in the management of the militia. That is expressing a very strong opinion, but I express it for the reason I have already pointed out. The composition of the council is not of the character indicated in this report. and unless some principle of that kind be adopted, it will be of very little use. It will be nothing more nor less than what it is to-day. The minister at the head of the department will be, in the management of the affairs of the militia, paramount. He may consult those gentlemen but they are all, with the exception of one, the Inspector General, members of the Canadian Civil Service—if I may put it that way. The gentleman who is to be appointed Inspector General may be an Imperial officer or he may not. I have seen it indicated in the papers that the Minister of Militia and Defence has applied to the War Office at home for an Imperial officer to accept this position. The gentleman whose name has been mentioned is regarded as a very able and efficient officer by every one in Canada who has paid any attention to militia matters. He will be the only one who may be considered to be independent of the minister and the rest of the council, and even in the literal sense he will not be independent of him, because if he runs amuck, to use a very familiar expression, against the ideas of the minister or some other minister who desires to have certain things done, which probably the minister himself would not do if he were present, all they have to do is to treat him as they did Lord Dundonald, send him a cheque at 12 o'clock at night for fear he should make a claim for ten minutes more, and summarily dismiss him. That is the position, as far as this council in concerned. I have given expression to my own opinions, I do not desire to detain the Senate on this question longer than I have done, but the reading of this report carefully from beginning to end would throw more light upon the action of the Imperial government in the appointment of this council, than dealing with the few lines which we have in the Militia Bill without any explanation at all other than that indicated by the Secretary of State as to the composition of that council. We are without any knowledge of the regulations and instructions and the powers which are to be given to this council in Canada ; we are told nothing and will simply have to wait patiently to see what the result will be. I sincerely hope, without being accused of uttering sentiments from a party standpoint, in the interests of the militia, that the head of the force in Canada will adopt, as far as at all practicable, the rules and regulations that have been laid down in this very exhaustive report made by the commission appointed by the Imperial government. If they do that and divest it altogether of the curse of partyism which has characterized, I regret to say, the management of the department for some little time past, I shall be very glad.

Hon. Mr. KERR (Toronto)—For all time ?

Hon. Sir MACKENZIE BOWELL—If the hon. gentleman would allow me to occupy another half hour. I have the documents under my hand to establish the facts which I have stated. I was simply going to remark that the appointment of this council, if the principle laid down by the British commission in their exhaustive re-

port be applied as far as practicable to this country, will be a benefit to the force. Otherwise militia affairs will just degenerate, as they have been degenerating in the past, into confusion worse confounded.

Hon. Mr. SCOTT—I am much obliged to the hon. leader of the opposition for having named to us the officials who comprise the imperial council. Every hon. member present who paid attention, will have noticed the marked similarity, comparing great things with small, between the officials he named as members of the council in England and those named under this Bill, except the Minister of Militia. The Secretary of War is the government official at the head of all those who compose the army council. The hon. gentleman named first the Chief of Staff, which was the same, the Adjutant General, the Quartermaster General, the Master General of Ordnance, the deputy minister who represents the department practically, and the Inspector General.

Hon. Mr. LANDRY—The Under Secretary for War.

Hon. Mr. SCOTT—Yes, he is the deputy minister. They are practically word for word the same as the officials named in the army council in England. The army council framed in the Bill is an exact copy of the army council mentioned in the English Bill, Sir Frederick Borden has copied the very officials, except that the English council is larger necessarily. Sir Frederick Borden is made a member of that council.

Hon. Mr. YOUNG, from the committee, reported that they had made some progress with the Bill and asked leave to sit again.

The Senate then adjourned until three o'clock.

Second Sitting.

LAND TITLES ACT AMENDMENT BILL.

FIRST AND SECOND READINGS.

A message was received from the House of Commons with Bill (158) An Act to amend the Land Titles Act, 1894.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the rule be suspended and that the Bill be read the second time. He said: This Bill is purely a technical one, relating to the registration of lands in the Northwest Territory. It passed through the House of Commons without debate.

The motion was agreed to.

The House resolved itself into Committee of the Whole on the Bill.

(In the Committee.)

Hon. Mr. LANDRY—What is the difference between the legislation repealed by this Bill, and the Bill itself?

Hon. Mr. SCOTT—I am unable to explain what the difference is.

Hon. Mr. LANDRY—So are we.

Hon. Mr. SCOTT—The House of Commons took it on the word of the Minister of the Interior. He thought it was necessary in the administration of the lands in the Northwest, and with that assurance the House passed it without comment.

Hon. Mr. LANDRY—And I suppose we are to pass it without any explanation?

Hon. Mr. SCOTT—No, we can suspend the committee stage until I can get the information.

Hon. Sir MACKENZIE BOWELL—If the House of Commons accepted it on the assurance of the Minister of Interior, we surely can, as a matter of courtesy to the hon. Secretary of State, accept it also. Without having the original Act before us with which to compare the Bill, it would be impossible to understand the changes. I am quite willing to accept the statement of the hon. Secretary of State.

Hon. Mr. LANDRY—I am quite willing to accept it also, because he says he knows nothing about it.

Hon. Mr. FERGUSON—Surely my hon. friend is not serious in proceeding with the Bill until we have copies of it?

Hon. Mr. SCOTT—I am quite willing to postpone the further consideration of the Bill for the present. It is purely a technical Bill which is thought by the legal branch of the Department of the Interior to be necessary.

Hon. Mr. McMULLEN—There are many in this House, and throughout Ontario, who are interested in lands in the North-

west Territories, and they would like to know the meaning of this Bill. I should like very much to have some explanation of it.

Hon. Mr. FERGUSON—It reminds me of an incident that is related in the 'Pilgrim's Progress.' One of the famous witnesses against the 'Pilgrim,' when he had completed his evidence, said, 'Now if there is anything more necessary to say against these men so that they shall be put to death, we stand here ready to say it.' We ought to put a placard somewhere, that if the government wish to bring any more Bills we are ready to pass them.

Hon. Mr. SCOTT—The Bills are distributed now. This is following a very bad precedent. I could point out where in the past twenty or thirty Bills were passed just before the guns were fired for prorogation. We had not time to more than read the titles of them. I do not care to follow the example, and when I found the Bill was not distributed, I sent to find out why. It appears it was printed, but owing to some defect in our system here, we cannot get Bills distributed promptly. If hon. gentlemen desire it, I shall move that the committee rise and report progress.

Hon. Sir MACKENZIE BOWELL—There is a way of meeting the difficulty. Just after confederation, Sir Alexander Campbell, when a member of the government which introduced the consolidation of the criminal laws of the Dominion, said it was utterly impossible to consider them, and he took the responsibility, though a member of the cabinet, of not only suggesting but moving that the consideration of any important Bills which came down from the House of Commons be postponed for consideration until the next session. A resolution of that kind was carried on a motion by Sir Alexander Campbell, and important legislation was necessarily delayed until the following session. That is the course which this House should pursue now if it has any respect for itself.

Hon. Mr. SCOTT—I have just picked up a volume of the Debates, and I find that a very important Bill was brought up and some one asked Sir Alexander Campbell what it contained. His reply was 'I have not read the Bill,' and it was put through the stages in a short time.

Hon. Sir MACKENZIE BOWELL—But the hon. gentleman knows we cannot amend a supply Bill?

Hon. Mr. SCOTT—I know, but here on the 17th of May the supply Bill, the St. John Harbour Bill, and the Tariff amendment Bill passed through their three stages.

Hon. Mr. LANDRY—Were they distributed or not?

Hon. Mr. SCOTT—I do not know. Also the Judges' Salary Bill, the Inland Revenue Act amendment Bill, the Railway Subsidies Bill, the Windsor Branch Railway Bill, and other important measures were passed the day the House prorogued.

Hon. Mr. LANDRY—Is that a justification for this course now?

Hon. Mr. SCOTT—No, it is no justification whatever; only I plead that it is a practice which has prevailed, and a very bad practice. It seems to be impossible to get Bills from the House of Commons earlier in the session. Hon. gentlemen are kept here at a great inconvenience. Among the Bills which were passed, on the occasion to which I have referred, was the Chignecto Marine Transport Company's Bill. All those Bills were introduced and passed while the Senate was waiting for prorogation.

Hon. Sir MACKENZIE BOWELL—That is no justification for our passing Bills without knowing what they contain. I hold in my hand a Bill affecting the Customs: I have not had an opportunity to read it. That is a very important Bill.

Hon. Mr. SCOTT—It certainly is. I move that the committee rise and report progress.

Hon. Mr. OWENS, from the committee, reported that they had made some progress and asked leave to sit again.

BOUNTIES ON LEAD-BEARING ORES ACT AMENDMENT BILL.

FIRST, SECOND AND THIRD READINGS.

A message was received from the House of Commons with Bill (169) An Act to further amend the Act providing for the

payment of bounties on lead contained in lead-bearing ores mined in Canada.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the rules be suspended in so far as they relate to this Bill. He said: This Bill provides that any balance of the sum of five hundred thousand dollars unexpended at the close of any fiscal year may be carried forward to the next succeeding year, and payments may be made therefrom in such succeeding year of any portion of the forty per cent hereinbefore provided on such ores, and such only as are delivered for smelting in Canada, but were not actually smelted until after the close of the year in which they were delivered.

Hon. Mr. FERGUSON—We have already this session passed a Bill dealing with this subject.

Hon. Sir MACKENZIE BOWELL—The other Bill to which my hon. friend has called attention was a Bill providing for the changing of the mode of payment of the bounty on the ore.

Hon. Mr. SCOTT—In the allotment of the subsidy, the law had been interpreted that it could only operate from the time the Bill received the Royal assent, and the Bill to which my hon. friend refers gave an interpretation that the Bill was intended to operate from the time the resolutions were introduced in the House of Commons, some months before the House was prorogued last year, in October, and the resolutions were brought down some time before that and it was to give a retroactive effect to the Bill.

Hon. Sir MACKENZIE BOWELL—This Bill is to carry forward the unpaid portion of the five hundred thousand dollars voted for that purpose, so that you would not have to revote it.

Hon. Mr. SCOTT—So that it would not lapse.

Hon. Mr. TEMPLEMAN—My hon. friend knows the sum of five hundred thousand dollars was voted for bounties. The understanding of the law was that if a sufficient quantity of lead was mined and smelted in the country to take up the entire five hundred thousand dollars, it would get only 60 per cent of the bounty earned from time to time on evidence submitted, the remaining forty per cent being held in reserve. The Bounty Act in its wording said that the bounty was to be paid in each fiscal year for the fiscal year. A doubt has arisen as to whether the full bounty established in the fiscal year that has closed, or rather the forty per cent of that which has been held over to the following fiscal year, could be paid. That is the doubt that is being removed by the Bill now before us. It is to pay to all parties who have earned the bounty the 40 per cent that has been held in reserve from last fiscal year to this fiscal year. It makes no change whatever in the total amount of bounty paid. The intention was to pay the full bounty when earned, and the 40 per cent was held in reserve until evidence was furnished that it was earned.

Hon. Mr. FERGUSON—If the 60 per cent on the quantity of lead produced would absorb the whole five hundred thousand dollars, there would be nothing to carry over?

Hon. Mr. LANDRY—There will be 40 per cent.

Hon. Mr. FERGUSON—Half a million dollars is the total extent of the bounty. Suppose the amount produced was sufficient at sixty per cent, to absorb the whole five hundred thousand dollars, nothing could be carried over? It is intended to assist the industry to the extent of half a million dollars.

Hon. Mr. TEMPLEMAN—I think my hon. friend is confounding two things. No greater amount than five hundred thousand dollars will be paid as bounty. That question does not arise this year, because the production of lead during the last fiscal year will not have amounted to more than fifteen or sixteen thousand tons, earning probably one-half the entire bounty, so that that question of the earning of five hundred thousand dollars or over, does not arise. Under the law, the mine owner who earns and receives the bounty directly from the government, is paid sixty per cent of the bounty when he furnishes evidence to the Inspector of Bounties under this Bill, a government official, that he has sent to the smelter a certain quantity of lead. On the production of that

evidence the entire bounty is not paid ; forty per cent of it is held in reserve until further evidence is adduced that that ore has been smelted in Canada, and that all the requirements of the law have been complied with. That forty per cent held in reserve is a protection that the government has that the law shall be properly observed and that the bounty shall be properly earned. The Bounty Act said last year that five hundred thousand dollars was to be paid each fiscal year, and there is that forty per cent held in reserve for the protection of the government, the overplus of the fiscal year. A doubt has arisen whether it can be paid now to the miners who have earned the bounty, and this Bill is to remove all doubt, and to pay the men who have earned the forty per cent.

Hon. Mr. SULLIVAN—Must it be smelted in Canada ?

Hon. Mr. TEMPLEMAN—Yes.

Hon. Mr. SULLIVAN—What was paid last year ?

Hon. Mr. TEMPLEMAN—My information is that the government paid $225,000 or $230,000.

Hon. Mr. LANDRY—Does this Bill provide for the payment of any balance that will remain on the first of the fiscal year ? Take the case pointed out by my hon. friend ; he says about half the money has been expended in bounties. Of that amount sixty per cent has been paid and forty per cent is coming due in the second year, but there remains some $250,000 that has not been paid at all. That is the balance of the five hundred thousand dollars ; will that balance which was not earned in the first year, be earned in the second year ?

Hon. Mr. TEMPLEMAN—No. The unearned balance lapses. It does not continue.

Hon. Mr. FERGUSON—If sixty per cent amounted to $240,000, the forty per cent added will make the total less than half a million dollars, even after this Bill passes.

The motion was agreed to, and the Bill passed through its final stages under a suspension of the rules.

BILL INTRODUCED

Bill (170) An Act to amend the Customs Act.—(Hon. Mr. Scott.)

Hon. Mr. TEMPLEMAN

DEPARTURE OF LORD MINTO.

MOTION.

The following message was received from the House of Commons :

On motion of Sir Wilfrid Laurier, seconded by Mr. R. L. Borden (Halifax), an address was voted to His Excellency the Governor General, in the following words :—

To His Excellency the Right Honourable Sir Gilbert John Elliot, Earl of Minto and Viscount Melgund, of Melgund, county of Forfar, in the Peerage of the United Kingdom, Baron Minto of Minto, county of Roxburgh, in the Peerage of Great Britain, one of His Majesty's Most Honourable Privy Council, Baronet of Nova Scotia, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, &c., &c., Governor General of Canada.

May it please Your Excellency :

We, His Majesty's dutiful and loyal subjects, the Commons of Canada in parliament assembled, desire to express our sincere regret at the approaching termination of your official connection with this country.

Your Excellency will bear from our shores our high respect and esteem.

It must be a gratification to Your Excellency to reflect that the period of your administration of the affairs of the Dominion has been one of marked prosperity on every hand, during which the development of Canada has increased at a rate unexampled in its previous history.

We are sensible of the fact that Your Excellency has watched our progress with sympathetic interest, and has omitted no opportunity of familiarizing yourself with the people and resources of the Dominion. While we cannot expect to enjoy, in the same exclusive degree as in the past, the advantage of Your Excellency's personal interest in our affairs, we venture to hope that we may continue to possess in the Earl of Minto a friend and advocate in the Imperial parliament and in the councils of the Crown.

We beg that when you deliver up to the King the charge committed to your hands by our late revered Sovereign Lady Queen Victoria, you will not fail to assure His Majesty of the unalterable loyalty and devotion of the people of Canada to the Throne, and their abiding affection for the Motherland.

We feel that any expressions of regrets at Your Excellency's departure would be imperfect that failed to include the gracious lady who for the past six years has so acceptably fulfilled the duties devolving upon the wife of the Governor General of Canada, and whose kindly interest in every movement having for its object the alleviation of suffering and the brightening of the lives of the poor, have endeared Her Excellency to all classes of the community.

In bidding farewell to Your Excellency and the Countess of Minto, we desire to assure you that you take with you our warmest wishes for your future welfare and happiness.

Hon. Mr. SCOTT—It is my pleasant duty to bring to the notice of the Senate the address adopted by the House of Commons to His Excellency the Governor General on the early termination of his official connec-

tion with this Dominion, and to invite the Senate to join in this address, a proposal which I feel will meet with your cordial approval.

When in October, 1898, His Excellency accepted the trust committed to him by his sovereign, we felt that in his coming to Canada it was not alone to discharge the high and important duties of his office but that it would afford him an opportunity to revive many pleasant memories and to renew friendships formed in years gone by.

Long before his appointment to the office of Governor General he knew something of this country and of its conditions, having been Military Secretary to Lord Lansdowne from 1883 to 1885.

Among all classes of the Dominion there is a consensus of opinion that during his term of office he has so ably discharged the duties incidental to the high position as to earn the warm approval of the Canadian people. During his term of office he has frequently visited all sections of the Dominion and has acquired an intimate knowledge of the conditions existing in every part of Canada. He has entered into the spirit of our Canadian sports, has encouraged every movement having for its object the mental and moral improvement of the people. He fully appreciates the resources that Canada possesses and recognizes the great possibility of her future; and while his official connection will shortly terminate, we may rely on Lord Minto proving an earnest and valuable friend in the discussion of all questions arising in Great Britain affecting Canada's interest.

Knowing as thoroughly as he does the sentiments of the Canadian people, it will be a satisfaction and pleasure to His Excellency to be able to convey to the sovereign an assurance of the loyalty and fidelity of his subjects in the Dominion and to assure him that their allegiance is not dependent upon the presence or absence of commercial treaties.

Canada has given, in the past, ample proof of her warm allegiance to the empire. As I have often said on former occasions, the grounds upon which our allegiance are based are broad; they are based on those solid principles which have given to this country the freest institutions that prevail in any land on the face of the earth. The observance of the treaty made in 1760, after the fall of Quebec, and the manner in which the British government has carried out that treaty with a large element of our population, has won their lasting gratitude, and inspired a loyalty that nothing can disturb. It is based on principles that are so dear to them that they recognize that any change must in a great measure diminish those privileges. Then, the population of the maritime provinces and of Ontario has been largely influenced by the earliest settlers, the United Empire Loyalists, who made very great sacrifices rather than desert the flag. Their influence has had a marked effect on the sentiment that prevails throughout the country. No Canadian can boast of a prouder lineage to-day than to be a descendant of the United Empire Loyalists, who made sacrifices unparalleled in the history of the last century.

Hon. Sir MACKENZIE BOWELL—Hear, hear.

Hon. Mr. SCOTT—My hon. friend who says 'hear, hear,' knows something about it, because the United Empire Loyalists settled in the district from which he comes, and a large part of the population there to-day is of United Empire Loyalist descent. That sentiment has gone beyond the lineal descendants of the original settlers and has been the germ that has helped to keep alive a deep feeling of loyalty for the mother country. His Excellency can assure the British people that they need not fear, if reciprocal arrangements are not made at once with Canada, that there is any possible danger of our forming an alliance with the country to the south of us. That is one of the absolute impossibilities in the destiny of this people.

The address naturally refers to the gracious lady who has presided over Government House during the last five and a half years, and who has won golden opinions not only by her charm of manner, but by the earnest way in which she has entered Canadian life. Associated as her name is with the establishment of cottage hospitals she will long be gratefully remembered by the people of Canada.

Hon. Mr. SCOTT moved, seconded by Sir Mackenzie Bowell, that the message be taken into consideration now.

The motion was agreed to.

Hon. Mr. SCOTT moved, seconded by Sir Mackenzie Bowell, that the blank space in the address be filled in with the words 'Senate and.'

The motion was agreed to.

Hon. Mr. SCOTT moved, seconded by Sir Mackenzie Bowell, that His Honour the Speaker do sign the joint address on behalf of the Senate.

The motion was agreed to, and it was ordered that a message be sent to the House of Commons to acquaint that House that the Senate had agreed to the joint address by filling up the blank space therein with the words 'Senate and.'

DELAYED RETURNS.

Hon. Mr. LANDRY—I would ask the hon. Secretary of State to inquire for those returns, concerning the steamer 'Neptune' and Joseph Painchaud, that I asked for at the beginning of the session. The hon. gentleman was good enough to give me this morning a return in response to my motion for information about the steamer 'Gauss,' which I moved for later in the session. The other two returns were asked for at the beginning of the session. The papers in the case of the steamship 'Neptune' were all ready at the end of last session, but were not brought down.

THE MILITIA BILL.

HOUSE AGAIN IN COMMITTEE.

The House resumed in Committee of the Whole consideration of Bill (No. 5) An Act respecting the Militia and Defence of Canada.

(In the Committee.)

Hon. Mr. LANDRY—We were discussing clause 7 when the House rose at one o'clock and we heard from the hon. Secretary of State that in his opinion the speech made by my hon. friend the leader of the opposition was a confirmation of the course followed by the government in the creation of the proposed Militia Council. I think he did not catch all the remarks made by my hon. friend on my right? The distribution of the duties to the English Military Council settles the matter. Nothing of the kind is provided for in this Bill.

Hon. Mr. SCOTT—That would not be by statute. The instructions here have not been prepared. They would probably be on the same lines.

Hon. Mr. LANDRY—We have nothing to assure us that even the composition of the Militia Council will be on those lines. The law says:—

> The composition, procedure and powers of the council shall be as prescribed.

Hon. Mr. POWER—By the Governor in Council.

Hon. Mr. LANDRY—I'm very glad the hon. gentleman for Halifax gives that information.

Hon. Mr. POWER—The Bill gives that information.

Hon. Mr. LANDRY—The powers of the council shall be as prescribed. The Bill says the Governor in Council may appoint a Militia Council to advise the minister on all matters which are referred to the council by the minister. If we refer to subsection 1 of clause 2, we find:

> (i.) 'Prescribed' means prescribed by this Act or by regulations.

Hon. Mr. SCOTT—Read I and J.

Hon. Mr. LANDRY—J reads as follows:

> (j.) 'Regulations' means regulations made by the Governor in Council under the authority of this Act.

And nothing in this clause refers to the regulations. The composition, procedure and powers of the council shall be 'as prescribed.'

Hon. Sir GEORGE DRUMMOND—It is by the Governor in Council.

Hon. Mr. LANDRY—It is enacted in clause No. 2 that when the word 'prescribed' is used it is used in the manner pointed out by subclause 1 of No. 2. It means prescribed by this Act or by regulation. Is there anything in this Act that prescribes it?

Hon. Sir GEORGE DRUMMOND—No, nothing.

Hon. Mr. LANDRY—Is there anything in the regulations which prescribes that?

Hon. Sir GEORGE DRUMMOND—Nothing.

Hon. Mr. LANDRY—On what do we rely? Prescribed by whom, when, and in what way? Will it be prescribed by regulations, or by Order in Council, or by what?

Hon. Mr. SCOTT—I think it is perfectly plain. The regulations must be approved by the Governor in Council, whatever they are.

Hon. Mr. LANDRY—Does the hon. gentleman admit that 'regulation' and 'Order in Council' are two different things?

Hon. Mr. SCOTT—Those regulations must be confirmed by Order in Council. It is perfectly clear.

Hon. Mr. LANDRY—It is not clear at all. What will be the position of this Militia Council? The hon. Secretary of State told us that probably the militia council will be composed of the minister, the chief of the staff, the adjutant general. Is the deputy adjutant general to be a member of this council?

Hon. Mr. SCOTT—Adjutant general. I gave the hon. gentleman the names. There was the Chief of Staff—that is a new appointment—the Adjutant General, the Quartermaster General, the Master General of Ordnance, the deputy minister of the department, and the chief accountant of the department.

Hon. Mr. SULLIVAN—Is the chief of staff to be an imperial officer?

Hon. Mr. LANDRY—Where is the chief inspector in that?

Hon. Mr. SCOTT—The chief accountant would stand in the same relation in Canada as the inspector would in England.

Hon. Mr. LANDRY—Clause 31 reads as follows:

31. There may be appointed an officer, who shall hold rank not below that of colonel in the militia or in His Majesty's regular army, who may be, subject to the regulations and under the direction of the minister, charged with the military inspection of the militia, and such officer shall be paid at such rate, not exceeding six thousand dollars per annum, as is prescribed.

Will this military head form part of the military council? Of course, but he is not included in the list given by the hon. member. The chief inspector——

Hon. Mr. POWER—No; he is not an executive officer.

Hon. Mr. SCOTT—We have no such official.

Hon. Mr. LANDRY—The hon. gentleman from Halifax is not a member of the cabinet, and cannot answer.

Hon. Mr. POWER—The hon. gentleman had better confine himself to the Bill, and not make any reflections on me. As a member of the committee, I have a right to answer questions, and the hon. gentleman has no right to cast reflections.

Hon. Mr. LANDRY—The hon. gentleman has a right to answer questions wrongly.

Hon. Mr. POWER—The chief inspector, by virtue of his office, cannot be one of the council. The duties of the inspector general are to see that the orders of this council are properly carried out, and the inspector general in England is not a member of the council, neither is he to be a member of the council here.

Hon. Mr. LANDRY—Is it to be the duty of the chief inspector to see that the orders of the council are carried out? If it is the duty of the chief inspector to see that the orders are carried out correctly, then he is qualified to act as a member of that council, according to the arguments brought forward by the hon. gentleman from Halifax.

Hon. Mr. POWER—Not at all.

Hon. Mr. LANDRY—The hon. gentleman denies that the chief inspector is a member of the council, because he is an officer who is obliged to see that what the council has passed is carried out, and in that way he is on the same footing as the minister himself.

Hon. Mr. POWER—The hon. gentleman thinks it is an absurd proposition, but it is a remarkable circumstance that in England they are adopting the same policy.

Hon. Mr. DOMVILLE—Clause 7 has been discussed a great deal. I have had forty-seven years' experience in military matters and was trained at Woolwich, where they knew more about it than the lawyers here. Clause 7 covers the whole thing. There is nothing in this Bill, except a few immaterial clauses, outside of clause 7. Clause 7 covers all we are aiming at. It takes from the General Officer Commanding all authori-

ty and power and vests it in the militia council. Clause 7 reads as follows :

7. The Governor in Council may appoint a militia council to advise the minister on all matters relating to the militia which are referred to the council by the minister. The composition, procedure and powers of the council shall be as prescribed.

We have had a great deal of trouble here. We have ministers of the Crown thoroughly responsible to the people of this country and to parliament, and they have had on many occasions to combat the views of general officers coming here from the old country, most distinguished, and most of them have been good officers. They have had their own views as to what should be done, and how it should be carried out—not with the present government, but with the late government. This takes it entirely out of the hands of the General Officer Commanding. It is sought to establish an auxiliary force in Canada, not a Canadian army, but a force organized for protection internally and externally, for I do not think any of us are prepared to subscribe to the doctrine that levee en masse, whatever it is to be, is to be for outside purposes. Although we may be very willing to aid, still we are not in any way bound to carry out any of the duties imposed on us by sending an army out from this country. We will co-operate and look out for the enemy within the gates rather than the enemy outside the gates. This clause removes the whole power and the whole administration of the Militia Department from any general coming here from any imperial office, and places it entirely in the hands of the government of the day, whoever they may be. I endorse that, and I think it is right. I do not find any fault with the Governor General appointing a council to act. There is nothing in the law which says they may not remove this council at any time. It is only for the moment. These appointees are not to remain for ever. They are subject to the will of the Governor General, who, after all, represents the Crown, and I presume in any case their term of office is not for ever. They are simply advisers, as I take it, to the Militia Department. Heretofore there has been a jumble. My hon. friend commanding the brigade from Stadacona, I think, will agree with me that in the past it has been everybody's business and nobody's business to administer the militia of Canada. The General Officer Commanding has his views and the minister has his views, and the minister is responsible to the country, and in many instances they could not come to a proper conclusion. Under this Bill all these officers that are appointed, such as have been named to-day, are simply creatures of the will of the government. There is no doubt about the fact that they are there to advise. Take the Master General of Ordnance, he is there to look after his department, and the Adjutant General looks after his department. You are providing heads of five, six or seven departments, each one working out his department, meeting in council and giving their advice as to what should or what should not be carried out. That does not in any way interfere with the rights of the Crown or with the government. That does not say their views are to be adopted, but at the same time it places the responsibility on each one of those branches, to carry out the branch under his charge, and to be able to carry it out in a way that will make each branch, if possible, permanent. I think there is a great deal in that. Hitherto we have had an adjutant general who really carried out the whole thing. All the officers that were under him before, in the militia branch, were under him. He was superior to them, and his view prevailed. To-day it is not so. This council, meeting together, will decide or discuss what is best for the militia of Canada. There are many things they may discuss. If I understand it properly—and I tried to read the Bill—the orders are passed by His Excellency in Council. His Excellency approves of them. Those orders stand, and in those orders are embraced the King's regulations, also following out the Army Act. They cover everything in respect to the discipline of the army and all regulations. These regulations as passed, were very imperfect. They improve from time to time. They were altered as it was thought best to alter them under the circumstances, but conflict very largely with the Queen's regulations and the Army Act. But the King's regulations, as they are to-day, are so elastic, that wherever the regulations and orders of the militia of Canada do not govern the conditions of the other, then the King's regulations come into force. Following that we have the disci-

pline under the Army Act, which covers everything again. Therefore we had, first of all, the regulations and orders as passed by the officer commanding here, through the adjutant general, then confirmed by the Governor in Council, which embodies, as I said before, the Queen's regulations, and the Army Act. While those regulations are very good in their way, the day is passed for them to be operative. Everything has changed. Take the question of punishment, take the matter of drill, and many other questions which it is not necessary to go into—those are all to-day vested in the Governor in Council. I think it is a very wise provision, that instead of their being in the hands of the General Officer Commanding, whoever he may be—because we have had general officers so different from one another with regard to drills, and many other matters, it shall now be placed under a militia council. Canada is becoming a great nation, and there is no use discussing our militia from any other standpoint than that of the militia of a country that is bound in the future to make a great mark—that they should have the power of administering their own militia affairs. I cannot see any great harm in vesting in the government all the power to make and break the regulations, so long as they do not conflict with the Army Act and the imperial idea. I say that the Bill has provided for that.

Hon. Mr. LANDRY—Clause 126.

Hon. Mr. DOMVILLE—We are governed here, after all, by the Queen's regulations, and they cover the Army Act. I can see what my hon. friend on the other side of the House says, that there is power in the Bill for the minister to make these appointees of the council, but it does not say that he shall appoint this man or the other man. I think this clause is a good one. It is perfectly elastic. It allows the government to do anything they like, and I cannot believe that any government would take such steps as would be inadvisable, in regard to the militia of Canada, on whom in time of trouble, will depend the defence of our borders.

Hon. Sir MACKENZIE BOWELL—What is the clause which brings us under the King's regulations ?

The CHAIRMAN—Clause 74.

Hon. Mr. DOMVILLE—Clause 74 reads as follows :

74. The Army Act for the time being in force in the United Kingdom, the King's Regulations, and all other laws applicable to His Majesty's troops in Canada and not inconsistent with this Act or the regulations made thereunder, shall have force and effect as if they had been enacted by the parliament of Canada for the government of the militia, and every officer and man of the militia shall be subject thereto from the time of being called out for active service, and also during the period of annual drill or training under the provisions of this Act, and also at any other time while upon military duty or in the uniform of his corps upon or within any rifle range or any armoury, or other place where arms, guns, ammunition or other military stores are kept, or any drill shed or other building or place used for militia purposes, or during any drill or parade of his corps at which he is present in the ranks, when going to or from the place of drill or parade, and also whether in uniform or not at any drill or parade of his corps at which he is present as a spectator.

2. Officers and men of the permanent force and members of the permanent staff of the militia shall at all times be subject to military law.

Hon. Mr. LANDRY—That is in active service ?

Hon. Mr. DOMVILLE—I take it the moment a militiaman has his uniform on and is out in the field, he is on active service ; while he has his uniform on he is subject to military discipline, and may be called to war. In the marginal note it says : ' Army Act applies.' The Army Act is too voluminous to deal with just now. It relates to court-martials and many things, to the warrant given to the general as to what he is to do when he is sent out to a colony. When His Majesty's general is in a colony, where there is trouble, he supersedes all officers in charge. If Canada becomes a theatre of war, the imperial government steps in and takes the responsibility of fighting and defending the country, but in the meanwhile the force we have to-day or to-morrow is a force raised as an auxiliary force to aid that force, and finally, so long as we remain an integral part of the British nation, to come under the imperial regulations. There are a few details in this Bill that do not amount to anything. If I am wrong in my view, I should like to be corrected, but my view is that clause 7 takes away from the general sent here from England all power, and vests it in the Governor General in Council, which is narrowed down to a committee of the departmental

officers to carry it out, and my hon. friend says, and says correctly, that an officer will be senior here to be called the inspector——

Hon. Mr. SCOTT—Chief of staff.

Hon. Mr. DOMVILLE—The chief of staff will take the place of the General Officer Commanding, except that he does not take the powers of the general. He is merely there as a servant, so to speak, to administer what the government of the day decide on the recommendation of their council so appointed. I think when you have said that you have said everything. The Bill is a wise measure. Under it the government may do anything they like, so long as they do not interfere with the King's regulations and the Army Act. Sir Patrick McDougall was the best officer we ever had. He recognized that we had to have some kind of military organization of our own. He placed the Militia law on the statutes, or guided it. And he made a second line of defence, namely, the reserve. That still remains on the statutes, unless it has been altered by this Bill.

He gave us the regulations and orders which were the best that could be got for the moment, but we have passed through that stage. We have shown that we are able to go abroad and capture the King's prize at the ranges in England. We have shown that we could send men to the Soudan who acquitted themselves creditably; we proved that we could send 7,000 men to South Africa who could fight and come out of the struggle with honour. With that record before us, we can look forward with confidence to the future. I think there is no question on either side of the House that some alteration is necessary in our future organization. What is the good of having an army, even a civilian army, for I am not prepared to subscribe to the doctrine that we must raise a standing army to go fight abroad. I will not subscribe to the doctrine that we are prepared to tax this country heavily for a sentiment. We have nothing to do with many of those foreign questions. They are governed largely by conditions at home which make it imperative for the government of the day, whether they are seeking to hold themselves in power or to uphold the prestage of the Empire all over the world. Their views and ours might largely differ; but we might agree that if the nation was in trouble we would throw in our lot as far as possible to help them out. I do not think that Canada should ever subscribe to the doctrine that we have to be placed on a war basis and tax our people hundreds of millions simply to keep up an army when we need the money for our railways, canals and other public works necessary for the development of our country. Some years hence, when we may have passed away and others succeed us, and Canada has a population of 20,000,000 or 30,000,000, it will be time enough to decide whether we shall take part in the affairs of the world and possess an army or not. The government of the day has come to the conclusion that it will do the best it can under existing circumstances. We have some 40,000 men to train every year, and they say, give us the power to say what shall be done. What is the use of men walking about in brilliant uniforms if they cannot use rifles? We have shown that we have good marksmen and good oarsmen; we are not lacking in intelligence in this country. If our officers are not up to the mark, what is to prevent the government sending officers abroad to learn, as the Japanese have done. Our officers are bright and can be trained. Let them go abroad and learn, and come back here and take hold of our militia and put it into good shape. The government is right in saying 'We are prepared on our own responsibility to run our militia as we think fit. We are willing and anxious to have imperial officers come here and give us the benefit of their advice, but we are not prepared to have them say that they control the Canadian force to do with them as they think fit.' The grasp must be in the hands of the minister and not in the hands of any officer loaned us by the Imperial authorities. When this Bill which defines our position is passed, we shall get on very much better, and the Militia Department will be able to decide what is required and carry it out. There is a great deal to be said in favour of this Bill. The question of cadets, taking the boys in school and teaching them to shoot, even at short range—

Hon. Mr. LANDRY—I do not think the hon. gentleman has a right to discuss the whole Bill on one clause of it.

Hon. Mr. DOMVILLE—It all turns on that clause.

Hon. Mr. LANDRY—I do not see any reference to cadets in that.

Hon. Mr. DOMVILLE—It says :

The composition, procedure and powers of the council shall be as prescribed.

Having that power, they have everything in their hands. They have stripped the general of all his powers, and have taken control of the militia, saving and excepting the King's regulations, and the Army Act prescribed by the parliament of Canada. We cannot make anything out of our militia more than an auxiliary force. I think it is the very best Bill for the present that can be produced. I am not going to say that it is perfect, or that what will answer to-day will answer a year or two hence, but it contains nothing very objectionable. There is nothing binding about it ; it can be changed hereafter if necessary. I agree with the leader of the opposition, that there should be a little more independence in that council. There is very little in it but departmental officers. I think the cavalry, whether mounted infantry or whatever you call them, should be represented on it. So should the artillery.

Hon. Mr. SCOTT—They are represented by the Master General of Ordnance.

Hon. Mr. DOMVILLE—He simply has charge of the munitions of war. In England when they had an ordnance department years ago, they had an officer of artillery, an officer of engineers, and a storekeeper, and the three of them made a board which was known as the board of ordnance. I do not find any fault with that, because it can be altered. I do not presume for a moment that the government will tie themselves up by anything they do to-day; it can be altered if necessary. There is no question of politics in this at all. We ought to adopt this Bill and depend on the government of the day, whoever they may be, to make such changes in the future as may be considered in the interest of the militia. I have made quite a study of this Bill, and have had a great deal of experience, because I have been commanding a regiment of cavalry for twenty years, and I must know something of the Army Act and other things connected with the force. I do not think the government could have brought in a better Bill than they have brought in to-day.

Hon. Mr. CLORAN—The military men have occupied a great deal of time in discussing this Bill. It would not be out of order, therefore, if on behalf of the peaceful citizens of the Dominion, I should offer a few observations with regard to clause 7. I have listened to the remarks of an ancient soldier of our Canadian army and the remarks of an active officer, the hon. member from Stadacona, and the remarks of an imperial officer, and who, I am glad to see, is to-day a Canadian officer. They have furnished a great deal of information, but the explanations of the hon. gentleman from Rothesay are amply sufficient to justify this House and the people of Canada that the policy of the government of the day is not one of militarism. We are not in this young country destined to become a military power. We have too much vacant land to fill to make militarism our policy and to cover fields of glory with our noble dead. The mission of this young country is to build up a prosperous, peaceful and happy people, and you cannot have peace, prosperity and a contented people where war is winging its deadly flight over the land. Under the circumstances, this Bill will appeal to the peaceful sentiment of this country, and why? All on account of clause 7. It is a mission of peace to the Canadian people, a guarantee that in the future we will not be involved in conflicts which are not our own, or which are not necessary for the national honour or safety—that we shall not be driven to war except when our national life shall be in danger or our national honour tampered with. Clause 7 puts the responsibility for embroiling this country in warlike manœuvres in the hands of men in whom we have confidence—the Governor General in Council. I have more confidence in the government of the day, whether Conservative or Liberal, than in any officer who may command the army or excite this country to go into an expenditure for warlike organization not necessary under existing conditions. Clause 7 will not allow an officer, whether he comes from Australia or from Downing Street or elsewhere, to dictate the militia policy of this country. It takes out of his hands that power which the late Lord Dundonald assumed——

Hon. Mr. McMILLAN—He is not dead.

Hon. Mr. CLORAN—No, and I hope he will live long to enjoy his well-earned honours. He fought well for a warlike country, but when he came to this young country and asked us to do what the parent country was doing, when there was no necessity for it, he overstepped the mark. No doubt his intentions were good, but he lacked tact. Under this Bill the power to make preparations for war will be left in the hands of the minister on all matters relating to militia. I do not say whether the council suggested is complete or incomplete. It may be sufficient for the day, but, as the hon. gentleman from Rothesay has suggested, if it is not sufficient, the Act can be amended next year or the year after. The hon. member from Rothesay has given us valuable counsel as a military man, and I am prepared to accept it. I approve of the clause which takes the power from an individual officer, however well he may have served the Empire, and placing it in the hands of the government. We are a democratic people and want to be governed by democratic principles. That is the doctrine that will prevail in this country. When the government suggested clause 7 to put the amendment of the Militia Department in the hands of the minister, advised by a council, I think the Senate cannot do better than accept the suggestion.

Hon. Sir MACKENZIE BOWELL—I do not propose to follow the hon. member for Rothesay or the hon. gentleman for Victoria (Hon. Mr. Cloran), but it would be interesting to know what there is in clause 7 that has any reference at all to the speeches which have just been delivered. I admired the good sense of the hon. Secretary of State when he shut his eyes and apparently took a nap during their delivery. I hope, Mr. Chairman, if I should stray from the clause under consideration you will call me to order. Clause 7 provides for the appointment of a council to advise the minister, but it will be observed that nothing can be considered by that council unless it is referred to them by the minister, and the minister is therefore absolute and the council has nothing whatever to do with it.

Hon. Mr. DOMVILLE—What is the good of the council ?

Hon. Sir MACKENZIE BOWELL—You had better ask the Secretary of State. I am not defending this Bill. I say the Bill is a great improvement on the present Act, and to a large extent I concur in the remarks of the hon. gentleman. I am discussing clause 7, which says the council is to advise the minister on all matters referred to the council by the minister.

Hon. Mr. CLORAN—Perfectly democratic.

Hon. Sir MACKENZIE BOWELL—I do not see much democracy in that. It is an absolute power vested in the minister. If that is democracy, according to the hon. gentleman, I do not understand the meaning of the word. Then it goes on to say :

The composition, procedure and powers of the council shall be as prescribed.

Whatever the Governor in Council may think proper to prescribe, the minister is absolute under this clause, and any suggestions that may be made by the council appointed to give him advice can only be upon such matters as the minister may refer to them. As to the question of militarism, I am quite prepared to discuss that when the question comes up, but it has nothing to do with this clause, nor does this clause affect in any way the meaning which would be attached to the word militarism. I do not know anybody in this country who is advocating that to-day, nor does this clause give power to the council to advise the minister whether we shall go to war or not, unless the minister asks advice of the council.

Hon. Mr. BEIQUE—In England who is the head of the military council ?

Hon. Sir MACKENZIE BOWELL—The head of the council is the Minister of War. Just as the Minister of Militia will be the head of the council here.

Hon. Mr. DOMVILLE—My hon. friend misunderstood me. I said that clause 7 took the heart out of every piece of the Militia Act.

Hon. Sir MACKENZIE BOWELL—Oh, no.

Hon. Mr. DOMVILLE—Perhaps I do not read it in the same way my hon. friend does. I hold now in my hands the Regulations and Orders of the Militia in Canada. In that

there is everything to prescribe what their duties are, and an attempt is made to show that under clause 7 all this falls into the hands of the council.

Hon. Sir MACKENZIE BOWELL—If the hon. gentleman will look at clause 126, he will find the powers he refers to are given to a large extent to the Governor in Council.

Hon. Mr. DOMVILLE—That is the same thing again :

126. The Governor in Council may make regulations for carrying this Act into effect, for the orginization, discipline, efficiency and good government generally of the militia, and for anything requiring to be done in connection with the military defence of Canada.

Hon. Sir MACKENZIE BOWELL—If the hon. gentleman will read clause 7 he will see it refers to the powers of this council, that is all.

Hon. Mr. DOMVILLE—I look at it through a different pair of glasses. Powers are given to the Governor General in Council which are very wise, and therefore, quoting the clause that my hon. friend talks about is only a sequiter, one falling into the other, and that while the Governor in Council has the right of carrying it out under the other clause, he has at the same time appointed a council which makes those recommendations which they would pass under clause 127.

Hon. Sir MACKENZIE BOWELL—It depends altogether on what the Minister of Militia may refer to the council.

Hon. Mr. DOMVILLE—You put the whole matter into the hands of the Minister of Militia, and he is advised by these officers.

Hon. Sir MACKENZIE BOWELL—They become his officers to the extent of the questions which are referred to them.

Hon. Mr. DOMVILLE—Exactly.

Hon. Mr. SULLIVAN—Would not the Governor in Council be superior to the minister ?

Hon. Mr. SCOTT—Certainly.

Hon. Mr. SULLIVAN—All the suggestions of the minister would be liable to be passed on by the Governor in Council ?

Hon. Mr. SCOTT—The minister is responsible to parliament in the first instance, for the discharge of his duties.

Hon. Mr. SULLIVAN—Any emergency I suppose he would submit to the Council ?

Hon. Mr. SCOTT—Yes, and all appointments go before the Council.

Hon. Mr. LANDRY—The Governor General appoints the Militia Council.

Hon. Mr. BEIQUE—And the Minister of Militia is not supposed to adopt any serious policy without submitting it to the Council.

Hon. Mr. LANDRY—The Governor in Council names a Militia Council, and to that Militia Council refers the questions upon which he wants advice, and only those. I want to know what will be the composition of that Militia Council ? The Secretary of State gave me the names of the minister himself, the Chief of Staff, the Quartermaster General, the Director General of Ordnance, the deputy minister, the Adjutant General and the accountant. In discussing clause 7, to understand the subject, I refer the minister to sections 30 and 31. I know the whole Bill turns on clause 7. By clause 30, the government may appoint an officer that he brings from England or any place, called the Major General. By clause 31 he may appoint another officer taken from His Majesty's forces, called the Inspector General. The government is not obliged to have a commanding officer from abroad. They may select him from the militia, or from His Majesty's regular army. This officer is called the Major General. Is the Major General the Chief of Staff ? The hon. minister says that those who will compose the Militia Council will be the minister, the Chief of Staff. Who is the Chief of Staff ? Is it the Major General, the Inspector General, or the Adjutant General ?

Hon. Mr. SCOTT—I presume it will be the senior superior military officer, whatever name you give him—I presume the major general. The chief of staff will be the highest officer in the service.

Hon. Mr. LANDRY—The hon. gentleman said they would be the chief of staff and the adjutant general, but those two persons may be the same one. The adjutant general may be the chief of staff. Supposing the government does not bring from His Majesty's regular army, a major general, who is the chief of staff ?

Hon. Mr. DOMVILLE—The general officer could not be chief of staff.

Hon. Mr. LANRDY—Why not ?

Hon. Mr. DOMVILLE—Because he would not be the general officer.

Hon. Mr. LANDRY—Lord Dundonald was chief of staff. The next was deputy adjutant general Lord Aylmer ; so by this Bill, if a major general is not chosen in the militia who is the chief of staff, it is the adjutant general. Hon. gentlemen may say no, but it provides :

2. In the event of a vacancy in the office of general officer commanding, or in the absence of that officer from Canada, the Governor in Council may detach an officer of the headquarters staff, who shall be charged with the military command of the militia.

Hon. Mr. DOMVILLE—That is all right, he commands the militia.

Hon. Mr. LANDRY—The adjutant is actually in command. If that council was created to-day as commanding officer of the militia he would hold the first place after the minister, as the Secretary of State said, and besides that, he is the adjutant general.

Hon. Mr. SCOTT—No.

Hon. Mr. LANDRY—Who is the adjutant general now ?

Hon. Mr. SCOTT—Col. Aylmer.

Hon. Mr. LANDRY—Who is the commanding officer now ? Is it not Lord Aylmer ?

Hon. Mr. SCOTT—The office to be filled yet is chief of staff. That is the only military office to be filled.

Hon. Mr. DOMVILLE—The hon. gentleman is right there. Under this Act there will be no general.

Hon. Mr. LANDRY—They must have one either chosen from the Canadian militia or from the British army.

Hon. Mr. DOMVILLE—No, the chief of staff becomes general here, and is chief officer.

Hon. Mr. POWER—If the hon. gentleman will look at clause 36, he will see that provision is made for the chief of staff :

36. The Governor in Council may establish a general staff, headquarters staff, and district staff, and may appoint a chief of the general staff and such officers to the respective staffs as are deemed necessary, and shall define their duties and authority.

The clause which provides for the General Officer Commanding is clause 30, and they are two totally different officers. I think the better way is to devote ourselves to the clause which is before the committee, and consider that on its merits. In the past there has been a sort of divided authority between the minister and General Officer Commanding, and there has been a great deal of conflict. I am not going into that, but the proposition under this clause is, that instead of having this General Officer Commanding, there shall be a Militia Council, of which the hon. Minister of Militia himself is to be one. The old saying that two heads are better than one, holds perfectly true, and if the minister consults a half dozen of his subordinates before he takes any important action, he is much more likely to be right than if he does not consult any one. The War Council in England is substantially the same thing. Then, as to the power of the council, we have to take the declarations which are made in parliament by the minister in charge of the Bill, as indicating the policy which is to be pursued, and he spoke of appointing certain officers. In England this questrion has not been settled by an Act of parliament, but by Royal warrant. Still, I think in this country, it would be better to go into greater detail in an Act of parliament and not leave so much to the Governor in Council. However, this is following the English practice. What is the composition of the council ? 'The composition, procedure and powers of the council shall be as prescribed.' When you go to the interpretation clause, you find prescribed means, 'Prescribed by this Act or by regulations,' and regulations means 'Regulations made by the Governor in Council under the authority of this Act.' If this Act does not prescribe anything, it is to be done by regulations. So that, practically, as this Bill does not deal with the powers of the council, the powers of the council are such as are fixed by the Governor in Council by regulation. Then it rests with the Governor in Council to instruct the minister, and to control him, and to compel him to submit to that council whatever subjects the Governor in Council

thinks necessary, and if the Governor in Council prescribes the powers of the council, and gives the council power to deal with certain questions, the minister cannot prevent it; and at any rate the minister will act with his colleagues and under their direction. If I had been asked to draw the clause, I should have drawn it differently. But I think it is going to be a great improvement on the present system, as it substitutes seven heads for one head.

Hon. Mr. DOMVILLE—My hon. friend from Halifax is rather lecturing the House.

Hon. Mr. POWER—No.

Hon. Mr. DOMVILLE—When he is in the chair I think he has a perfect right to lecture the House, but I do not think he should dictate as to whether this clause should go or not. We are trying to help the government. No one is opposing it. Some of us have had experience. Perhaps my hon. friend has had more than the rest of us. My hon. friend talked about England. It is not analogous at all. There is an Army Act enacted every year in England. That has nothing to do with the Militia Act. There is a Volunteer Act in England, and each branch is governed by its own law, and equipment, drill and everything else. Therefore, this Bill is not analogous at all. It is a Bill brought in by the government, of which I entirely approve. There should be some alteration made in the future, but it is not necessary to bother with it to-day. It has nothing to do with the Army Act. The Army Act has to be brought into force by a vote. You must have a standing army in England. We have no standing army here; it is a volunteer force, if you go to the bottom of it, but it is called rather the Canadian army. It is called the Militia of Canada, under the British North America Act, and I presume it has been thought prudent from that day to this, not to interfere, and the chances are that they would not interfere with the Act of Confederation. There is nothing analogous between the two. As to the General Officer Commanding, I think there is a good deal to be said as to whether there is to be a general at all. As I read it, there need not be a general at all. The minister can be the general himself. I read it that we can have the head of every department a general. I do not see any objection to it. I should like to see forty generals walking around, with lots of gold on them, standing on the right and standing on the left of the Crown. The ladies all like the uniform. If our officers did not have good uniforms they could not get along. Clause 30 reads as follows:

30. There may be appointed an officer who shall hold rank not below that of colonel in the militia or in His Majesty's regular army, who may be, subject to the regulations and under the direction of the minister, charged with the military command of the militia, and such officer shall have the rank of major general in the militia, and shall be paid at such rate, not exceeding six thousand dollars per annum, as is prescribed.

2. In the event of a vacancy in the office of general officer commanding, or in the absence of that officer from Canada, the Governor in Council may detach an officer of the headquarters staff, who shall be charged with the military command of the militia.

Hon. Mr. LANDRY—Will the general chief of staff be always a different officer from the adjutant general?

Hon. Mr. SCOTT—Oh, clearly, I think so, yes. It is a new creation, an officer who is not now on the staff at all in the Militia Department. I may say the real object of this clause and the method of carrying it out, was for the purpose of obtaining greater uniformity in the management of the forces. The general officers who have come out to Canada have all had individual views, and they came out here thinking they would carry their own individual views into effect, so that the result has been that there has been a lack of consistency in the management of the militia forces, and it was thought by invoking the heads of the staff and the chief of staff, who would be somewhat subordinate to the minister, that greater uniformity might be obtained in the management of the forces, that the regulations will not change from year to year according as the general officer commanding is changed. It has been found that every general officer has views different from his predecessor, and he desired to inaugurate changes that were not perhaps in the best interests of the forces, and this is a way of securing uniformity. Every regulation passed must be confirmed by the Governor in Council. That was the practice in England. The Army

Council in England was named, not by statute, nor by the regulations, nor were the regulations made in that way. It was named by letters patent, I have the statute before me, and this council is the advisory of the Secretary of War. Any regulation made has no force or effect unless it is based on an Order in Council and published for the information of the world, so that hon. gentlemen I think are foreseeing very many difficulties and inconsistencies that are not likely to arise. The minister will have to give an account of his administration to parliament, and parliament's approval will be had from year to year on the methods that have been employed. The Orders in Council must be published and will have no force or effect until they are published. It is simply the principle that two heads are better than one. This body of experts assembled by the minister about the board, are perfectly free to express their views as they think best, and suggest what they think best, and in that method it is hoped a very great improvement will be made.

Hon. Mr. LANDRY—The idea of having a militia council will do away with all those inconveniences which we have experienced in the past. I approve of all that, but I want to know if the government is at liberty to choose a commanding officer from abroad ?

Hon. Mr. SCOTT—They may. That is just possible, but not likely.

Hon. Mr. LANDRY—Or they might bring in an inspector. It is more than possible. It is probable, because they have applied for one already if rumours are correct.

Hon. Mr. SCOTT—The chief of staff is the only officer in contemplation.

Hon. Mr. LANDRY—Colonel Lake ?

Hon. Mr. SCOTT—He would come as chief of staff.

Hon. Mr. LANDRY—He will take the place of the officer commanding ?

Hon. Mr. SCOTT—No, I presume not.

Hon. Mr. LANDRY—Those things are not well defined. The chief of staff, who is coming here, will be the commanding officer of the militia. We must have a commanding officer, and we do not want to give that commanding officer all the power he had in the past, but we want him to be one of the voices in the council. If you go to England and ask him to come here, it is because he has some expert knowledge, and something to do with military science, and we would want that his views be heard in the council. We do not want him to be the predominant voice, but want him to be heard.

Hon. Mr. BEIQUE—I am not a military man, but I think we have drifted in discussing this clause, as to who should constitute the militia council. The policy of the Act is to leave that entirely in the hands of the government, as in England ; it is not settled by Act of parliament. It is done by the government, and this is the principle of the Act. The hon. Secretary of State has announced, in answer to a question that has been put to him, that the intention of the government is to have this council composed of so-and-so. That will be a matter to be decided on from time to time by the government, and therefore, the only way to deal with clause 7 is either to pass it as it is, or if the hon. gentleman is ready to suggest, instead of leaving the composition of the council to the government, how this council should be composed, and to have it in black and white in the Act ; but unless the hon. gentleman is disposed to adopt that course we are discussing absolutely for nothing.

Hon. Mr. LANDRY—I understand that the hon. gentleman is under the impression he is discussing for nothing, because he does not understand the question. When the hon. gentleman said he was going to appoint the chief of staff one of the councillors, I wanted to know, and have a right to ask, if that commanding officer would be the inspector, or who he would be. Perhaps I did not ask it in very clear terms, but at the conclusion I got the answer, and I know why the hon. gentleman does not understand it yet.

Hon. Sir MACKENZIE BOWELL—The only difference in this law and the practice now is that you appoint a council that may advise, but it is well known that the hon. Minister of Militia never acts upon matters of this kind unless he has some reason why he would not seek the advice of those with whom he was surrounded. At present, if there is any matter concerning the militia, he consults his deputy—I am speaking of the

past—who has knowledge of certain matters pertaining to the office. He may be a military man, and may not. If the question is one affecting the forces, he calls in the aid of the adjutant general. I do not think we have ever had a man holding the position, in my long experience in the matter, that I would have more confidence in, and who would perform his duties more assiduously and conscientiously, than Lord Aylmer. What little I had to do with him led me to that conclusion. I recollect distinctly the great opposition there was to his promotion. I think the government did well in promoting him. But in going back to the point again, the Minister of Militia has the same means now at his disposal to acquire information as he will have under this new council, provided it is composed of the gentlemen mentioned by the Secretary of State. That advice can be no more than the gentlemen by whom he is now surrounded would give him. The government appoint the Inspector General, and they ask his advice on just such questions as they think proper. It is not at all likely he would be consulted on questions of policy. That rests with the government altogether; and so far as that goes, the success of this council will depend in a great measure upon the appointments which are made, and the power which is vested in the council. We are asked why have we not taken some objection to the general powers given, and why are we not prepared to bring down some amendment to carry out the views which we hold? We have only had this Bill in our hands a few days, and never knew from one hour to another what changes might be made in it in the other House, and it is utterly impossible to carry out the suggestions made by my hon. friend. This council is supposed to take the place of the major general who has commanded in the past, and they will suggest what will be done; but the law also gives the power to appoint a major general at six thousand dollars a year, the same salary as the present one, and it also gives the power to appoint an inspector general, whose duties are laid down very clearly by that report which I have read. If they do not carry it out, so much the better, but whether the major general be a Canadian or an imperial officer——

Hon. Mr. LANDRY—Or a 'foreigner.'

Hon. Sir MACKENZIE BOWELL—Whether he be a 'foreigner' or a Canadian, you cannot tell until he is appointed. The inspector general is in the same position.

The clause was adopted.

On clause 8,

WORKS FOR DEFENCE.

8. The minister shall have the control and management (including charge of the maintenance and repair) of all military buildings, and also of the construction, maintenance and repair of all forts and fortifications and other works for defence in Canada.

Hon. Sir MACKENZIE BOWELL—That is a departure from the old law to that extent. All the works were in the hands and under the control of the Minister of Public Works.

Hon. Mr. DOMVILLE—No.

Hon. Sir MACKENZIE BOWELL—It is dividing the Public Works Department among a number of ministers. I am inclined to think this is an improvement, for the reason that the Minister of Militia and his officers would be better able to judge of what is necessary in military construction, whether it be fortifications or drill sheds, than the Minister of Public Works. The power did exist a number of years ago, because I remember very well when the Minister of Militia, Sir Adolphe Caron, had an architect of his own in his department, and that office was afterwards abolished.

Hon. Mr. DOMVILLE—If my hon. friend will look at section 6 'works of defence,' he will see that it is exactly the same as clause 8.

Hon. Mr. LANDRY—It is maintenance and repair—not construction.

Hon. Sir MACKENZIE BOWELL—There is a vast difference.

The clause was adopted.

On clause 9,

9. Every work in any part of Canada, certified by the commander of His Majesty's regular forces in Canada to be required for the defence of Canada, shall be held to be a public work within 'The Expropriation Act,' and, for the purposes of such work, the expression 'minister' in the said Act shall include His Majesty's Principal Secretary of State for War.

Hon. Mr. LANDRY—Certified by the commander——

Hon. Mr. POWER—The officer at Halifax—Major General Parsons.

The clause was adopted.

On clause 11,

11. All the male inhabitants of Canada, of the age of eighteen years and upwards, and under sixty, not exempt or disqualified by law, and being British subjects shall be liable to service in the militia ; the Governor General may require all the male inhabitants of Canada, capable of bearing arms, to serve in the case of a 'Levee en Masse.'

2. Nothing in this section shall prevent any male inhabitant of Canada, under the age of eighteen years, enlisting as a bugler, trumpeter, or drummer.

Hon. Mr. DeBOUCHERVILLE—If the father objects to the child acting in the capacity of bugler, trumpeter, or drummer, have they a right to take him ?

Hon. Mr. SCOTT—No, I think not. The authority is recognized that the parents have control of the children.

Hon. Mr. LANDRY—During the last camp, I noticed a boy under the age, and his mother came after him, and they gave him up.

The clause was adopted.

On clause 12,

12. The following persons only shall be exempt from liability to service in the militia :

Members of the King's Privy Council for Canada ;

Judges of all courts of justice ;

Members of the executive councils of provinces ;

Deputy ministers of the federal and provincial governments ;

Clergy and ministers of all religious denominations ;

Telegraph clerks in actual employment ;

Officers and clerks regularly employed in the collection of the revenue ;

Wardens and officers of all public prisons and lunatic asylums ;

Members of the naval militia ;

Members of the police force and fire brigade permanently employed in incorporated cities, towns and villages ;

Professors in colleges and universities and teachers in religious orders ;

Persons disabled by bodily or mental infirmity ;

The only son of a widow, being her only support ;

Pilots and apprentice pilots during the season of navigation ;

Persons who, from the doctrines of their religion, are averse to bearing arms or rendering personal military service—under such conditions as are prescribed.

2. Half-pay and retired officers of the regular force shall not be required to serve in the forces in a lower grade than that of their rank in such forces.

3. No person shall be entitled to exemption unless he has, at least one month before he claims such exemption, filed with the commanding officer within the limits whereof he resides, his affidavit, made before some justice of the peace, of the facts on which he rests his claim.

Hon. Mr. LANDRY—I asked how many members are there actually of the naval militia ?

Hon. Mr. SCOTT—It has not been formed yet.

Hon. Mr. LANDRY—They will be easily exempted.

Hon. Sir MACKENZIE BOWELL—The exemptions are extended from the old law, to privy councillors, all senators, members of the executive council of the province, members of the provincial legislatures, and deputy ministers. That is carrying the exemption to a pretty wide extent.

Hon. Mr. BEIQUE—Members of parliament and senators are not exempt.

The clause was adopted.

On clause 19,

19. The Governor in Council may dispense with the services of any officer or man of the militia at any time ; and any officer or man may be permitted in time of peace to retire from any corps on giving to his commanding officer six months' notice of his intention so to do.

2. This section shall not apply to the permanent force.

Hon. Mr. LANDRY—In this clause, a man may be permitted in time of peace, to retire from any corps. That is analogous to section 15 of the Act with some words added.

Hon. Mr. SCOTT—The Governor in Council may dispense with his services.

Hon. Mr. LANDRY—I understand that may apply to any officer, but it includes any man.

Hon. Mr. SCOTT—There may be some reason.

Hon. Mr. LANDRY—Here is politics coming in again.

Hon. Sir MACKENZIE BOWELL—This clause was inserted for some purpose, to cover, I suppose some practice in the past. 'The Governor in Council may dispense with the services of any officer or man at any time.' It does not say that it should be for

cause. The minister may suggest to his colleagues the dismissal of any man without sufficient cause.

Hon. Mr. DOMVILLE—The regulations provide that an officer is liable to removal from the militia.

Hon. Sir MACKENZIE BOWELL—But it says 'From reasons which are given.' My objection to this clause is, that it dispenses with the services of a militia officer with or without reason. In the regulations, the reasons given are, absence without leave from manual training, medical unfitness, misconduct or incapacity, residing outside of limits, failing to qualify, having reached the age limit, disbandment of corps. and sentence of court martial. My hon. friend has had more experience than I have had, because he has had command of troops, and he will recognize at once, that these are all good reasons for dispensing with the services of an officer of militia.

Hon. Mr. BEIQUE—Are these the only reasons ?

Hon. Sir MACKENZIE BOWELL—These are the only reasons given.

Hon. Mr. BEIQUE—If he was a thief ?

Hon. Sir MACKENZIE BOWELL—He would be mentally and morally unfit for the position. I think that would be covered by No. 5, 'Misconduct or incapacity.' There would be good reason for dismissing a thief.

Hon. Mr. BEIQUE—Is it not a fact, that the Governor in Council would not be supposed to sign the dismissal, unless for good reasons ?

Hon. Sir MACKENZIE BOWELL—The hon. gentleman's supposition is the correct one. Every reasonable man's supposition would be that they would not do it, but you give them the power here to do it, if they think proper, and if the head of the department in the future should be composed of gentlemen of the same character as the minister who recently interposed and interfered with the appointment of men, he would be equally likely to go further and dismiss a man because he was not politically his friend. Why should you leave it open to such an abuse ? Why should we not add this clause in the Army Regulations ? If I thought it would carry in the House, I would gladly move that this clause be amended.

Hon. Mr. BEIQUE—Is it taken from an Act of parliament ? I think it is taken from the regulations.

Hon. Sir MACKENZIE BOWELL—It is taken from that which is made equal to an Act of parliament, by an authority given by the Militia Law to the Governor in Council. This book was printed in 1898. They would not declare that to be an order, unless the Governor in Council had the power to pass it, and consequently it is equal to a law. That is a point we had better take a note of, and test the sense of the House on at the third reading, unless my hon. friend is willing to accept it.

Hon. Mr. SCOTT—We must presume the Governor in Council—

Hon. Sir MACKENZIE BOWELL—No.

Hon. Mr. SCOTT—I do not think it is quite fair to be always assuming that the Governor in Council are going to act improperly.

Hon. Sir MACKENZIE BOWELL—I am very much amused at my hon. friend's confidence in the present Governor in Council.

Hon. Mr. SCOTT—I have sufficient confidence in any government for that.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman had not the same confidence in the Governor in Council in former years. I do not think that ought to be left open. Have we not had an instance where a man was called to account and removed from the service, because the chief officer, Mr. Foster, who was in the department, had the cheek and impudence to write, I suppose at the instance of the Minister of Militia,—for what reason ? Mr. Foster gives the reason. He writes that he is authorized by the hon. minister on the ground that he is charged with having of late taken some active part in politics on behalf of the opposition.' He was an imperial officer, brought from England, and was in the department at the time. There is an instance in which the authority was used improperly, and it was substantiated beyond a doubt, I have all the authority here to show that Lieut.-Col. White, of the west, has not taken any part in politics, further than to attend a public meeting. And supposing he had taken part, I should like to know, unless he was in

uniform at the time, if there is any reason why he should be called to account for it?

Hon. Mr. POWER—Did Col. White occupy any permanent position, or was he simply an ordinary officer in the active militia?

Hon. Sir MACKENZIE BOWELL—He was colonel of a volunteer regiment. Mr. Foster was a staff officer at headquarters, and he says he was instructed to demand an explanation from this man, and he was afterwards refused the right to go to his school of instruction, because he had attended a public meeting. If that is to be the policy that is to be carried out, there can be no liberty in this country.

Hon. Mr. SCOTT—There were good grounds for the course pursued by the department.

Hon. Sir MACKENZIE BOWELL—I should like very much if the hon. gentleman would lay the case before this House. I have gone through this mill myself, as the hon. gentleman knows. The only difference between this government and the old government was this: When I was called to account for daring to express my opinion on militia matters, while I was connected with the force, Sir John Macdonald refused to have any action taken against me, holding that as a private citizen conducting a public journal, I had a perfect right, when not on duty, to express my opinion. The present government, however, deny the right to an individual of expressing his political views. That is the complaint I make. The moment a man takes off his uniform, and retires to the position of a private citizen, he is no longer amenable to the King's regulations or the authority of the Militia Department. If he were, the sooner we would, by Act of parliament, make him a free man, the better it would be for this country. This is giving power to the Minister of Militia—because that is really what it means— .

Hon. Mr. BEIQUE—The Governor in Council.

Hon. Sir MACKENZIE BOWELL—It really means that the Minister of Militia when he makes such a recommendation to the Governor in Council, if the Governor in Council accepts that recommendation, the man goes without cause being assigned; and if you call the minister to account for it, he says: 'I have authority under the Militia Act.' I think the power is an exceedingly dangerous one.

Hon. Mr. LANDRY—Does the hon. gentleman intend to amend that clause?

Hon. Mr. SCOTT—No.

Hon. Mr. LANDRY—No intention at all?

Hon. Mr SCOTT—No.

Hon. Mr. LANDRY—We cannot improve it? Well, I shall give notice of an amendment at the third reading.

Hon. Sir MACKENZIE BOWELL—It is a good plan adopted by the government to choke off discussion?

Hon. Mr. SCOTT—It is carping at nothing.

Hon. Sir MACKENZIE BOWELL—The Speaker was rising to speak when the hon. gentleman shook his head, and intimated he should not speak. As a supporter of the government, the Speaker sat down and obeyed—he understood the nod and acted upon it.

Hon. Mr. BAKER—A nod is as good as a wink.

Hon. Sir MACKENZIE BOWELL—We are not to discuss these questions. If the hon. gentleman adopts that policy, he will find that there are some who will discuss them. If the Speaker thinks I am wrong in my deductions, I should like to hear him explain why.

Hon. Mr. POWER—I do not think much time has been saved by my not getting up. I simply proposed to say that I agreed very largely with the views which the hon. gentleman expressed with respect to the independence of members of the militia, when they are not in uniform or on duty, but there is nothing in this clause which deals with that. I was going to say further, that if we were engaged in drafting this Bill, it would be well to have some words inserted, and put conditions on the action of the Governor in Council; but I do not think that the danger of interference by the Governor in Council is so very great, because the people are very sensitive with respect to political interference with the militia, and a very small interference of that kind makes

a tremendous uproar in this country. The average government and minister will be very slow to interfere improperly with the militia. I do not think that the country is running any great risk in letting this go as it is, for the present at any rate.

Hon. Sir MACKENZIE BOWELL—I doubt if the hon. gentleman has watched closely what has taken place in the past. Take the case of a gentleman in my own city, Col. Ponton. He had, in the eyes of the minister, the audacity to express an opinion as to what had been done in the disbanding of the corps that was in Halifax during the Boer war, and because he expressed an opinion to the effect that the volunteers at that time had not been treated fairly, he was called to account for it. He had been colonel of the Argyle Light Infantry for about six or seven years, but was on the retired list when he expressed his opinion, and I have the letter of the adjutant general directed to Col. Ponton, demanding an explanation of what he had said at that meeting, assuming the right to dictate to an independent gentleman as to whether he should say the course of the department in the disbanding of the corps was one that he thought should not have been taken. What did Col. Ponton say ? He simply told the Adjutant General, Colonel Montizambert, at Kingston, in plain language, that it was none of his business, that he intended to say what he thought proper, that he was not amenable to the King's regulations, or the Minister of Militia or the deputy adjutant general. That was followed up until Lord Dundonald came here and took the matter in hand and put his foot down on it, and said : 'The man has a right to do as he pleases, so long as he is not disrespectful, or does not violate any rule governing the force.' There are other cases to which I could call the hon. gentleman's attention, and for that reason, I fear to put that power in the hands of the Governor in Council. A man who has no brains or soul or heart, is unfit for the position he holds, and it is exceedingly dangerous to put such powers in his hands.

Hon. Mr. SCOTT—Those reflections are quite uncalled for, if the hon. gentleman knew all the facts of the case. I am not prepared to go into it.

Hon. Sir MACKENZIE BOWELL—The facts of what case ?

Hon. Mr. SCOTT—Of Col. Ponton's. The hon. gentleman is taking his views from Lord Dundonald.

Hon. Sir MACKENZIE BOWELL—No.

Hon. Mr. SCOTT—Later I shall give the facts.

Hon. Sir MACKENZIE BOWELL—Lord Dundonald gave the facts in a speech at Toronto. I have the letter of Col. Montizambert in my hands, in which he says he is authorized to make a demand for this explanation.

Hon. Mr. TEMPLEMAN—Who asked Col. Montizambert to demand an explanation ?

Hon. Sir MACKENZIE BOWELL—He writes, 'I have been instructed to call upon you for your reasons for making them, and to state whether the remarks attributed to you were made by you.' Who was his superior ?

Hon. Mr. TEMPLEMAN—Lord Dundonald.

Hon. Sir MACKENZIE BOWELL—No, Lord Dundonald was not here. He came afterwards, and these papers were laid before him.

Hon. Mr. KERR (Toronto)—What is the date of that letter ?

Hon. Sir MACKENZIE BOWELL—The 19th November, 1902. The further investigation of this matter, so far as Col. Ponton was concerned, was not gone on with because when the matter was referred to Lord Dundonald he stopped further investigation for the reason I have given.

Hon. Mr. KERR (Toronto)—What time in the spring of 1902 did Lord Dundonald come to Canada ?

Hon. Sir MACKENZIE BOWELL—I am not certain about that.

Hon. Mr. SCOTT—I will ask the Minister of Militia for the facts.

Hon. Sir MACKENZIE BOWELL—My point is this : so far as Lord Dundonald is concerned, this action was taken, so far as this correspondence shows, without his knowledge. The hon. gentleman asks when

did Lord Dundonald come here ? Lord Dundonald may have been here at the time. My point is this : when the letter was referred to Lord Dundonald for his report on the action of Colonel Ponton, he stopped all further investigation and Colonel Ponton never heard anything more about it. The action must have been taken without the knowledge of Lord Dundonald, even if he were here at the time, and it may have been at the instance of the Adjutant General. Colonel Montizambert says he was instructed. It could not have been by Lord Dundonald, because when it was brought before Lord Dundonald, he stopped the matter at once, acknowledging the right of a citizen to express an opinion if he chose so to do.

Hon. Mr. KERR (Toronto)—The hon. gentleman asked the question, who was the superior officer of the colonel who wrote the letter, and when he was answered that it was Lord Dundonald, he said Lord Dundonald was not in the country.

Hon. Sir MACKENZIE BOWELL—I was under that impression. The point really is this : he said he had been instructed to do it, and it must have been by somebody above him.

Hon. Mr. TEMPLEMAN—By Lord Dundonald.

Hon. Sir MACKENZIE BOWELL—No. Lord Dundonald has denied that distinctly, and said he put a stop to the investigation.

Hon. Mr. BEIQUE—I would suggest this to the leader of the opposition : he is reading from the regulations, but I think on inquiry it will be found that the government in England can dismiss an officer from the army without cause. Otherwise what would be the consequence ? Suppose we have causes enumerated, then it would raise a question as to whether an officer could be dismissed for any cause not specified in the regulations. Suppose it was for misconduct, the officer might refuse to accept his dismissal, and say, 'What you call misconduct on my part is not misconduct,' and the government might be obliged to go to court and wait for a judgment as to whether it was misconduct or not. I do not think under any system of government anything of the kind can be allowed that might be open to denying the right of the government to dismiss an officer of the army. These regulations are merely for the guidance of the officers, but there is always the absolute right to dismiss an officer of the army.

At six o'clock the committee rose for recess.

After Recess.

The House resumed in Committee of the Whole consideration of Bill (5) An Act respecting the Militia and Defence of Canada.

Hon. Mr. LANDRY moved, in amendment, to add after the words 'at any time,' the following :—

For any of the following reasons : first, absence without leave from manual training ; second, medical unfitness ; third, misconduct or incapacity ; fourth, residing outside of limits ; fifth, failing to qualify ; sixth, having reached the age limit ; seventh, disbandment of corps ; eight, fraudulently retaining pay of the corps ; ninth, by sentence of court martial.

I suppose three and eight may be the same —misconduct.

Hon. Mr. DOMVILLE—My hon. friend means breach of military discipline. It covers that.

Hon. Mr. LANDRY—In the Regulations and Orders of the Militia of Canada the eighth reason for which a man could be dismissed is referred to by this paragraph, 'c' 49, chapter 41, section 95. Section 95 the marginal note has 'fraudulently retaining pay of the corps or signing false parade states.'

Hon. Mr. DOMVILLE—That is a criminal act.

The CHAIRMAN—Look at clause 103 of the Bill and you will find it is provided for already.

103. Any officer or man who obtains by means of any false pretense, or who unlawfully retain or keeps in his possession, any of the pay or moneys belonging to any officer or man, is guilty of an indictable offence.

Hon. Mr. LANDRY—Then we may strike out eight and put nine in its place.

Hon. Mr. SCOTT—There may be many other reasons for which the services of an officer might be dispensed with and, therefore, I am not prepared to accept the hon. gentleman's amendment. I am not sufficiently familiar with the rules of the service to say that the hon. gentleman's amendment would cover everything, but I think the Governor in Council may be trusted to

do what is right and proper without limiting them to the causes set forth by the hon. gentleman.

Hon. Mr. LANDRY—It is very good to rely upon the spirit of justice of the Governor in Council in theory, but in practice it is not always reliable. The motion that I made some time ago for returns were to illustrate that phase of the question. A man having served thirty-nine years as a public servant has been turned out of office lately by Order in Council. He denied that he was guilty of any wrong-doing, and asked for an inquiry, which was refused. He was not allowed to defend himself. No reason was assigned. The government refused his appeal, giving no reason. I should not like a repetition of that way of conducting business in this country.

Hon. Mr. DOMVILLE—I know my hon. friend has only the good of the militia at heart. Would it not be subversive of military discipline if you were to put something in the Bill that would tie the hands of the department ? No officer has a right to apply for a court martial.

Hon. Mr. LANDRY—That is in the King's Regulations.

Hon. Mr. DOMVILLE—We are bound by the King's Regulations.

Hon. Mr. LANDRY—Only when we are on active service ; but this clause empowers the Governor in Council to act at any time.

Hon. Mr. DOMVILLE—Does the hon. gentleman not think that he would reach what he wants to reach by doing what every member has a right to do—call for papers ?

Hon. Mr. LANDRY—I would reach it if I were asking for a return concerning any case. I could bring it before the House, but that would not be preventing an injustice.

Hon. Mr. DOMVILLE—Would not the government hesitate before doing such an injustice to any officer ?

Hon. Mr. LANDRY—Not always.

Hon. Mr. DOMVILLE—I would pin my faith to the government of the day no matter what party was in power. I know when the Conservative government was in power, influence was used against me, but the government did not interfere.

Hon. Mr. LANDRY—If there is good reason to drum a man out of the service, we are willing to give the government power to dismiss him ; but to empower the government to turn out an officer without any reason is what I object to.

Hon. Mr. DOMVILLE—As colonel of a regiment, more than that, as commander of a brigade, I appeal to my hon. friend, does he really think that any government of the day would turn a man out without reason ? I would ask my hon. friend to let that go. I have the good of the service at heart, as he has, and I think if he would drop his amendment it would be better.

Hon. Mr. LANDRY—If it were a question of sentiment, I would accede to my hon. friend's request, but why does not the government, in the interest of justice, accept the amendment ?

Hon. Mr. DOMVILLE—The hon. gentleman will oblige me very much if he will let the clause stand.

Hon. Mr. KERR (Toronto)—In considering this clause, the case of Col. Ponton was mentioned by the hon. gentleman from Belleville as an illustration of what might be done by the exercise of this power, and it is claimed that the opposition to this clause is rather justified by that particular case. In the few minutes which have intervened since that incident was discussed, I have tried to repossess myself of the facts in that case, and it is just as well that they should be shortly stated. Col. Ponton, in referring to Capt. Conger, who did garrison duty at Halifax, said that the manner in which the garrison was disbanded reflected on the authorities. He said they were bundled out with four weeks' pay and without uniform. That appeared in the Belleville 'Intelligencer,' which the hon. gentleman opposite knows something about, and, of course, attracted the notice of the department, and upon that it was brought to the notice of the General Officer Commanding for necessary inquiry, and instructions were given by his orderlies to the District Officer Commanding at Kingston.

Hon. Mr. POWER—Who gave the order ?

Hon. Mr. KERR (Toronto)—Lord Dundonald.

Hon. Sir MACKENZIE BOWELL—Does the hon. gentleman mean to say that it was by Lord Dundonald's instructions ?

Hon. Mr. KERR (Toronto)—By his instructions the letter was written. On that, the inquiry was made by Col. Montizambert, and the letter was written to Col. Ponton.

Hon. Mr. LANDRY—Can the hon. gentleman prove that assertion ?

Hon. Mr. KERR (Toronto)—What kind of proof does the hon. gentleman want ?

Hon. Mr. LANDRY—I want the letter of the general giving the instructions.

Hon. Mr. KERR (Toronto)—If it was a matter of sufficient importance, I think we could get it. It was done in November, 1902. On that the inquiry was made by the District Officer Commanding at Kingston. An answer was received and returned within a few days to the General Officer Commanding at Ottawa. That was early in December, 1902. It was, of course, the duty of the General Officer Commanding, under the circumstances, to have reported to the minister of the department, but he never did so. On the contrary, the papers were pigeon-holed, and retained until the month of May, 1903.

Hon. Sir MACKENZIE BOWELL—What papers ?

Hon. Mr. KERR (Toronto)—The information in reply to the inquiry which was made in Col. Ponton's case. In 1903 Lord Dundonald took those papers from the file and retained them in his possession until after his speech in Toronto, where he posed as the champion of the liberties of the people, citing that particular case. These papers taken by him in May from the department were under his control until July, 1904, and were then used in his speech in Toronto about the middle of July last. I have before me a report of Lord Dundonald's speech, in which I find the following :

But, gentlemen, can this regard for freedom be claimed with equal truth by those who thus accuse me of dragooning the people of Canada? Let me give you only one instance. Shortly after the late General Officer Commanding, this dragooner of your liberties, appeared amongst you, Colonel Ponton, of Belleville, a citizen of Canada, in pursuance of the exercises of his undoubted right as a citizen, delivered a speech in which he criticised some action of the Militia Department. By order of the minister he was, without my knowledge, called upon for an explanation. He stood upon his rights, and in reply protested against being subjected to this inquisition, claiming the right of free speech in a free Canadian community. Now, what did this enemy of the liberties of the Canadian people do when the papers were officially placed before him to discipline Colonel Ponton, of Belleville ? He ordered no further action to be taken and closed the incident.

This was with reference to his 'dragooning' the people of Canada. It will be borne in mind that the only purpose for which those papers were in his hands were for inquiry and to report upon that which had been published in the press. It will be borne in mind that, all the time he had these papers in his possession, he never conferred with his minister with reference to the incident, or answered in any way the inquiry which ought to have reached his minister, and that he posed on the public platform as a champion who was interfering between the monster minister, who was tyrannical with his officers and the people, pretending that there had been an attempt on the part of the minister to interfere with the rights of Col. Ponton. The inquiry was simply an investigation into what appeared in the public papers. Was there any interference with free speech in asking for a report of the circumstances and what justification was there for making such a charge ? Having got Col. Ponton's reply, it was his plain duty to have brought it before the minister instead of retaining it in his possession until he made use of it on the public platform.

Hon. Mr. CLORAN—Will the hon. gentleman state why these facts were not made public before the farewell was given to Lord Dundonald ?

Hon. Mr. KERR (Toronto)—I did not think the matter of sufficient moment, until it was brought forward by the hon. gentleman from Belleville.

Hon. Mr. CLORAN—If the hon. gentleman had given these facts to the public, the farewell would not have been so hearty.

Hon. Mr. KERR (Toronto)—I am speaking now of the attitude Lord Dundonald has assumed with reference to this matter. Who was it did this ? An officer of high standing, who had been in command of the militia, and ought to have known whether he had any right to make use of those docu-

ments on the public platform as he had done. Even if the report had been in possession of the minister; even if Lord Dundonald had reported on the matter and discharged his duty, which he did not do, what was his duty under the King's Regulations? I will read rule 2118 of the King's Regulations:

2118. Access to official records is only permitted to those entrusted with the duties of the office or department to which they belong, and these records are not to be made public, or communicated to persons unconnected with such offices or departments, without the sanction of the authorities concerned. The only legitimate use an officer or soldier can make of documents or information of which he becomes possessed in his official capacity is for the furtherance of the public service in the performance of his duty. Publishing official documents or using them for personal controversy, or for any private purpose, without due authority, will be treated as a breach of official trust.

Hon. Mr. CLORAN—Hear, hear. Why did you not say that before.

Hon. Mr. KERR (Toronto)—This is the champion of the rights of the people, and that is a distinguished officer's idea of discharging his duty towards those under whom he held office in this country. I thought, after the observations made by the hon. gentleman from Belleville, it was fair to make a little inquiry into this matter; I was quite sure I had read somewhere a different version of what had occurred, from the way it was put here. I was quite sure it was Lord Dundonald who had charge of the inquiry, and when the hon. member from Belleville said that Lord Dundonald was not in the country at the time it occurred, I was quite sure my hon. friend was not well informed of the facts, notwithstanding he possesses all the information of the 'Intelligencer.'

Hon. Mr. CLORAN—From the remarks of the hon. gentleman from Toronto, he is greatly at fault in not having given these facts to the public. They should have been given to the public before to-day.

Hon. Sir MACKENZIE BOWELL—I acquit the hon. gentleman from Toronto from any such charge as has been laid at his door, by the hon. gentleman from Victoria (Hon. Mr. Cloran), from the simple fact that the hon. gentleman from Toronto knew nothing of the statements he has made until after his interview to-night with the Minister of Militia, so the hon. gentleman is not to blame for having failed to give utterance to them until now.

Hon. Mr. KERR (Toronto)—Allow me to correct a misstatement.

Hon. Mr. LANDRY—Order, order. The hon. gentleman from Belleville has the floor.

Hon. Mr. KERR (Toronto)—I am sure I will be allowed to make an explanation.

Hon. Mr. LANDRY—Order, order.

Hon. Mr. KERR (Toronto)—I have had no conversation with the hon. Minister of Militia on the subject.

Hon. Sir MACKENZIE BOWELL—If the hon. gentleman will state on his word of honour as a senator that he did not receive that information since the subject was brought up here this afternoon. I will accept it.

Hon. Mr. KERR (Toronto)—I said a few minutes ago, I made inquiry, but I did not communicate with the Minister of Militia.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman may not have communicated with the Minister of Militia directly, but he must have communicated with some one connected with the office who had possession of the record; I know the Minister of Militia was present here this evening, and I obtained some information from him myself with regard to Lord Dundonald. In the first place, the hon. gentleman says that a report of the speech made by Lieutenant-Colonel Ponton appeared in the 'Intelligencer.' Why did he not mention the organ of his own party, the 'Ontario,' as well? The Grit organ published it in much stronger language than the 'Intelligencer' did. Who sent copies of those papers to Lord Dundonald and instructed him to make the inquiry? That is what I should like to know.

Hon. Mr. SCOTT—The minister.

Hon. Sir MACKENZIE BOWELL—Then that is precisely what I said. That is just the position to which I take special objection. There is nothing in that report further than a statement of the manner in which the force was disbanded in Halifax. Supposing, for the sake of argument, that all that Col. Ponton said was true, did it contain anything to justify what was done? I may say Col. Ponton, in his explanation,

which I have under my hand, and which it would have been well if the hon. gentleman had read to the House, says that he did not use as strong language as the synopsis of his speech would indicate; but while making that explanation he says in his reply to Col. Montizambert:

As I stated nothing but facts in the speech which I uttered, and as I confined myself to what I esteem a question of public policy, and as I believe I expressed the sentiments of ninety-nine out of one hundred of Canadian citizens, I have nothing to apologize for and nothing to retract, even supposing that I am accountable for what I said or did, and I said nothing that I would not again repeat at headquarters or elsewhere.

That is the explanation given by Col. Ponton of his utterance. My position was, when I spoke in the first place, and it was denied by the hon. gentleman who has just spoken, that Col. Ponton being a retired officer, the Minister of Militia had no right or authority to call him to account. Col. Ponton, I claimed, was only exercising a right that he possessed as a citizen of Canada in giving free expression to his views. I do not deny the right of any man to ask another for an explanation.

Hon. Mr. SCOTT—Hear, hear.

Hon. Sir MACKENZIE BOWELL—The Minister of Militia or any one else might write to Col. Ponton asking if he made such and such statement, and if so, why; but the Minister of Militia, through his officers, assumed the position of controlling his utterance. The hon. gentleman shakes his head. What other reason suggested itself? Supposing Col. Ponton had never been a volunteer officer, and had delivered the speech to which I have referred, does anybody suppose that the Minister of Militia would have ever thought of calling him to account for it? The thing is absurd. The hon. gentleman from Toronto never touched the question at all. He has taken the position that Lord Dundonald did wrong in referring to the question. I will not dispute that, but it does not touch the matter. Supposing he did something deserving of dismissal, does that affect the assumption of right on the part of the Minister of Militia to call a civilian to account for what he had said?

Hon. Mr. KERR (Toronto)—Not for what he said, but for the charge made by Col. Ponton.

Hon. Sir MACKENZIE BOWELL—I am not a lawyer, used to special pleading, but I fancy I have a little common sense. The point I raised is attempted to be destroyed by a reference to an impropriety which the hon. gentleman says Lord Dundonald committed. What I wanted to impress on the House when I spoke before was that this letter to Col. Ponton was instigated by the Minister of Militia. That was denied, and I was asked what authority I had for saying so. The only answer I could give was that Col. Montizambert said in his letter that he was instructed to write. The House will remember that I qualified my statement immediately afterwards, that it might have been shortly after Lord Dundonald came to the country. He came to Canada in July, 1902. The letter of Col. Montizambert is dated November 20th, 1902. The speech for which Col. Ponton was called to account was delivered on the 29th of October, so that it must have been brought immediately to the notice of the Minister of Militia, who immediately directed that an inquiry be made. Col. Montizambert asks for an explanation on November 20th, and the reply of Col. Ponton is dated November 22nd. Admitting, for the sake of argument, that Lord Dundonald did wrong in referring to that correspondence, how does it affect the point at issue, the interference of the Minister of Militia, who now asks for power under this Bill to dismiss any one from the militia? Accepting the statement made by the hon. gentleman from Toronto—and he has not referred to a single document to sustain it—Lord Dundonald must have considered the matter of very little importance, when, as the hon. gentleman says, he pigeon-holed the documents. He must have thought either that the matter was very trifling, or that Lieut.-Col. Ponton had not violated any rule of the service. Supposing the hon. gentleman's statement is right from beginning to end, of which he furnished no proof, I deny the right of the Minister of Militia, or of any officer commanding the force, to demand an explanation from any citizen of this country who is not on actual service for criticising the affairs of the militia. If he is permitted to do that, then our liberties are subject to the prejudices of the Minister of Militia, guided by such a man

as the Minister of Agriculture. I congratulate my hon. friend behind me (Hon. Mr. Baker) on being connected with a family who are willing to give their time and spend their money in defence of their country, and I congratulate him still further on the fact that he has the enmity of a popinjay like the Minister of Agriculture. That may not be parliamentary. However, if the hon. gentleman thinks it is unparliamentary, I withdraw that word, and apologize to the popinjay for having made the comparison. Let us confine ourselves to discussing the main question at issue, that is, the right of the Minister of Militia, or the officer commanding the forces of this country, to arrogate to himself the power and authority to call any free subject, though he may be a volunteer, when not on duty, to account for what he may have said. The difference between my own case and Col. Ponton's is this: 'When I was called to account for utterances I made, it was by the officer commanding, and I was sustained. There is no question about that.

In this case Lord Dundonald, commanding the forces in this country, took the other ground, and, according to the statement made by the hon. gentleman from Toronto, instead of making a fuss and going to the Governor General and his ministers to demand the dismissal of Col. Ponton, he pigeon-holed the matter. Whether he did right or wrong, I am not going to discuss; but in the ordinary procedure of life, outside of military rules and regulations, he would have done just right under the circumstances. In this case the minister and the party with which he is connected, objected to the course taken by Lord Dundonald, and it has been re-echoed to-night by the hon. gentleman from Toronto; while in the other case, the rulers of this country, from Sir John Macdonald down, refused to allow the commanding officer at that time to interfere with the right of citizens of Canada, to give utterance to their opinions, whether in parliament or out of it, as to the management or mismanagement of this country. That is the difference between the two parties, and there cannot be a question of doubt about it. This clause has been put in the Militia Bill to give the minister power to dismiss any man in the force, or to degrade him if he is a retired officer, by depriving him of the rank which he holds, or taking any other course which political vengeance might suggest, because it says distinctly, the Governor General may dispense with the services of any officer or man of the militia at any time, without giving any cause or reason. If the committee rejected the proposition made by the hon. gentleman from Stadacona, I should move—although I have little hope of it being carried—to add the words 'the Governor General may for cause.' Then the government will have to give a reason for the dismissal. My hon. friend from Rothesay has more faith in the government and members of it than I have.

Hon. Mr. DOMVILLE—I said any minister might do it.

Hon. Sir MACKENZIE BOWELL—I do not think any minister would do it. I believe there have been ministers who would never think of doing it; but if such things have been done in the past, men holding office not in the militia, but in other branches of the service, dismissed without cause, and refused investigation by this present government, what right have we to presume that they would not do the same thing in the future if a military volunteer officer offended them in any particular way? Is there any reason to think they would not avail themselves of the power given under this clause, with reference to the dismissal of a militia officer? I have no faith in any of the promises they might make, nor am I prepared to agree with the hon. Secretary of State when he asks, is it possible that any minister would do such a thing? We know the government have done things equally as bad as that, and they have given us no cause to believe that they would not repeat it, if occasion presented itself.

Hon. Mr. DANDURAND—The hon. gentleman is confessing.

Hon. Sir MACKENZIE BOWELL—I am confessing my opinion. I hope the hon. gentleman will grant me absolution.

Hon. Mr. DOMVILLE—My hon. friend is framing his argument on the question of active service. Without agreeing or disagreeing with him, I will ask him if it is not the fact that under the regulations we have (R. and O.) no officer can leave the service without six months' notice, and his

resignation must be accepted before he can leave. Is he not under active service all the time ?

Hon. Sir MACKENZIE BOWELL—Oh, no.

Hon. Mr. LANDRY—Oh, no, no.

Hon. Mr. DOMVILLE—I think so.

Hon. Sir MACKENZIE BOWELL—I do not wish to interrupt the hon. gentleman, but if he were retired from the force——

Hon. Mr. DOMVILLE—That is another point.

Hon. Sir MACKENZIE BOWELL—If the hon. gentleman were retired from the force, and not on active service, or any service, would he consider himself amenable to the militia authorities ?

Hon. Mr. DOMVILLE—My hon. friend is drawing a close deduction there. If an officer is retired from the service, he has nothing to do with the militia, excepting he is granted the privilege of wearing a uniform and standing behind the saluting point. He cannot be called out. If he is liable to levee en masse he must be under sixty and have his rank.

Hon. Sir MACKENZIE BOWELL—And be responsible for anything he does ?

Hon. Mr. DOMVILLE—Was Mr. Ponton a reserve officer or a retired officer ?

Hon. Sir MACKENZIE BOWELL—His time had expired and he was put out on the reserve list. He had served the full length of time, and they gave him an extra year.

Hon. Mr. DOMVILLE—He had retired at the time my hon. friend talks about ?

Hon. Sir MACKENZIE BOWELL—Yes.

Hon. Mr. DOMVILLE—Any officer is responsible for what he does while he holds a commission. A retired officer does not hold commission. There is no question about that, but speaking on this clause, it is a good fighting argument.

Hon. Sir MACKENZIE BOWELL—Supposing I retire retaining the rank that I hold at the time, would the hon. gentleman say I am amenable on account of anything I say of the Minister of Militia or his department ?

Hon. Mr. DOMVILLE.

Hon. Mr. DOMVILLE—No, because the hon. gentleman is simply a civilian, having an honorary rank.

Hon. Sir MACKENZIE BOWELL—No ; that rank had been given to me years and years after I retired from the service.

Hon. Mr. DOMVILLE—It is only honorary rank, just the same. The hon. gentleman is retired from the service the same as myself. He cannot be called upon for duty.

Hon. Sir MACKENZIE BOWELL—But after the hon. gentleman retires from the service he retires retaining his rank.

Hon. Mr. DOMVILLE—Honorary rank.

Hon. Sir MACKENZIE BOWELL—Then the hon. gentleman may be appointed afterwards honorary lieutenant-colonel of the battalion in which he formerly served in the service. They cannot very well deprive a man of rank, except for cause.

Hon. Mr. DOMVILLE—In the R. and O. they have honorary colonels in England, and there is a fine distinction there. An honorary colonel in England is a colonel who has gone through the various gradations of rank, and the honorary colonel gets a thousand pounds a year sterling, because it is a matter of remuneration. Furthermore, the regulations say that unless a gentleman annually sends his name in to show that he is on deck, he can be struck off the list of honorary colonels. Therefore it is purely honorary.

Hon. Mr. LANDRY—I call the attention of hon. gentlemen to something that occurred a few months ago in Montreal. We know that when the volunteers were called out for the Valleyfield riot, the Montreal regiment furnished a certain number of soldiers. Colonel Cole and Colonel Cook had a row in reference to this, and it came before the court. Colonel Cole had given an order to Colonel Cook to parade one night with his regiment in the drill hall. Colonel Cook refused. He was put under arrest. He appealed to the general. The general dismissed the case, because he did not approve of what had been done, and it did not go further in the military circles. It dropped there, but Colonel Cook was not satisfied. He addressed himself to another tribunal, and sued Colonel Cole for a cer-

tain amount for having unlawfully put him under arrest, and the whole question of what constituted active service came up before the court. It was Judge Langelier who, in the first instance, decided the case, and it was afterwards carried to the Court of Appeals, and that court, by the unanimous decision of the different judges, maintained the judgment of the first instance, and decided that Colonel Cole had no right to put Colonel Cook under arrest, because he was not on active service, though he was present in the drill hall at the time the order was given to him by Colonel Cole. According to that decision, what becomes of the case of Colonel Ponton? He certainly was not under the military law. He was not in active service; more than that, he was on the reserve list of officers. More than that, the government had no right to ask Colonel Ponton to withdraw any expressions he had used in that interview or in the paper, the Belleville 'Intelligencer.' I think my hon. friend will admit that an officer who is not in military uniform, but in civilian dress, is not under the King's regulations at all, and has no order to receive except the order that he may receive to begin his annual training—that is the only order to be given him, or if he is called out to suppress a riot. But in the case I have referred to, there was an agreement between the district officer commanding of the Sixth District and Colonel Cook, an agreement which had been ignored by Colonel Cole, who was the officer in command at the time, and for those reasons the Court of Appeals sustained the judgment of the court of first instance, and declared that the militia were not on active service on those occasions.

Hon. Mr. SCOTT—This unfortunate controversy has taken too wide a range, and we have wasted a lot of time. The hon. leader of the opposition covered up the real point at issue. No one found fault with Col Ponton. Here was a charge made by Col Ponton, which, if true, was an extremely improper and unfortunate condition of things, that the men had been bundled out of Halifax without any provision having been made for them, without their uniforms. Col. Ponton was not called upon to make any explanation of that. The letter simply asks whether the remarks attributed to him were made by him, and his reasons for making them. It was quite natural that a gentleman of standing in his position, an officer who occupied the rank of colonel, should be asked to state whether those statements were true. The gravamen of the whole charge was why Lord Dundonald's name was brought in, and the hon. leader of the opposition got away from that in a very ingenious manner. It was Lord Dundonald's conduct. No one was finding fault with Col. Ponton.

Hon. Sir MACKENZIE BOWELL—What was it?

Hon. Mr. SCOTT—Because Lord Dundonald acted most improperly and most unbecoming a gentleman, in his line of conduct in regard to that. In November, 1902, when the minister saw this statement, he asked Lord Dundonald to write to Col. Ponton, asking him to give his reasons for making that statement, in order that he might make further inquiry. Lord Dundonald paid no attention to it and never made any report of it, and the minister forgot all about it from November, 1902 to 1904.

Hon. Mr. FERGUSON—The ministers have a knack of forgetting things.

Hon. Mr. SCOTT—No reference was made to it by Sir Frederick Borden until this grandiloquent speech in Massey Hall, Toronto, when Lord Dundonald made this statement:

> Gentlemen, this imperial monster, this wolf, stood between the Minister of Militia and his prey.

Lord Dundonald had no right to make that statement. Sir Frederick Borden never asked him to make a report, except in November, 1902, and never mentioned the subject again. This matter was merely brought up to show that the conduct of Lord Dundonald was not defensible. It was not the action of a gentleman or officer certainly, to treat the minister in that way. He held the papers, and did not even return them to file, but nothing was said about it. The minister did not follow it up. He had no desire to give Col. Ponton any annoyance, and nothing more would have occurred if Lord Dundonald had not endeavoured to make a point out of such a shallow affair, as he did in the city of Toronto, and to use those

extravagant words that he used in leading the public to believe that Sir Frederick Borden was going to persecute Col. Ponton because he had not given him an explanation of the matter, whereas, as a matter of fact, Sir Frederick Borden never thought of it again, until it came out in the public press.

Hon. Sir MACKENZIE BOWELL—The hon. Secretary of State has told the committee with a good deal of suavity and some adjectives I might use, that Colonel Ponton was not called upon as an officer of the militia or as a retired officer, to make the explanation. Has he the letter before him, signed 'G. C. G. Montizambert, Col.'?

Hon. Mr. SCOTT—Yes. It reads: 'I have been instructed to call upon you for your reasons,' &c.

Hon. Sir MACKENZIE BOWELL—I do not want the hon. gentleman to interrupt me. The hon. gentleman said that Col. Ponton was not called upon as an officer of the militia to make that explanation. I should like him to explain, if that be the case, why the district officer commanding the 3rd and 4th divisions, who signs himself Colonel, writes to a brother officer in this way:—

Lieut.-Col. W. N. Ponton, R.O.:

Herewith is a clipping received this morning from Ottawa, from the Belleville 'Intelligencer,' of the 29th ult., containing alleged remarks made by you. I have been instructed to call upon you for your reasons in making them, and to state whether the remarks attributed to you, were made by you.

Does anybody think that if you were writing to a gentleman simply asking for an explanation that you would use the language, 'I am instructed to call upon you'? Would one civilian write to another in that way, unless a complaint had been made against him that he had slandered somebody?

Hon. Mr. SCOTT—Sir Frederick Borden never followed it up.

Hon. Sir MACKENZIE BOWELL—Why not?

Hon. Mr. SCOTT—He never thought of it.

Hon. Sir MACKENZIE BOWELL—Then he did not do his duty.

Hon. Mr. KERR (Toronto)—Because Lord Dundonald did not report to him the answer he got.

Hon. Sir MACKENZIE BOWELL—What difference does that make, I should like to know, as to the right of the minister or the officer commanding, Lord Dundonald, or any other officer, to call upon Lieut.-Col. Ponton as a retired officer of the militia, to account for what he said? That is the point I am arguing—not the improprieties, if any were committed, of Lord Dundonald. It would be well if the hon. gentleman who has taken the other side of the question would try and confine himself to that point; I did not desire to go behind it. I am not defending Lord Dundonald for what he said in Toronto, but I believe what he said was true.

Hon. Mr. DANDURAND—Much ado about nothing.

Hon. Sir MACKENZIE BOWELL—Has the hon. gentleman been reading Shakespeare? I differ from the hon. gentleman on that point altogether, and without pursuing it further, that letter of Col. Montizambert was the demand of a superior officer to a retired officer, to make an explanation of what he had said at a public meeting. That is what I complain of—an official demand—not as the hon. Secretary of State said, an unofficial demand. If he had written to him as one gentleman to another, 'Well, you have written so-and-so, you were wrong, Ponton; what were your reasons,' that would be perfectly within the rights of one citizen in dealing with another; but coming back to the main point, I reiterate that he had no right to make the demand, and if he did make the demand, Col. Ponton was quite right in repudiating his authority to do so.

Hon. Mr. DANDURAND—We have had an hour's discussion over a small matter, over a letter addressed to a gentleman who was a lieutenant-colonel in the militia, who made a statement of some importance, and who was asked what ground he had for making that statement. If that gentleman answered, as I believe he did, it may have been his own business. That was the end of the matter, and if the officer commanding had returned the answer

to the government, and the government had decided to discipline him as they might have done, and the general officer commanding had stood betwen the tyrant and his prey, to justify his declaration in Toronto, then he could plume himself, either in Toronto or elsewhere, on having defended a citizen of Canada against a tyrannical minister. But nothing of the kind occurred. That officer answered the query ; the General Officer Commanding, received that answer, kept it in a pigeon-hole or in his pocket, and that was the end of it. And here is this simple little fact which we have been discussing for nearly two hours, to demonstrate that the Governor in Council should not have absolute authority to dismiss an officer from the militia. This is a very flimsy pretext for two hours' idle discussion.

Hon. Mr. POWER—I think it would be a mistake to pass the amendment of the hon. gentleman from Stadacona. It is very difficult to enumerate in a document of this kind all the possible cases that might arise. An officer might be guilty of high treason, and I do not think he enumerated high treason among the offences for which he could be removed.

Hon. Mr. LANDRY—Would that be misconduct ?

Hon. Mr. POWER—I should like to hear that amendment read, because I do not understand that simple misconduct was one of the offences.

The CHAIRMAN—The amendment is that after the word 'time,' in the 41st line, the following words be inserted :—

For any of the following reasons : First, absence without leave from annual training ; second, medical unfitness ; third, misconduct or incapacity ; fourth, residing outside of limits ; fifth, failing to qualify ; sixth, having reached the age limit ; seventh, disbandment of corps ; eighth, by sentence of court martial.

Hon. Sir MACKENZIE BOWELL—That includes almost every offence one could imagine.

Hon. Mr. SULLIVAN—Mental unfitness—what is that ?

Hon. Mr. BEIQUE—I desire to call the attention of the hon. gentleman from Stadacona to the fact that it would be exposing the government to be dragged into court, if the amendment was carried, whenever an officer was dismissed for cause, because then the court would have to decide as to whether the cause was sufficient or not.

Hon. Sir MACKENZIE BOWELL—Is that not right ?

Hon. Mr. BEIQUE—Who would be the judge ? It is a term that is commonly embodied in a contract, that the employer may dismiss for cause, but the court will decide as to whether the cause was sufficient or not. Surely the hon. gentlemen do not propose that the government's hands shall be tied in that way? Under the law as it stands in the statute-book, regulations have been made by the Governor in Council. These regulations might have been narrowed or extended. It implies that a regulation may be made under the Act indicating the causes from time to time, for which a dismissal may be made, but the government must always have the supreme power, and I think it exists in every country, of dismissing an officer, if the government see fit, without being subject to the control of the court.

Hon. Mr. POWER—I wish to call attention to the fact that under the law the government have the power at any time to disband any corps of the active militia. That just means that you have a corps perhaps five hundred strong, and the government can, without showing cause, except the cause they chose to show to parliament afterwards, disband that whole corps ; and you undertake to tie the government's hands, and to say that if they find it desirable in the public interest that a certain officer shall be dismissed, they cannot dismiss him, although they can disband a whole corps.

Hon. Mr. LANDRY—If the government wants to dismiss a man without reason, I think that throws a great deal of odium on the individual who is the object of the dismissal. If the government wants to dismiss a whole corps, they will do it only for proper reasons, and they will be able to justify the act; but I think it is going too far to dismiss a single officer or private by Order in Council ?

Hon. Mr. FERGUSON—My hon. friend will see the difference between the two cases of disbanding the corps, and dealing with an individual.

Hon. Mr. POWER—A big difference, yes.

Hon. Mr. FERGUSON—Because in disbanding a corps. they would have to strike men of all political parties, and there would be no danger, but under this clause they could select individuals. There would be very little danger in performing a larger operation because they must strike friends and foes, and public opinion could be formed on the question. There is much more danger arising out of dismissing individuals that may be selected, who would not have as many friends as a regiment would have.

Hon. Sir MACKENZIE BOWELL—I must express my surprise at the attempt of the hon. gentleman from Halifax to draw an analogy between the case he mentioned, and the one which has been referred to, which gives authority to the government, because, as a rule, the Speaker is a somewhat close, and very keen critic, and I do not know any man in the House who is more capable of drawing a distinction between the disbandment of a corps and the dismissal of an individual. I have given him credit for a good deal more keenness than that. He said that a corps might be disbanded for public reasons. Corps are usually disbanded because of disorganization ; that they are allowed to run down. The officers do not keep them up, or it may be the locality no longer requires them, and the public interest would be that they should not be kept on the army roll, showing a force that did not exist. If the hon. gentleman is sincere in what he says, let it be so stated; I would suggest to my hon. friend from Stadacona that if they accept the proposition I shall make, he should withdraw his amendment. Although the enumeration of the articles in the King's Regulations are such as to cover every offence not becoming a gentleman in the army, for which they would dismiss a man, there is a reason for it. His conduct might be such as to justify his removal. That is, misconduct covered by the King's Regulations, and surely a country that has had a standing army for the number of years that England has had one. and having open regulations to guide them as to offences for which officers and men can be dismissed, they certainly should not be objected to in Canada. If my hon. friend persists in making that motion, I shall very gladly vote for it, because I think there ought to be some limit to the power of the minister in this regard. If his motion is voted down, I shall move an amendment. My intention was to insert the words 'For cause', but after what has fallen from the hon. Speaker with reference to public interest, it would be well to make it read : 'For cause and in the public interest'. I deny that it would be in the public interest, if a man was dismissed simply because he held different views from the minister.

Hon. Mr. DeBOUCHERVILLE—I should like the minister to explain the meaning of the words, 'The Governor in Council may dispense with the services of any officer or man of the militia at any time.'

Does it mean this : Supposing a man is captain in the militia, can the Governor in Council declare that he is no more a captain, without giving any reason ? Is that the meaning ?

Hon. Mr. POWER—Yes.

Hon. Mr. DeBOUCHERVILLE—It seems to me this is a very arbitrary power. A man may be a first-class officer. Some enemy of his may spread a calumny against him, and the government may dishonour an innocent man who has been calumniated. I do not think you will find such a case in the regular army in Europe. I understand, as the hon. gentleman from de Salaberry said, that every government had a right to change its officers. I understand that. You may not have sufficient grounds to bring him before a court-martial ; but the government thinks he is not directing the army as he ought to. They do not take away his rank from him, but I am afraid the minister did not think of the danger of dishonouring a man in the army without any cause.

Hon. Mr. BEIQUE—The words are, 'Dispense with the services of any officer or man of the militia at any time,' and it is suggested that the government be deprived of that right.

Hon. Mr. DeBOUCHERVILLE—I think the hon. gentleman was not listening, because I put that question, and it was answered that it meant that he might be taken away from his rank. Then as I think it was admitted on our side, I do not think

we ought to give the power to the government to dishonour a man without cause.

Hon. Sir MACKENZIE BOWELL—The government, since confederation, have never had the power which my hon. friend thinks they should have.

Hon. Mr. LANDRY—I will ask permission to withdraw my amendment.

The amendment was withdrawn.

Hon. Sir MACKENZIE BOWELL—I move that the words, 'For cause' be inserted. I wish to make a provision that if a gentleman is dismissed that he may not be disgraced without knowing the reasons for that disgrace.

Hon. Sir WILLIAM HINGSTON—I think it rather unfortunate that this question should come up just now, for in listening to the able speeches on both sides, it appears to me, judging from the frequency—the regrettable frequency—with which their names have been brought into this discussion, that the Minister of Militia and Lord Dundonald seem to influence the very atmosphere in which this question is being discussed. Looking at it in the abstract, the amendment appears to me so reasonable that I do not know why it should be objected to. Let us forget for a moment the present occupant of the position of Minister of Militia, and let us suppose that some one else were there to-morrow, or next month, or a year hence. I think it would be a great misfortune to give to any individual, on becoming Minister of Militia, fresh from a contested election, with all the warmth and excitement it engenders, the power of dismissing, without cause, a man who might have worn His Majesty's uniform for many years. I think it would be most unfair. Something of that kind was attempted with an elder brother of mine, and it came home to us; but the British authorities sustained him, and when it was found that there were attempts to remove him without cause he was maintained in his position. I am satisfied that few ministers would attempt to remove an officer or man without cause. Then why not so provide in the law. Otherwise I should be obliged to vote that the Bill—in many respects an excellent one—be not entertained, because the amendment for its improvement is so very reasonable. If we had always a Minister of Militia who was at all times removed from political influence of every description, it would be a different matter, but I think it would be a great misfortune to place it in the power of any individual—I make not the slightest allusion to the present occupant—the right to dismiss a member of the militia force without cause. The present Minister of Militia is a member of my own profession, and I should be sorry to reflect upon him in the most remote manner, but there may be a change, and this law is likely to last for some time I suppose, and not change with the occupant to whom it is proposed to concede such unconstrained power.

The committee divided on the amendment, which was lost on the following division :—

Yeas, 11 ; nays, 17.

Hon. Mr. FORGET—I voted by mistake. I had forgotten that I was paired.

The CHAIRMAN—It makes no difference.

Hon. Mr. McMILLAN—I may state that I am paired with the Hon. Mr. Coffey, and if I had voted, I would have voted for the amendment.

Hon. Sir MACKENZIE BOWELL—I shall take the opportunity of moving the amendment on the third reading, and I now beg to move that the following words be inserted:—

'The Governor General may for cause,'

leaving out the words, 'in the public interest.'

The amendment was lost on the following division :—

Yeas, 9 ; nays, 16.

The clause was adopted.

On clause 21,

21. The Governor in Council may direct that any portion of Canada shall be a military district for the purposes of this Act, may alter the limits of any such district, may cause two or more districts to be grouped together for the purposes of command and administration, and may divide any military district into sub-districts, brigade, regimental and company divisions, as appears expedient.

Hon. Mr. LANDRY—By the old Act Canada was divided into 12 military districts, and under it there was one military district in the province of Nova Scotia, one in New Brunswick, one in Prince Edward Island, one in Manitoba, the Northwest Territories, and the district of Keewatin,

one in British Columbia, three in the province of Quebec, and four in the province of Ontario. By the new law, the Governor in Council may direct that any portion of Canada may be a military district for the purposes of this Act, may alter the limits of such district, and cause two or more districts to be grouped together for the purposes of command and administration, and may divide any military district into subdistricts, brigade, regimental and company divisions, as appear expedient. Are the provinces which had two or three military districts before liable to lose some of them? Will British Columbia lose its military district? Will Prince Edward Island lose its military district? The power is given to the Governor in Council to do away with all those districts. They may create any district the Governor in Council wants for any purpose. I think before passing that clause we should have some explanation from the Secretary of State. All this is done away with by the Bill, and they may put it in one province and take it out of another.

Hon. Mr. POWER—If the hon. gentleman had read section 17 of the present law, he would see that substantially it is the same as the existing law. In it is provided how Canada is to be divided, but section 17 says:—

Her Majesty may alter the districts specified in the next preceding section, and increase or diminish the number thereof, as is deemed necessary, and may name the territorial divisions, which shall form part of the three military districts of Quebec, and the four military districts of Ontario, and alter the same from time to time.

So that substantially the new Bill is the same as the old.

The clause was adopted.

On clause 25,

25. The permanent force shall furnish schools of instruction for the militia, and provide instructors therefor; and it shall also be available, at all times, for general service.

Hon. Mr. LANDRY—I do not desire to oppose this clause, but I should like to have a provision that the permanent force should furnish schools of instruction for the militia, and that the French element of the militia should be provided with instructors who understand the French language. If we do not complain we shall never have it. I call the attention of the minister to something that is required in our rural districts. We had a camp last year, and I suppose we had about eleven or twelve instructors. There were only two who understood French, and could give the instructions to the corps in French. I understand in the provinces where English is well known that need is not felt, but in the divisions of Quebec, where the rural population are French who do not understand a word of English, all the commands are in English, and the instructions are in English, and it is a hard job for people to train under such conditions. They must learn the words of command by sound. I should like, in the interests of our rural population, that those schools should provide a certain number of instructors who are able to give the instructions in French.

Hon. Mr. SCOTT—I shall take a note of the matter, and will call the attention of the Minister of Militia to what I think is an important omission, and I have no doubt he will be governed by it. Of course, a remedy should be provided for such a condition.

Hon. Mr. FERGUSON—My hon. friend called attention to that matter about a year ago, and it seemed to be a perfectly reasonable suggestion. I cannot see any reason why it should not be adopted. It would seem to be a waste of effort to try and drill men in a language they do not understand a word of.

Hon. Sir MACKENZIE BOWELL—One of the qualifications of a British general is that he must understand the French and German languages. An officer never could be promoted to the rank of general without this qualification, and for a very good reason; in case of a war it would be necessary to be familiar with those languages.

Hon. Mr. DeBOUCHERVILLE—I was told lately—I do not know if it is true—that Lord Dundonald had told the officers that they must learn French if they wanted to be promoted in Quebec.

Hon. Mr. LANDRY—More than that, at the time General Hutton was here, there was an order passed imposing that obligation, but it was ignored.

The clause was adopted.

On clause 30,

30. There may be appointed an officer who shall hold rank not below that of colonel in the militia or in His Majesty's Regular Army, who may be, subject to the regulations and under the direction of the Minister, charged with the military command of the militia, and such officer shall have the rank of Major General in the militia, and shall be paid at such rate, not exceeding six thousand dollars per annum, as is prescribed.

2. In the event of a vacancy in the office of General Officer Commanding, or in the absence of that officer from Canada, the Governor in Council may detach an officer of the headquarters staff, who shall be charged with the military command of the militia.

Hon. Sir MACKENZIE BOWELL—This is a clause which removes the provision in the old law, that was introduced by the late Alex. Mackenzie, providing that the General Officer Commanding shall be an officer of the British army, holding a rank not less than colonel. This Bill makes provision that he may be of the British army or of the Canadian militia ; in other words it opens the door to the appointment of a general officer commanding the forces from the Canadian militia. That is really the change that is made in this provision. While I am not prepared to admit what has been charged, that on account of that restriction a Canadian officer may be appointed who by experience is less fitted for the position than one who has served in the regular army, I must add that we have no colonels in the Canadian militia who have had the experience, and who have made military tactics a life study, who have been educated to the profession from boyhood up, and, consequently, it would not be unreasonable to suppose that while a Canadian officer may have the same ability and talent and aptitude for command, he could not by any possibility have the same knowledge of the requirements of an army or militia force as one who has been trained all his life in it. There is also another reason why I object to this change. I very much fear that if a Canadian militia officer be appointed to that high and honoured position, that while he may have the ability to fill the position with credit to himself and advantage to the country, he would be apt to be influenced in his management of the militia to a much greater extent than one who has no personal interest in Canada outside of his official duties. A British officer would be less likely to be influenced for political or other reasons by the minister of the day. Those are the reasons which suggest themselves to me, that it would be impolitic, unless the Canadian officer had been serving in the army—and that I should very much like to see—to make the appointment from the Canadian militia. But they are drawing a distinction between a man who has served the country and holds a commission in the British army, who is not a born Canadian. It has been argued that it leaves an impression in the minds of the people that it is a reflection on the ability of the Canadian officer. I do not admit that for a moment. I have given my reasons why I think it is preferable, and it can be done under this law, to have an officer in that high position who has no intimate or personal relations with the different officers of the country, that he is much more apt to be governed by military reasons in giving advice to the Minister of Militia than would a man who is a resident of the country, who has mingled with all the officers, who has been associated with them at mess, who may be connected with them by blood, or for any other reason, and I am quite sure that is the reason the then Prime Minister of the country, the Hon. Alex. Mackenzie, added that clause to the Militia Bill when the law was under consideration at that time. These are the reasons that I have for hoping that in the appointment of an officer of that kind, it is very important that some regard shall be had to the reasons which I have advanced, why it would be better to have an officer who has served in the regular army, whether he is a Canadian or an Indian or an Australian. I do not care what part of the British empire he comes from ; if he has had experience in the British army, so much the better.

Hon. Mr. SCOTT—The subject is not a living one, and need not be discussed, because there is no intention whatever of taking any action in regard to that clause. I think that has already been stated in both chambers ; I certainly stated it myself, that the Militia Council was to supersede the general officer. Conditions may arise in the event of any emergency, or in the event of our having to send a force outside of this country, when it might be advisable to adopt

the suggestion of the hon. gentleman, and place an imperial officer at the head of the militia; but at present we are going to try what the Militia Council will do. We think it will be more effective, and more advantages will arise from it than from having the militia under the control of a General Officer Commanding. I shall not go over the list of general officers. We have had a great number of officers. We had trouble with the general officer commanding in 1861, and we have also had trouble with others. Their periods of remaining here have been short. They have invariably changed the order of things established by their predecessor, and it is on that account thought wise to depart from the custom of the past, in order to secure uniformity in our militia regulations in the future. There is no necessity to discuss that clause, because there is no intention whatever to act upon it.

Hon. Sir MACKENZIE BOWELL—I have no doubt that is the intention of the government, but the next clause provides for the officer to take the position. The hon. gentleman will remember that when objections were taken of a similar character to that which I have just given utterance, the Minister of Militia said they were taking the power to make the appointment, and they were not restricted to a military officer in Canada, or one in Great Britain. That is the position he took. I do not think he went so far as to say that it was not their intention. I do not so read it; I wish to make one exception to the statement made by the hon. gentleman. There was a major general in Canada who served his term and left Canada without any difficulty. I will not give his name, for the reason that he never did anything. He remained in Canada his five years and allowed the militia to do as they pleased. While I was Minister of Customs I ordered out the corps in Winnipeg to go to Cross Lake to quell a riot there, and sent them home again. Sir John Macdonald came to me—the Minister of Militia was not in the city at the time—and said: 'Bowell, I wish you would take that matter in hand.' I did so, and I wired and sent a force of militia to Cross Lake, and afterwards sent them back. I met the general later on, and I said to him, 'I have usurped your authority.' He said 'How is that?' I said 'I have ordered out the militia, sent them to Cross Lake and sent them home again,' and he said 'All right' and passed on.

Hon. Mr. DANDURAND—And he did not make a speech at Montreal or Toronto protesting against the hon. gentleman's action.

Hon. Sir MACKENZIE BOWELL—No, he did not. The hon. gentleman seems to have that on the brain. The gentleman to whom I refer never came in contact with the government and never did anything except to draw his salary like a gentleman.

Hon. Mr. FERGUSON—I am not a very close student of military matters, but we are now considering a clause of very great importance, and we have had a statement from my hon. friend the Secretary of State which I think I understand, and it is this: that notwithstanding that we are keeping a provision in the law by which a General Officer Commanding may be appointed, either an officer of the Canadian militia or a British officer, that it is not the intention to appoint such an officer; but to operate this advisory council and carry on the militia force by the advice of the advisory council and to carry on the military force by the advice of the military council without appointing a General Officer Commanding?

Hon. Mr. SCOTT—That is the present understanding.

Hon. Mr. FERGUSON—I am glad I understood my hon. friend correctly, but I will say that, in my humble opinion, I think they are pursuing a very dangerous course by doing anything of the kind, and I cannot concede for a moment that the true interest of the defence of Canada can be served by the minister. The present minister may be, and I think is, a military man to a certain extent. He has given a good deal of attention to it, but a man of his qualifications may not always be obtained, and I presume that the intention is only to carry out this system as long as the present minister is in power, and it may be changed afterwards. But at any rate, I do not think it is a wise provision to attempt to run the defence of Canada by means of this council. When we were passing the other clause, I did not think any more was intended than merely to have that as an auxiliary, but still it was in

contemplation, as I saw it was in the Bill, to appoint a General Officer Commanding. Now we learn that it is not the intention. I think that we are going backward instead of forward in the matter of the defence of the country. A paper was handed me this evening which contains a cablegram from London to-day. The cablegram appears in the Montreal 'Star,' a portion of which I shall read. A good deal of it is not relevant, because the subjects have been threshed out sufficiently to-night. It is in regard to an editorial in the London 'Post,' and reads as follows :—

> The 'Post' severely criticising the militia says the old fallacy that a mob of men with the ability to occasionally hit the target constitutes an army is still widely current in Canada, or at any rate the Canadian press would appear to be of the opinion of Sir Wilfrid Laurier and his ministers, that the defence of Canada can be assured most cheaply and effectively by trusting to the patriotism of the people, who they seem to think will be able to improvise an army at a moment's notice.

I think that is a warning, and that there is an importance in it that we should not disregard.

Hon. Mr. DOMVILLE—My hon. friend makes a great mistake here. He is turning down all Canada. He is reflecting on them. whether they be of English, Irish. Scotch or French descent. What did we find in the Boer war ? Though we had 250,000 British soldiers there, the Boers walked through them. Why ? Not because they were braver or better armed, but because they knew the conditions of the country and used their intelligence. Look at the Japanese to-day walking through the Russian hosts. Why ? Because you must have intelligent men to fight successfully. My hon. friend is bringing in a Bill which is intended to put the militia, not on an aggressive basis. but on a basis which will enable them to organize better than they were before, and get intelligent officers. It cuts away the cast-iron rule that we must have an English officer. There are good English officers. and bad English officers. A man goes into the British army as a profession, and rises from a lower to higher grades, and then gets command for five years, and goes. He may be a good man, or a poor officer—that is to say, he may have been thoroughly instructed in the science of war, but unable to apply it. Are we going to say that with 6,000,000 of people in this country, we have no men who are fit to command in a fight ? I do not hesitate to say that give me ten Perrys, entrenched, each with one hundred rounds of ammunition, and they will kill eight hundred out of one thousand men who attack. I cannot understand for a moment why we are going to say that we have not in our own country men fit for any emergency. Take my hon. friend, the brigadier officer ; I would be willing to trust myself under his command or as his associate. The idea here is that we must have a British officer, but as my hon. friend has said, the government have quarrelled with the whole of them. They were good men, but not familiar with conditions here. They knew the science of war, but could not apply it . Suppose a war were to break out to-morrow here, who would have to face the enemy ? Not men fighting under the cast-iron rules laid down in the past, but smart young fellows who can hold the enemy at bay everywhere, Perrys, who can take cover, shoot straight and beat back the assailants. What British officer is better than that ? Why should not our own men go abroad and learn, as the Japs did, when they sent their officers to every civilized country in the world to pick up what information they could ? Are the Japs any better than Canadians ? Nobody will dare to say that they are. We can trust any government in this country.

Hon. Sir MACKENZIE BOWELL—We are discussing it on general principles.

Hon. Mr. DOMVILLE—I say we have young men—I could point to one or two in the House of Commons to-day—smart, bright fellows ; give them a chance, whether they be French or English, and they will do credit to the country. The Militia Department is empowered to use its functions and give these men a chance. We can produce par-excellence as good men in this country. be they French or English, as can be produced in any part of the world.

Hon. Mr. FERGUSON—Nobody in this House will for a moment join in disparaging Canadians. It is true. as the hon. gentleman has said, that Canadians distinguished themselves in the Boer war. Give them equal opportunity, training, and experience, and I have no hesitation in saying that they will be found to distinguish themselves in

any position they may be called upon to fill. They have proved that in the past, and nobody doubts they will do so in the future. It is a question of qualification and experience. When we speak of British officers, we must remember that there are Canadians, and not a few of them, in the British army, and a British officer who is a Canadian may be appointed. What I want to see is a qualified General Officer Commanding appointed. It is important for Canada that the commanding officer should be a man of experience and wider training than can be had in Canada.

Hon. Mr. DOMVILLE—Who beat the British soldiers in the United States in the old wars ?

Hon. Mr. FERGUSON—We are not talking about the United States.

Hon. Mr. DOMVILLE—They were men who had no military training whatever, but who knew the country and the surroundings.

Hon. Mr. FERGUSON—I do not object to interruptions which are relevant, but I do not want to be interrupted by an irrelevant remark. The whole thing is to have qualified men for this position. Brave and capable as the Canadians proved themselves to be in South Africa, the results would not have been so satisfactory if there had not been a Roberts, a Kitchener and a Dundonald to lead them ; and here we are proposing to drift away and leave the door open for a clumsily constituted advisory council to take the direction of our militia matters. It is no wonder the London 'Post' says that we have as much confidence in a mob as in a regular army. I did not know until the debate was in progress that so dangerous a proposition was before us. It does not appear from anything we know, how far the minister will be bound to take the advice of the militia council, even when he does consult them. We are practically launching out on a scheme of militia organization under which a Minister of Militia, who may know nothing more than I do about militia matters—and I confess frankly that is not very much—might undertake to run the militia affairs of the country as he thought proper, with an advisory council which he may or may not consult, and whose advice he is not bound to accept even though he does consult them.

Hon. Mr. FERGUSON.

Hon. Mr. POWER—The hon. gentleman from Marshfield seems to think there was something very remarkable in the abolition of the office of General Officer Commanding. We have not in this country given very much study to military matters. We have not been called upon to study them as they have had to do in other countries ; but we know that in Germany they have no Commander-in-Chief. They have substituted a chief of staff for the commander-in-chief. In the United States they had a Commander-in-Chief until about a year and a half ago, when they by statute abolished the office. In England, where they have given a good deal of study to this question, they have abolished the office of Commander-in-Chief, and substituted a military council and Inpector General and Chief of Staff ; so we are following the example of countries where the subject has been considered very fully, and probably are not far astray. The hon. gentleman from Belleville expressed a sort of guarded regret that the government and parliament should depart from the course taken by Mr. Mackenzie in 1875. Mr. Mackenzie's government, and the hon. gentleman who leads this House was then a member of that government, I suppose were influenced by the same views expressed here to-night by the hon. gentleman ; and they thought it would be a better system to have an English officer of experience at the head of our militia than to have what we had before them, an adjutant general, who, by the way, was generally an English officer of experience. The idea was to take the office out of politics. It did not take the office out of politics, because, with the exception of the gentleman to whom the leader of the opposition refers, every General Officer Commanding who has been in command of the militia since 1875 has fallen out with the government of the day, and left Canada before his term expired. It is only fair to say that there was one other officer who had no quarrel with the government, and that was the General Officer Commanding who preceded Lord Dundonald. The government and the minister had no quarrel with Major General O'Grady-Haley.

Hon. Sir MACKENZIE BOWELL—He had not time.

Hon. Mr. POWER—For some reason, the War Office people were anxious to send the other gentleman here in his place. There were three reasons why Major General O'Grady-Haley gave satisfaction. He had served in Canada as a comparatively young officer, he knew the country and understood the people, which the average English officer does not at all. Then again General O'Grady-Haley had no ambitions or interests outside of Canada. His career in the imperial army had ended. His only object and his only duty here was to serve the Canadian government and do his duty by the Canadian militia. The average general officers commanding, men like the one who preceded General O'Grady-Haley, and men like the one who succeeded him, were thinking perhaps less about doing their duty as commanding officers of the Canadian militia than they were of making an impression on the home authorities, where they looked for advancement after leaving here; and that alone is a sufficient reason why we should not have those English officers coming out here who propose to go back again after their term with us expires. Instead of trying to do his duty by the Canadian militia the officer, as a general rule, is thinking of making a marked impression on public opinion in the old country, with a view of promoting his own interests after he goes home. Further, with respect to Major General O'Grady-Haley, there has not been much said about him, but he was really a most competent officer and did his work remarkably well. The institution of the school of musketry and some other improvements were due to him; and my own belief is that when the present little excitement has simmered down, hon. gentlemen, and the public generally, will realize that General O'Grady-Haley, although he did his duty in a quiet way, did it effectually and that there has been no better general officer in Canada since the office was instituted. I do not propose to go into a general discussion of the subject. There was one matter which was just indicated by the hon. gentleman who preceded me, and that was the want of continuity. An inferior system which is continuous is better than frequent changes of system, and as some hon. gentlemen stated a while ago, in the case of those English general officers commanding, the first thing an officer commanding did when he came out here was to either try to reverse the policy of his predecessor, or to point out that under his predecessor the militia had not been properly handled. Take for instance the case of General Hutton. He succeeded General Gascoigne. General Gascoigne had made a report for 1897, in which he spoke in the highest terms of the Canadian militia. How well they turned out, &c., and any one reading that report would think that our Canadian militia were a very superior body of men. General Hutton, a man of great ability, and a most competent officer, when he came out here in his first report condemned the Canadian militia, indicated that they were very much below par, and that he was very much disappointed in the force. He published another report a year later, shortly before he went away, describing the Canadian militia as splendid fellows. I suppose the change was all due to the remarkable reforms which he had instituted during the intervening twelve months. And so it is. We do not get our judges, our Ministers of Customs or men at the head of any of our public or private institutions from England, and I see no reason why we should look to England for our general officers commanding. I am glad to know that the government do not propose to have any more of those officers, and I am rather sorry that there is any provision at all for a General Officer Commanding. There is just one other point about General O'Grady-Haley. He did not separate himself from the force, did not reserve his confidence from his Canadian subordinates, and that has not been the case with his successor and other general officers commanding. They found here Canadian officers quite competent to do their work and men who from their official positions should have received the confidence of the General Officer Commanding. These Canadian officers have not had that confidence. The practice has been for the General Officer Commanding to import from England younger officers whom he got around him and to whom he did give his confidence, the confidence he withheld from the men who by virtue of their superior official positions were entitled to receive his confidence.

Hon. Mr. LANDRY—I deny in toto the remarks made by my hon. friend against

General Hutton and Lord Dundonald. I happened to serve under both of them. I am not speaking from a political point of view. I will not refer to the Dundonald incident, taking it from a political point of view. I am speakng of those two men as soldiers, as we knew them in camp. General Hutton greatly improved the militia when he assisted at our camps. He was truly a soldier. He told some very hard truths, but I think he gave a good stimulus to the Canadian militia. So did Lord Dundonald. Without wishing at all to interfere in the political battle that is now going on, I take this occasion to speak of Lord Dundonald as a soldier, and I say that he was extremely popular amongst our militia. Both General Hutton and Lord Dundonald understood French very well, and were able to come in contact with everybody in the camps. Under Lord Dundonald our men learned to make entrenchments, a thing that had been ignored before in the training of our militia, and we learned a lot of things practically. The soldier had not merely his rifle, but he also carried a pick and shovel and learned how to make trenches, and go through the necessary details of work in the field. All those things were taught by General Hutton and Lord Dundonald, and in that respect I wish to give my testimony in favour of those two generals. General Herbert, who preceded them, I think, had commenced those improvements. I have nothing to say against General O'Grady-Haley. He was a very quiet gentleman, and came to camp like an ordinary officer. He did his duty, there is no doubt about that, but I do not think he had the vim the others had in making improvements. I just take this occasion to do an act of justice. Lord Dundonald has been accused of trying to engender racial prejudices in Canada. Speaking in the name of the French Canadian element in our militia, having been in contact for two years with Lord Dundonald, I say in justice to him that amongst the French element of our militia Lord Dundonald was the most popular general we ever had. The government may find that he interfered in politics, or charge anything else against him; I do not discuss that—I am speaking of the merit of General Dundonald in the field and in contact with our militia, and I say that not a single French Canadian has a word of complaint against Lord Dundonald. We were speaking a moment ago of the experience of our Canadian officers. In the wars that are now going on in Thibet and Manchuria, our Canadian militia should be represented by some of our Canadian officers who would learn something from observing the manœuvres in the field. I am told that at this moment there are a few of our officers in Japan. Can the minister tell me the names of our Canadian officers who are now serving in Manchuria ?

Hon. Mr. POWER—There is Thacker.

Hon. Mr. LANDRY—Is he the only one ? I thought three had been sent. Three names were mentioned. I know Thacker is there now, but are there no others ?

Hon. Mr. SCOTT—I am not aware if there are any others.

Hon. Mr. LANDRY—I know three were named, and I regretted that an officer representing the French Canadian militia had not been named among them. In justice to that element, the government might have named one.

Hon. Mr. POWER—I do not wish to speak positively, but I think the Japanese authorities refused to have more than one, either that or the English authorities would not allow more than one.

Hon. Mr. LANDRY—If that is so, I would not press my demand. If three Canadian officers are detailed for such experience in any other war, I should like a French Canadian to be appointed as one, to share with his brother officers in the fruits of that experience.

Hon. Sir MACKENZIE ROWELL—The hon. Speaker has passed an unnecessary reflection on the commanding officers in the past, by saying their only object, apparently, was to so conduct themselves here in the interest of the imperial authorities as to obtain promotion at the end of their term. I am not prepared to admit that statement. Every man who serves in the army looks for promotion, whatever his position may be; but I do not think that the general officers commanding in Canada deserve the severe criticism that has been passed upon them. While there have been difficulties between

the government and former commanding officers, I have yet to learn that any of those difficulties arose on account of party feeling or politics. I have read in the newspapers, however, that difficulties arose between the Minister of Militia and General O'Grady-Haley. I cannot remember now what those difficulties were, but I know I saw it mentioned in either a Canadian or English paper, that difficulties had arisen, and that when General O'Grady-Haley went home, his services were utilized in some capacity equal to that which he occupied here. He was thought well of by the Imperial authorities who managed the army. However, that is a matter of very little consequence. The difficulties that have arisen in the past between the commanding officer and the government have not been of a political character as far as I know. The difficulty with Lord Dundonald was not that he introduced politics into the service, but that he objected to the introduction of politics, and had a row accordingly.

Hon. Mr. DANDURAND—That was a pretext only. That is generally admitted all round now.

Hon. Mr. LANDRY—No, it is not admitted at all.

Hon. Mr. DANDURAND—He said so himself.

Hon. Sir MACKENZIE BOWELL—I beg the hon. gentleman's pardon. What he said was that he took advantage, in making that speech, to expose the introduction of politics into the militia, knowing the consequences which would follow, in the interest of the militia. I always thought, and said so to gentlemen in the other House, that some of his acts were indiscreet. The reason he gave was that he could not trust those with whom he was associated, and that he had to put the case in the hands of the opposition. Now, I am not prepared to defend that; I am not going to discuss it. What I did say was, that his difficulty arose out of the position taken by one member of the cabinet on political grounds, to ignore a certain family in his constituency. Lord Dundonald resented that, and he made it public at the expense of his position, knowing, as he says, the consequences which would follow, and he said he did it because he wished to throw the searchlight upon the management of the militia in that particular. That is the position. I have read pretty carefully what he said, and what has been said on the other side. I have already admitted that I thought his action was indiscreet; that he might have taken another course, though I do not hesitate to say that the man who will deliberately sacrifice himself for what he believes to be the interest of the country, deserves commendation and praise from every Canadian. In reference to the race question, unfortunately the man that introduced that question was the Minister of Militia. No one ever thought of accusing Lord Dundonald of exercising his authority against any class or creed in this country. It was an exceedingly unfortunate expression that was used by the Minister of Militia in discussing this question in the House of Commons, when he said Lord Dundonald had treated a certain officer in the province of Quebec in a certain way, and that he hoped it was not because he was a Frenchman. That was the introduction of the race question. It set the heather on fire. Many of the opposition newspapers took it up at once, and denounced it. That was followed immediately afterwards by the government papers of Quebec, particularly French papers, accusing the opposition of raising the race cry because they denounced the Minister of Militia for having done so. Every one who knows the circumstances knows that to be the fact. I am, as I grow older, more strongly impressed with the wickedness, in a country like ours, of raising that question upon any occasion. We should look upon all classes of the community as British subjects, with equal rights and privileges, and when we have positive evidence that any man in authority attempts to use his power against any creed or race, I care not who he may be, we should denounce him from one end of the country to the other. We should learn to live more as British subjects should live, having as we have in Canada representatives of people from all parts of the world. I do not suppose that anywhere there are more races represented in one place than in London, and yet you never hear the race question raised there in the way it is in

Canada, and it is regrettable that it should be raised here on any occasion.

Hon. Mr. POWER—I should like to say one or two words to explain an apparent misapprehension that has arisen in the minds of the hon. gentleman from Stadacona and the leader of the opposition. If I left the impression that the English general officer commanding, General Hutton or Lord Dundonald, were not pleasant with the military officers generally, I certainly did not mean to do that. What I want to say is that they did not give to the members of the headquarters staff with whom they were associated, the confidence to which they should have given, and that in the case of the late officer commanding, that confidence was given to subordinate officers who were brought here from the old country. That is one point which I think it well to explain. The other was that the leader of the opposition seemed to be under the impression that I had stated the only object of the general officer commanding was to stand well with the imperial authorities. Either I did not express my meaning correctly, or the hon. gentleman misapprehended me. What I said was that Major General O'Grady-Haley had only one object here, and that was to do his duty as to the Canadian officers, because he had no future in England, but the other gentlemen who accepted the position were divided between their duty to Canada and their expectations of promotion on the other side of the water. With respect to the Lord Dundonald episode I think that has been talked threadbare.

Hon. Sir MACKENZIE BOWELL—I am very glad the hon. gentleman has made that explanation, because I should not like it to go abroad, particularly in England, that any one would accuse the general officer of having but one object in view, to impress on the English government that he had performed certain duties in this country which would lead to his promotion. That is what I understood the hon. gentleman to say, and that is what I attempted to explain away. I do not wish to be understood as justifying all the acts of General Hutton, of whom the hon. gentleman has spoken so eulogistically. General Hutton, we know, went so far in his official capacity as to instruct some officers not to have any communication with the Minister of Militia without his authority, and another of these officers, who, having had a consultation with the Minister of Militia was instructed that he should report to him. That Sir Frederick Borden should have resented conduct of that kind in any officer of his department, I am not at all surprised. He did what I think any independent man would have done. Lord Dundonald has never gone so far as that.

Hon. Mr. DANDURAND—The hon. gentleman from Belleville said that the French Liberal press had taken up the race cry and accused Lord Dundonald and the Conservative party of raising it elsewhere. Just at the beginning of this quarrel of Lord Dundonald with the government, I remember that the conduct of the Ottawa 'Citizen' was most reprehensible, if not criminal. It published articles which no one, whatever his partisanship on the other side of this chamber may be, would have countenanced for a moment. I remember for the first few days that followed the opening of this incident, the 'Citizen' had an article in which it spoke of French domination which was unbearable, that a man could not step into the lobbies of this parliament without meeting messengers or clerks who could not speak a word of English, when, as a matter of fact, nearly all the employees one meets in the lobbies are of English, Scotch or Irish descent. I am simply mentioning one of the incidents that I can remember, but there were articles in that vein for a week in the Ottawa 'Citizen' which I am quite sure would be condemned by any reasonable man. A member of the Senate could not make a remark on that question without being styled by the 'Citizen' as a senator from Quebec, which was of course with the intention of trying to show that there was some line of clevage between the two provinces. It was kept up for a number of days. I hope if it has subsided lately it has been due to the leader of the opposition in the other chamber, because the hon. gentleman was appealed to see that some of those who supported him in Ontario should stop the campaign which was started and carried along by them.

Hon. Mr. FERGUSON—There certainly was a wave of excitement inaugurated about

the time this trouble was started. The unfortunate words of the premier, probably not intentional, but nevertheless a very unfortunate word to use in the House of Commons in that discussion, gave rise to things being said from another point of view that were regrettable. The article the hon. gentleman refers to, the only one I saw in the Citizen, I candidly say was very regrettable, and certainly could not receive the support of anybody in this country, whatever political party he may belong to. Even more regrettable than that was the language of the Minister of Militia when he tried to insinuate what he had not the manliness to say in an open way,that Lord Dundonald had passed over a French officer on account of his nationality. I am told that not one French officer joined in the cry the Minister of Militia attempted to raise against Lord Dundonald, and there was not one criticism against Lord Dundonald on the ground of his slighting anybody because of his nationality.

Hon. Sir MACKENZIE BOWELL—I have not read the articles to which the hon. gentleman referred, but I venture this statement, that these articles in the Citizen were the result of the articles written in the Liberal press of Lower Canada. Unfortunately, when these incendiary articles are published, there are generally some reports of them published in Ontario newspapers, and they are taken as the expression of the whole French Canadian people. I generally keep newspaper clippings of this kind and I could educate the House on the race cry as discussed in the Liberal papers of Quebec, 'La Presse' and 'Le Canada,' and others, The articles in the 'Citizen,' no doubt, were in reply to just such attacks as those which I have before me. No doubt the unfortunate expression used by the premier, on the question of nationality did lead, as my hon. friend says, to a good deal of discussion which never would have arisen had he not used that expression. I am not so charitable as my hon. friend on my right who says that the word was used no doubt without considering the meaning which would be attached to it. I believe the premier when he used that expression meant exactly what he said.

Hon. Mr. SCOTT—Oh, oh.

Hon. Sir MACKENZIE BOWELL—I am expressing my own opinion.

Hon. Mr. DANDURAND—The hon. gentleman is surely carried away by passion when he makes such a statement.

Hon. Sir MACKENZIE BOWELL—No.

Hon. Mr. DANDURAND—Because if he took the context of the phrase which he alludes to, he would see that it cannot be construed as the hon. gentleman puts it now.

Hon. Sir MACKENZIE BOWELL—That is the hon. gentleman's opinion.

Hon. Mr. DANDURAND—It is not an opinion ; it is a question of fact. If the hon. gentleman takes the whole phrase and the context, he will find that what I say is true and he will feel a little humiliated at having expressed himself as he did.

The clause was adopted.

On subclause 2 of clause 30,

2. In the event of a vacancy in the office of general officer commanding, or in the absence of that officer from Canada, the Governor in Council may detach an officer of the headquarters staff, who shall be charged with the military command of the militia.

Hon. Mr. LANDRY—We have a vacancy now. Who is discharging the duties of the office at present ?

Hon. Mr. POWER—Lord Aylmer.

Hon. Mr. LANDRY—Lord Aylmer is the adjutant general. In this case if the Militia Council is created, we will have one man filling two positions, chief of the general staff and adjutant general—is that the case ?

Hon. Mr. SCOTT—I have already explained ; I see no inconsistency in the adjutant general for the time being acting as chief of staff, or general officer commanding for that matter.

Hon. Sir MACKENZIE BOWELL—I should like to call attention to the changing of this word 'detached'.

Hon. Mr. SCOTT—It is a mere technical error, a misprint, as I am informed by the clerk of the House of Commons.

Hon. Sir MACKENZIE BOWELL—We are dealing with the Bill as it is before us. Some years ago, when the

hon. senator for Richmond (Hon. Mr. Miller) was Speaker, when a similar question arose, decided that even a change in a technical error rendered it necessary to send the Bill to the House of Commons. I do not object to the word, but we are dealing with the Bill as it is in our hands, and if that decision is of any value, if we change this clause, it will have to be sent back. That would not delay the Bill : the House would accept it.

Hon. Mr. LANDRY—I would call the attention of the minister to the fact that the Bill as presented to the House of Commons read in this way :

2. In the event of a vacancy in the office of general officer commanding, or in the absence of that officer from Canada, the command of the militia shall devolve upon the next senior combatant officer on the headquarters staff.

The Bill went to committee, and when it came out of committee, it read :

In the event of a vacancy in the office of the general officer commanding, or in the absence of that officer from Canada, the Governor in Council may detach an officer of the headquarters staff who shall be charged with the military command of the militia.

It cannot be a clerical error there.

Hon. Mr. SCOTT—I asked Mr. McCord whether it was a typographical error. I asked in case we should change it, if it would be necessary to send it back to the House of Commons and he said no, the word 'detail' was the word originally used.

Hon. Sir MACKENZIE BOWELL—What is the difference ? Worcester gives this definition to the word detached: 'to send away as a part of the military force, or of the fleet for particular service, used especially in military language.'

Taking the meaning of the word as given here, I think it is better to leave the clause as it is.

The clause was adopted.

On clause 31,

31. There may be appointed an officer, who shall hold rank not below that of colonel in the militia or in His Majesty's regular army, who may be, subject to the regulations and under the directions of the minister, charged with the military inspection of the militia, and such officer shall be paid at such rate, not exceeding six thousand dollars per annum, as is prescribed.

Hon. Mr. LANDRY—Was Colonel Lake asked to fill this position ?

Hon. Sir MACKENZIE BOWELL.

Hon. Mr. SCOTT—I am not aware that he has been asked.

Hon. Mr. LANDRY—I think it was announced in the House that he was.

Hon. Mr. SCOTT—Possibly. It has not come to my knowledge, at all events.

Hon. Sir MACKENZIE BOWELL—The hon. Secretary of State may remember that I asked the same question some time ago, and if I remember correctly he said he would make inquiry. It was stated in the public press, and I think also in the House of Commons, that the Minister of Militia had asked Colonel Lake to get permission from the imperial authorities to be allowed to come to this country to assume that position. He may remember I said I thought it an extraordinary course to take, when the imperial authorities have the power to make the appointment. The law had not been passed, but still it was an unusual course to take.

The clause was adopted.

On clause 36,

36. The Governor in Council may establish a general staff, headquarters staff, and district staff, and may appoint a chief of the general staff and such officers to the respective staffs as are deemed necessary, and shall define their duties and authority.

Hon. Mr. POWER—It is under this clause there was some talk of getting the services of Colonel Lake.

Hon. Mr. LANDRY—All these officers exist. Will the chief of the general staff be in the future the commanding officer ? Could we have from the Secretary of State a reply to this question : Is the chief of the general staff, who is to be named under this clause, to be the commanding officer of the militia ?

Hon. Mr. SCOTT—I really could not say. I presume he would be the senior officer commanding. There is not to be a general officer commanding the militia in the sense in which the militia has been commanded before, as the hon gentleman has been advised several times. The militia council is superseding the general officer.

Hon. Mr. LANDRY—I agree with the hon. gentleman that the council is going to continue the traditions of the militia in this country, but under clause 30 a British or

Canadian officer may be appointed as Major General Commanding the Militia.

Hon. Mr. SCOTT—Not the Major General, but chief of the staff.

Hon. Mr. LANDRY—By clause 30, an officer called the Major General, may be appointed to command the Canadian militia. I am asking if the Governor General, by clause 36, will name that man if he is named the chief of the general staff ?

Hon. Mr. SCOTT—I cannot be more definite than I have been. I said at the beginning it was not intended to take any action with regard to clause 30. That is what I am advised—I understood that clause was not to be acted on at present.

Hon. Mr. LANDRY—Shall we strike it out of the Bill ?

Hon. Mr. SCOTT—No, it may be used at some future time.

Hon. Mr. LANDRY—If it is used, will the officer be chief of staff ?

Hon. Mr. SCOTT—I cannot say.

The clause was adopted.

On clause 39,

39. Commissions of officers in the militia shall be granted by His Majesty during pleasure, and all warrant and non-commissioned officers shall be appointed in such manner and shall hold such rank as are prescribed by the regulations.

Hon. Mr. LANDRY—Is that the same as the old law ?

Hon. Mr. POWER—Except the word 'warrant'.

Hon. Mr. SCOTT—Clause 42 is said to correspond.

Hon. Mr. LANDRY—Is it the same thing?

Hon. Mr. SCOTT—I do not know that it is.

Hon. Mr. LANDRY—Can we not be informed ?

Hon. Mr. THIBAUDEAU (Rigaud)—Read it.

Hon. Mr. LANDRY—I find it is greatly different.

Hon. Mr. DANDURAND—Why does the hon. gentleman not explain ?

Hon. Mr. LANDRY—I want to ascertain if the hon. gentlemen know the law.

Hon. Mr. SCOTT—It reads :

Commissions of officers in the militia shall be granted by His Majesty during pleasure.

That is word for word.

Hon. Mr. LANDRY—That is the officers.

Hon. Mr. SCOTT—And the remainder of the section reads :

Non-commissioned officers shall be appointed by the officer commanding the corps.

Hon. Mr. LANDRY—And the new law is, what ?

Hon. Mr. SCOTT—In such manner as prescribed by regulation.

Hon. Sir MACKENZIE BOWELL—There is a material difference in these two clauses. I am not surprised to hear the hon. Secretary of State say there is no difference, but I was surprised at the hon. gentleman from Halifax, for I do not know a closer critic in the House, almost to a fault. This amendment takes the power which was given, under section 42 of the Act of the old law, to the commanding officer, and declares that the appointment shall be made of non-commissioned officers by warrant and so on, by regulations made by the department, or, in other words it gives the power and responsibility to the Minister of Militia here to do that which in the English army, and which in the Canadian army prior to this proposed change is vested in the commanding officer.

Hon. Mr. SCOTT—No, they are to be appointed under regulations to be made.

Hon. Sir MACKENZIE BOWELL—And those 'regulations to be made' can have no other object than to vest the power in the central authority in Ottawa instead of with the colonels commanding the regiment. Who can know better than the colonels what men in the regiment are best fitted for the positions of sergeants, corporals and lance corporals ? He is in contact with them every day. He knows exactly their ability. The captain knows the ability of each man in his company A man may be well educated, a man may know his drill thoroughly and yet he is not capable of communicating that knowledge to the company that he is drilling. No one knows that better than my hon. friend to my left. There are some men particularly adapted for it. Why should the

right or authority to appoint such officers be taken from the commanding officer of a regiment? Under these regulations he will never know what to do unless the regulations are of a character to invest in the commanding officer the same powers that he has now under the present law on the statutes. Suppose an officer commits an error and does that which should deprive him of his rights. He may get drunk. He may misbehave himself on parade. What does the colonel do? He orders the stripes to be taken from that man at once and he is reduced to the ranks. Why should he not have that power instead of having it done by the Minister of Militia framing a resolution? I think this is going to injure the efficiency of the militia. A commanding officer should not have this power taken from him, nor should he be restricted in any way. I have no fault to find with the provision that the government should make the appointment. That is the practice in England and in this country. But here is a material change, and I am at a loss to know what has suggested it, unless it be from the purpose of the centralizing the power in Ottawa that has been exercised by commanding officers in the past without any complaint, as far as I ever heard, by the colonels of the regiments. In other words it is taking from the commander an authority and power which he should possess, and vesting it in regulations which are to be adopted by the Minister of Militia here. I should be very glad to hear an explanation and a reason given for this change. I think it is a very bad change, to use stronger language, a change which would be detrimental to the well-being and the proper regulation and management of all companies and of the regiments. In an independent company, the captain has that power. He appoints his corporals and sergeants, and does so from the knowledge he has, and yet he could not do that unless he complies with the regulations made at Ottawa. They may be all right and they may not.

Hon. Mr. SCOTT—The hon. gentleman assumes that the regulations are always to be in the most objectionable form he can conceive. He has no right to draw those inferences, and it is quite unfair.

Hon. Sir MACKENZIE BOWELL.

He assumes a motive in every way he can It is not a reasonable thing. There may be some grounds for this. I am not familiar with the details of the matter, but I am quite sure that every feeling of honour and propriety and right dictates every change in this Bill. No motive has ever been suggested.

Hon. Sir MACKENZIE BOWELL—We have heard that speech fifty times to-night. I am dealing with the principle involved, and not with the party that makes the regulation, and the hon. gentleman has no right to say that I impute motives to any person. I say it may be abused for a purpose, and after the hon. Secretary of State has driven me to it I shall say that I have no doubt it will be abused. I may be wrong in that, but the power is taken to do it. Give us a reason why it is changed? It is open to abuse, no matter who is the minister, but if there is a good reason for it, the hon. gentleman will find no one more willing to withdraw the inferences than myself. The hon. gentleman says that there is no reason to suspect that any wrong may follow from it, nor is there reason to suppose that these regulations will not be what they ought to be. There must be some reason for the change. Give us the reason, and if it is a good one, I shall withdraw all that I have said in reference to it; but to take it on the mere ipse dixit of the Secretary of State to say 'You have not right to criticise it because it is there and nothing wrong will flow from it,' that is not at all convincing.

Hon. Mr. SCOTT—In the hon. gentleman's opinion. every clause is wrong.

Hon. Sir MACKENZIE BOWELL—No, every clause is not wrong. I said there were improvements in the Bill, and the hon. gentleman is drawing upon his imagination, which he has no right to do.

Hon. Mr. LANDRY—Will the hon. gentleman tell us why that clause was changed?

Hon. Mr. SCOTT—I really cannot. I am not familiar with the details of the Bill at all. I cannot pretend to be.

Hon. Mr. LANDRY—We should let the clause stand.

Hon. Mr. SCOTT—The hon. gentleman criticises every clause in the Bill.

Hon. Mr. LANDRY—This is the first clause I have asked to stand, in order to give the hon. gentleman time to inquire why the change has been made. It is a very serious change. You are taking away from the commanding officer of a regiment his whole command of his regiment. If you take that power away he has no more authority. It is a very serious matter, but there may be reasons for it, and I would ask that the clause be allowed to stand.

Hon. Mr. SCOTT—I will make inquiry of the gentleman who drafted it. We commenced the discussion on this Bill at 3 o'clock, and it is now nearly half-past eleven. and although many of the clauses are a counterpart of the present law, we have only reached clause 38.

Hon. Sir MACKENZIE BOWELL—It is not those clauses which are a counterpart of the law that we are discussing. I should like to know what we are here for, unless it is for us to swallow holus bolus every measure presented to us without discussion ?

Hon. Mr. SCOTT—I will ask the Minister of Militia to give me some information on that clause, and I will inform the House before the Bill is read the third time.

Hon. Sir MACKENZIE BOWELL— It is understood that if the reasons given are not sufficient to justify us in passing the clause, that we will move to strike it out on the third reading.

Hon. Mr. SCOTT—I will make no promise further than to speak to the minister.

The CHAIRMAN—I find that the word 'detail' was written in the blue print before it came to this House, therefore, any amending that the Secretary of State has done here was simply to make the copy we are working on conform to the blue print.

Hon. Mr. SCOTT—The House declined to take my explanation, I said that the clerk came here and said it was a mistake and that the word should be 'detail.'

Hon. Sir MACKENZIE BOWELL—Does the hon. gentleman want the amendment continued on the record ?

Hon. Mr. SCOTT—No. I was forced to take this course by the hon. gentleman refusing to accept my explanation of it.

On clause 54,

54. Officers, warrant officers and non-commissioned officers of the permanent force shall be entitled to daily pay and allowances at rates to be prescribed.

2. The Governor in Council may, from time to time, fix the sums to be paid to privates of the permanent force, regard being had to length of service, good conduct and efficiency ; but the ordinary pay shall not exceed the amounts following, that is to say :

For privates, per diem, 75 cents.

For buglers under eighteen years of age, per diem, 40 cents.

Hon. Mr. LANDRY—During our last camp we had those increases by a special order, but it turned out that some of the non-commissioned officers were paid higher than the officers. That is a fact.

The CHAIRMAN—In error.

Hon. Mr. LANDRY—No. The sergeant-major was paid more than the lieutenant.

The clause was adopted.

On clause 63,

63. The Governor in Council may make regulations for the management of existing rifle associations and clubs, and those hereafter formed ; for prescribing the constitution, objects and duties of such associations and clubs, and the conducting of their business and rifle meetings ; and for furnishing rifles and ammunition for the training and practice of persons, whether they are, or are not, members of the militia.

Hon. Mr. LANDRY—There are some associations formed in the cities in the different provinces, and they generally, up till lately, had ammunition and a certain allowance paid towards their organization. I heard recently that was cut out. I would suggest that every organization or club for rifle practice should be encouraged. It is the basis on which the efficiency of our militia rests. Rifle shooting should be taught in preference to parade movements, and I think it should be encouraged. I hope the hon. Secretary of State will call the attention of the Minister of Militia to that point.

On clause 65.

CADET CORPS.

65. The minister may—

(a.) Authorize boys over twelve years of age, who are attending school, to be formed into school cadet corps ;

(b.) Authorize boys over fourteen years of age, and under eighteen years of age, to be formed into senior cadet corps ;

(c.) Authorize senior cadet corps, or any portion thereof, to be attached to any portion of the active militia for the purpose of drill and training.

Hon. Sir MACKENZIE BOWELL—It will be interesting to know whether the minister, in framing this law, got permission from the labour organizations in the country to insert a provision of this kind in the Bill, because I have seen in Toronto resolutions passed by labour unions condemning this practice, asserting that they had no right to authorize boys to join these cadet corps, those particularly who were attending school. There is a great deal of pandering to that element just now, and it would be well to know if the government has got the consent of these organizations to this clause ?

Hon. Mr. SCOTT—It would be purely voluntary.

Hon. Sir MACKENZIE BOWELL—That is a good answer to the question I asked.

The clause was adopted.

On clause 70,

70. The Governor in Council may place the militia, or any part thereof, on active service anywhere in Canada and also beyond Canada, for the defence thereof, at any time when it appears advisable so to do by reason of emergency.

Hon. Sir MACKENZIE BOWELL—Will the minister explain to us why the change is made ?

Hon. Mr. SCOTT—If the hon. gentleman will read clause 71 it will help him to understand it.

71. Whenever the Governor in Council places the militia, or any part thereof, on active service, if parliament is then separated by such adjournment or prorogation as will not expire within ten days, a proclamation shall be issued for the meeting of parliament within fifteen days, and parliament shall accordingly meet and sit upon the day appointed by such proclamation, and shall continue to sit and act in like manner as if it had stood adjourned or prorogued to the same day.

Hon. Sir MACKENZIE BOWELL—The question I ask is, why the change is made from the present law by adding the words 'for the defence thereof'. The old law reads:—

Her Majesty may call out the militia, or any part thereof, for active service either within or without Canada at any time when it appears advisable.

The new clause reads :—

The Governor in Council may place the militia or any part thereof, on active service anywhere in Canada and also beyond Canada, for the defence thereof, &c.

The old clause gave wider latitude to the government than this clause does.

Hon. Mr. LANDRY.

Hon. Mr. SCOTT—The hon gentleman knows, probably, if he has followed the debate in the other House, that this was debated for several days, and this clause was, I think, a compromise between the parties.

Hon. Mr. DANDURAND—My conviction is that it is to harmonize it with the regulations in Great Britain.

Hon. Sir MACKENZIE BOWELL—If the hon. gentleman will turn to the Army Act he will find there is power and authority which is not given in this Bill, for the Minister of War to apply to the militia, and ask them to go out. There is nothing of that kind here. This is a peremptory declaration that they shall not be called out for that purpose. It is not necessary to go into the reasons which induced England to adopt that policy, but we must not forget that they have a very large standing army, not only in Great Britain but all over the world, and, consequently, the same power would not be used in regard to the militia that there would be in Canada where we have no standing army, beyond what may be called the regular corps, and the provisions in the Army Act are, in case the militia may be required, His Majesty—which means of course the Minister of War—may ask them to volunteer individually and also to turn out as companies and regiments ; so it recognizes the right of the Crown to do that, while I admit it is not positive or peremptory. It strikes one who has paid any attention to the administration, that there is a reason for putting this in, and if I give expression to the reasons which appeal to me, I lay myself open to the charge of adversely criticising these clauses, a right which the hon. Secretary of State thinks we are unduly exercising. Of course, as a senator, my impression is that this Bill was sent here expressly for the purpose of being criticised. We know the difficulty that arose when the Boer war broke out, when it was suggested by some officers of the volunteer force that their corps should be allowed to volunteer in aid of the defence of the empire ; the premier, in an interview with a reporter of the government organ in Toronto, the 'Globe,' expressed

very strong opinions against the sending of any Canadians volunteers out of the country, and questioned the right, under the clause which I have read here, from the old law, or the power to do so. Of course my hon. friend recollects that interview as well as I do, no doubt. Now while there might be supposed to be a doubt under the old law which says :

Her Majesty may call out the militia, or any part thereof. for active service either within or without Canada.

Those who took a different view at that time contended that this gave the right to the government to allow volunteers to leave the country, even without the consent of parliament. The present Bill removes that power and authority, because it declares that they cannot be sent out of the country for the defence thereof.

Hon. Mr. DANDURAND—I beg the hon. gentleman's pardon, they can.

Hon. Sir MACKENZIE BOWELL—The Governor General may 'place the militia or any part thereof on active service in any part of Canada and also beyond Canada for the defence thereof.' The hon. gentleman is right, but the condition is that it must be for the defence of Canadian territory and not in aid of the imperial authorities, should their services be required.

Hon. Mr. KERR (Toronto)—It is not for agression or contest.

Hon. Sir MACKENZIE BOWELL—I admit it is not for aggressive purposes. When we assist in the defence of the empire, it is not a war of aggression. I do not know that there is anything in the law, however, that prevents a company, or men in a company, from volunteering for service abroad. I would much rather have seen the clause left as it is in the original. However. the wisdom of parliament thinks differently. and the fact that clause 71 provides for the assemblying of parliament to obtain authority, removes the objection to a very great extent which I would have to the adoption of the clause. Having put myself on record on that point, I have no more objection to it.

The clause was adopted.

On clause 74.

74. The Army Act for the time being in force in the United Kingdom, the King's Regulations, and all other laws applicable to His Majesty's troops in Canada and not inconsistent with this Act or the regulations made thereunder, shall have force and effect as if they had been enacted by the parliament of Canada for the government of the militia, and every officer and man of the militia shall be subject thereto from the time of being called out for active service, and also during the period of annual drill or training under the provisions of this Act, and also at any other time while upon military duty or in the uniform of his corps upon or within any rifle range or any armoury, or other place where arms, guns, ammunition or other military stores are kept, or any drill shed or other building or place used for militia purposes, or during any drill or parade of his corps at which he is present in the ranks, when going to or from the place of drill or parade, and also whether in uniform or not at any drill or parade of his corps at which he is present as a spectator.

Hon. Mr. LANDRY—Could the hon. minister give us the meaning of that clause ?

Hon. Mr. SCOTT—It is very much the same in spirit as section 82 of the law as it now stands. That section provides that the active militia shall be subject to the King's Regulations and Orders for the Army.

Hon. Mr. LANDRY—What is the difference ?

Hon. Mr. DANDURAND—It looks about the same.

Hon. Mr. LANDRY—I find armoury and rifle range have been added. It goes too far. If a man is near a rifle range he falls under the King's Regulations.

Hon. Sir MACKENZIE BOWELL—These words are added 'Whether in uniform or not.' He is to be held amenable to the King's Regulations if he is there, even as a spectator. Many volunteers go to witness the drill of their corps and go in uniform. Under the old law they would be amenable then to the King's Regulations, but this makes them amenable to the King's Regulations whether they are there in uniform or not.

Hon. Mr. KERR (Toronto)—It is the same in the Act as it stands.

Hon. Mr. LANDRY—If he is a spectator in unform all right ; but if not, why should he be under the King's Regulations ?

Hon. Mr. POWER—It does not make any change in the existing law.

Hon. Sir MACKENZIE BOWELL—If he goes there with his corps it is all right, but supposing a man is ill and not able to perform the drill and goes there as a spectator, as a civilian ; he may have leave of absence, and if in uniform would be just as liable to military punishment as the man who is really on duty; but this makes him amenable to the King's Regulations even when he is there without uniform.

Hon. Mr. DANDURAND—If he is on leave of absence or sick leave, I do not think he falls under this clause.

Hon. Mr. POWER—We must give the commanders of these regiments the credit of having a little common sense. The hon. gentleman will not allow the Governor in Council credit for having common sense, but surely he will not deny that the officers have some.

Hon. Mr. LANDRY—I think the Army Act and King's Regulations which are specified here, should be published by the military authorities of the country.

Hon. Mr. SCOTT—Are they not ?

Hon. Mr. LANDRY—They are not published. We are under the King's Regulations and the Army Act, and we know nothing about them except those of us who get copies from England and changes are made in the Army Act every year.

Hon. Mr. DANDURAND—The hon. gentleman's point is well taken.

Hon. Mr. LANDRY—They should be published in Canada. As we are bound by the law, we should at least have an opportunity of knowing what the law is.

Hon. Mr. SCOTT—There is no doubt of that. I will speak to the minister about it.

The clause was adopted.

On clause 82,

82. The civil authorities by whom such requisition may be made are :

(a.) If the place where such riot or disturbance occurs or is anticipated is municipally organized, the mayor or warden or other head or acting head of the municipality, together with two justices of the peace, or in the event of such mayor, warden or other head or acting head refusing or being unable to act, the county or district court judge or one of the county or district court judges having jurisdiction in such place, acting alone, or if there is no such judge then any judge of a superior court who has jurisdiction there ;

(b.) If the place where such riot or disturbance occurs or is anticipated is not municipally organized, the county or district court judge, or one of the county or district court judges, having jurisdiction in such place, or if there is no such county or district court judge, then any judge of a superior court who has jurisdiction there.

2. Wherever under subsection 1 of this section a judge is designated as the civil authority by whom a requisition may be made and there is no such judge, or the judge, or all the judges, who might have acted are absent, or unable to act, the requisition may be made by any judge or magistrate having jurisdiction at the place where such riot or disturbance occurs or is anticipated, who may do alone whatever is authorized by the Criminal Code, 1892, to be done by any two or more justices of the peace.

3. Where the requisition is made by a judge, any statements of fact contained therein shall be final and binding upon all parties in any way concerned.

4. Where the requisition is made by justices of the peace, any statement of fact therein contained shall not be open to dispute by the officer upon whom the requisition is made.

Hon. Sir MACKENZIE BOWELL—I understood the hon. gentleman from De Salaberry had an amendment to propose to this clause. If he intends to propose any amendment. it will be just as well that he should let us have it now, so that we can think over it.

Hon. Mr. BEIQUE—It is merely to add the words 'or refuse' in clauses 81 and 82 after the word 'unable.'

Hon. Sir MACKENZIE BOWELL—Will the hon. Secretary of State accept the amendment ?

Hon. Mr. SCOTT—No, the minister says he would prefer to have the Bill pass without amendment. This little inconsistency is the result of an amendment moved by an hon. gentleman in the House of Commons. However the minister informs me that he does not think an amendment is necessary, though he admits the clause could be improved, but it is not worth while making a change at this stage of the session.

Hon. Mr. LANDRY—It would not take five minutes.

Hon. Mr. SCOTT—The Bill would have to go back to the House of Commons and be delayed there.

Hon. Sir MACKENZIE BOWELL—It seems extraordinary that a minister of the Crown should go to a private member and ask his permission to make a change in the Bill.

Hon. Mr. SCOTT—No, I asked the Minister of Militia and he said he did not want any amendment made to the Bill.

Hon. Mr. DAVID—I give notice that I shall move amendments to clause 82 and 86 at the third reading of the Bill.

Hon. Mr. FERGUSON—It is an extraordinary position to take when we see a plain defect in the Bill, that we cannot amend it. It is a government Bill and they are all powerful in the House of Commons and it would not take long to carry the amendments.

Hon. Mr. YOUNG, from the committee, reported that they had made some progress with the Bill and asked leave to sit again.

The Senate adjourned until eleven A.M. to-day.

THE SENATE.

Ottawa, Tuesday, August 9, 1904.

The SPEAKER took the Chair at Eleven a.m.

Prayers and routine proceedings.

DELAYED RETURNS.

Hon. Mr. LANDRY—Before the Orders of the Day are called, would the hon. Secretary of State let us know if he has those returns I asked for ?

Hon. Mr. SCOTT—The hon. gentleman does not expect that I should perform miracles. I could not see anybody between one o'clock this a.m. and now. I have done all in my power and failed to get them, and the hon. gentleman must only take the best course he can. I cannot be constantly ballaragging the department.

RECIPROCITY WITH THE UNITED STATES

Hon. Mr. SULLIVAN—Before the Orders of the Day are called I wish to direct attention to a despatch which appeared in the 'Citizen' this morning :

FOR RECIPROCITY.

Senator Lodge Declares in Favour of Reciprocity with Dominion of Canada.

Boston, Aug. 6.—The opening of the presidential campaign by the North Dorchester Republican club of this city took place at Point Shirley, Winthrop, to-day, with Senator Henry Cabot Lodge and Herbert Parker, attorney-general of Massachusetts, as speakers.

Senator Lodge's address was his first public utterances in the campaign. He was given a cordial reception. The senator devoted his time principally in defining the attitude of the Republicans on the question of reciprocity with Canada. He said in part :

The Republican national convention at Chicago declared as follows :

We believe in commercial reciprocity, wherever reciprocal arrangements can be effected consistent with the principles of protection and without injury to American agriculture, American labour, or any American industry.

The President of the United States in his reply to the committee of notification, spoke as follows :—

We believe in reciprocity with foreign nations in the terms outlined in President McKinley's last speech, which urged the extension of our foreign markets by reciprocal agreements whenever they could be made without injury to American industry and labour.

With this utterance of President Roosevelt, I agree absolutely and entirely, and I know no Republicans who do not agree with him precisely as I do.

I should have given notice of motion, I suppose, before bringing this up.

Hon. Mr. SCOTT—It is not worth while giving notice of motion.

Hon. Mr. SULLIVAN—Would the hon. Secretary of State call the attention of his colleagues to this movement in the United States, in view of the Alien Labour Bill which is so strongly opposed in many parts of this country ? I have received a deputation from the strongest Liberals in Kingston and letters from people on both sides, shipping firms and the largest forwarders in Ontario, opposing the Bill. I thought it might be possible that the government, in view of this declaration, and in view of the general consensus of opinion against the passing of this Alien law, might withdraw it, and not obstruct any feeling of reciprocity that may exist in the United States, by any action on the part of Canada.

Hon. Mr. SCOTT—The hon. gentleman pays me a very poor compliment if he thinks I am going to bring a paragraph of that kind before my colleagues. They are not taking the smallest interest in it ; it is the greatest humbug I ever heard of. Senator Lodge is simply trying to draw off some of the Democrats. Massachusetts has gone largely for reciprocity with Canada. This is chaff, and it has been put

out in McKinley's day and ever since over-and-over again. It does not mean anything. Of course if we give them the Canadian market for nothing, and they reduce their tariff from 60 or 70 per cent to 30 per cent, they are willing to enter into some such arrangement.

Hon. Mr. SULLIVAN—Massachusetts has been agitating in favour of reciprocity with Canada for some time.

Hon. Mr. SCOTT—Yes, but Senator Lodge is a humbug. He will not bring over anybody to his side but the simplest-minded persons.

Hon. Mr. DANDURAND—Lodge's reciprocity is on the same lines as McKinley's reciprocity ; they would take anything we would give them and give nothing in return.

Hon. Mr. SULLIVAN—You do not know.

The SPEAKER—Orders of the Day.

MILITIA BILL.

IN COMMITTEE.

The House resumed in Committee of the Whole, consideration of Bill (5) An Act respecting the Militia and Defence of Canada.

On clause 82, subclause (a),

(a.) If the place where such riot or disturbance occurs or is anticipated is municipally organized, the mayor or warden or other head or acting head of the municipality, together with two justices of the peace, or in the event of such mayor, warden or other head or acting head refusing or being unable to act, the county or district court judge or one of the county or district court judges having jurisdiction in such place, acting alone, or if there is no such judge then any judge of a superior court who has jurisdiction there ;

Hon. Mr. SCOTT—There is a change there. As the law stood the mayor could or could not act, as he pleased—the mayor and two justices. Now it is proposed to make it compulsory on the mayor or warden to be one of them, but if he refuses absolutely, a judge of the county court having jurisdiction in the locality may act, and if there is no such judge, then a judge of the Superior Court. It seems a fair and reasonable proposition.

Hon. Mr. McMULLEN—This is exceedingly important, and it is easily seen that there is an inclination to bow to the labour organizations in the amendment of this clause. I must confess that, personally, I do not like it. Now supposing, a month or so before an election, a riot is threatened and the labour organizations say to the mayor, 'If you sign that requisition to call out the militia you will not have our votes.' The mayor would be deterred from taking any part. If it is thirty or forty miles from the county town and the judge had to be hunted up, it would take some time, and while looking for the judge, property might be injured or possibly destroyed. I shall move an amendment, that in the event of the mayor refusing to act, any other magistrate may act in his place. I do not believe in allowing organizations to riot and destroy property anywhere. I know of an instance where a strike took place, and, if this clause had been the law, the mayor would possibly refuse to act. He would say : I am not going to injure my standing in the community ; I want to be elected mayor again. If I sign the requisition to call out the militia the result will be that these people will vote against me, and I am not going to do it.' This happened forty-three miles from the town where the judge could be got. If the application had to be made to the judge, and delay had occurred in getting an order, time would have been lost and property destroyed.

Hon. Mr. SCOTT—Perhaps it would be better, before taking a vote on that, to consider the other paragraphs, because they are alternative propositions.

Hon. Mr. McMULLEN—If there is anything to cover the point, I am willing.

Hon. Mr. SULLIVAN—In Ontario, police magistrates are better qualified to act than the mayors. Do they come in under this Bill ?

Hon. Mr. SCOTT—A police magistrate is equivalent to two magistrates.

Hon. Sir MACKENZIE BOWELL—In some cases only.

Hon. Mr. McMULLEN moved, that in the event of the mayor refusing to act, any other third justice within the county may be called upon to act.

Hon. Mr. SCOTT—If the hon. gentleman will wait until we get to the last paragraph, provision will be made for that.

The sub-clause was adopted.

On sub-clause 2,

2. Wherever under subsection 1 of this section a judge is designated as the civil authority by whom a requisition may be made, and there is no such judge, or the judge, or all the judges, who might have acted are absent, or unable to act, the requisition may be made by any judge or magistrate having jurisdiction at the place where such riot or disturbance occurs or is anticipated, who may do alone whatever is authorized by 'The Criminal Code,' 1892, to be done by any two or more justices of the peace.

Hon. Sir MACKENZIE BOWELL—There are certain localities where riots are very likely to occur, particularly on railway, construction and public works where it is almost impossible to reach a judge.

Hon. Mr. McMULLEN—Hear, hear.

Hon. Sir MACKENZIE BOWELL—In case of failing to find the other two, one might have to travel hundreds of miles to get the necessary signatures.

Hon. Mr. SCOTT—It is proposed to add to subsection 2 the following words :

And if there is no such judge, or the judge or all the judges who might have acted are absent or unable to act, a requisition may be made by any judge or magistrate having jurisdiction where such riot or disturbance occurs or is anticipated, acting with two justices of the peace, and if there is no such judge or magistrate residing and being in or at such place and unable to act, any three justices of the peace having jurisdiction therein.

Hon. Mr. McMULLEN—Will that cover the point where the mayor or warden declines to act, that the three justices of the peace can act ?

Hon. Mr. KERR (Toronto)—There are many parts of the country where you could not get three justices of the peace.

Hon. Mr. EDWARDS—In Ontario the only resident judge is the county judge. The other judges are all centralized at one portion of the province, and in many instances are hundreds of miles away. The judge's residence is always the same—that is the weak point.

Hon. Sir MACKENZIE BOWELL—And three magistrates could not be got in any new part of the country ?

Hon. Mr. McMULLEN—As long as the law plainly sets out that in case the warden or mayor declines to act in the premises any other third justice can take his place and sign the requisition to call out the militia, that will suit ; but, as the leader of the opposition says, in some cases the judge lives many miles away from the scene of the riot. In parts of the county of Grey, the judge lives 75 miles from where a strike might take place. In the town where I live, he is 43 miles away It might take a day to find him and get the application signed, and another day to get back, and all that time the riot might be in progress and people terrorized and probably injured. When an incident of that kind occurs, any resident justice of the peace, or two or three of them, should have the power to call out the militia.

Hon. Sir MACKENZIE BOWELL—What the hon. gentleman says is quite correct. The county in which I live extends 125 miles north from the Bay of Quinté. But the senior and junior judge live at Belleville ; that shows the difficulty there. Then the warden lived 75 miles north of the front of the county and there would be just as much difficulty in reaching him. There is no locality that I know of where you would get three magistrates together except in the centre of population. Back where the Canada Central Railway is, the one that is being extended from a place called Bancroft, 75 miles north of Belleville to connect with the Canada Atlantic Railway, 25 or 30 miles still further north, where would you get three magistrates ? All the damage may be done while you are searching for the right men to sign a requisition. I think if you make that two magistrates you would accomplish the object we have in view.

Hon. Mr DANDURAND—I doubt very much if there is any danger in leaving to the mayor a certain share of responsibility.

Hon. Mr. McMULLEN—If he chooses to exercise this function.

Hon. Mr. DANDURAND—There is always sufficient public opinion to bear upon him in such emergencies to act if there is any danger to property.

Hon. Mr. LANDRY—But the law provides for two cases, where it is a municipal

organization and where it is not a municipal organization.

Hon. Sir MACKENZIE BOWELL—If the minister insists on keeping the number unchanged ; say the mayor and the reeve of a municipality.

Hon. Mr. SCOTT—He would be a magistrate of course.

Hon. Sir MACKENZIE BOWELL—Would he be a magistrate in that sense of the word ?

Hon. Mr. SCOTT—Yes.

Hon. Mr. McMULLEN—Not always. In Ontario the reeve is not ; the mayor is ; the law has been altered in that respect.

Hon. Sir MACKENZIE BOWELL—I am speaking of the rural districts What I am pointing out is the difficulty of carrying out this law in the rural parts. Take the case of Senator Edwards : Back in the Gatineau country they are building railways ; could he get three magistrates there, and if so, within what distance ?

Hon. Mr. McMULLEN—If the mayor of a town is ex-officio a magistrate, the reeve of a township is not. And even if he were, he would be just as bad as the warden or mayor. He would be looking for re-election, and would not jeopardize the labour vote by signing a requisition to call out the militia.

Hon. Sir MACKENZIE BOWELL—That is only in labour centres.

Hon. Mr. McMULLEN—The safest thing is to give the warden or mayor power to take part in suppressing a riot, but in the event of their declining to act, empower any other magistrate to act.

Hon. Mr. POWER—There is this to be borne in mind with respect to the question, that it was considered at considerable length in the other chamber ; and the decision arrived at there was that if the warden refused to act, then a judge was to be called in. After all the county or district court judge is as likely to be independent of the labour people as two or three justices of the peace would be. There is no reason why we should come in direct conflict with the other House in connection with a matter to which they have devoted special attention. If some such amendment as that suggested by the hon. Secretary of State is made further down in the section, it will have the desired result, that, is, if the warden does not act and if the judge does not act, then the three magistrates act.

Hon. Mr. McMULLEN—That will not suit my proposition. You have to go to the judge and go to the warden ; that means delay. That does not improve it at all. I want the Bill amended to provide that if the warden or mayor refuses to act, any third justice can take his place and call out the militia. If you have to go to the mayor and warden and judge before calling on a justice of the peace, that involves delay.

Hon. Sir MACKENZIE BOWELL—I wish to take objection to the doctrine laid down by the Speaker. He has told the Senate that because the Lower House, who represent the very class of people to whom my hon. friend has called attention. has given a great deal of thought and attention to this clause, ergo we should not interfere with it. I have always understood that one of the functions of the Senate was to check the popular branch where we thought they were interfering with the rights of the people. That is supposed to be one of the advantages of a second chamber, that it is not amenable directly to the popular will, or to put it in another way, to the mob ; and yet the hon. Speaker says that the Senate ought to accept the decisions of the House of Commons, because they represent this very class of people. We want to protect our people against such influence. One would think in reading the clause that it is so worded as to prevent the possibility of meeting those difficulties. The duty of the Senate is to correct this if they think the House of Commons is wrong, and not to pass it merely because the House of Commons has given great consideration to this matter. I do not see why the warden should be selected ; he is living often in the centre of the county or at one end of it and he may be a long distance from the scene of the riot. If the government are wedded to this proposal there is no use in pressing an amendment.

Hon. Mr. EDWARDS—In so far as I am concerned, I decline to dicusss this question

as applied to labouring men any more than to any one else. I am one of those who believe that the labourers of the country are just as peaceable and law-abiding as other people, and riots are just as possible from other sources as from that source. It is simply for the general good and maintaining the peace of the community that I discuss it. The question, as affected by the residence of judges, varies in different parts of Canada. In the province of Quebec there are district judges. I suppose it is so in the maritime provinces.

Hon. Mr. POWER—No.

Hon. Mr. EDWARDS—But in Ontario the county judge and the judges residing at Toronto are the only judges. In the old Act, if I recollect right, the sheriff of the county came in.

Hon. Mr. SCOTT—No.

Hon. Mr. McMULLEN—Two justices of the peace.

Hon. Mr. EDWARDS—The sheriff did not, under any circumstances, have jurisdiction ?

Hon. Mr. SCOTT—No. the sheriff had no power.

Hon. Mr. EDWARDS—Under any circumstances, the necessity of having to go or to send to Toronto from the most easterly portion of Ontario is not workable, and some provision should be made whereby immediate action can be taken if the warden or county judge declines to act.

Hon. Mr. MITCHELL—I think it would be a serious thing to give the power of calling out the militia to too many justices of the peace. We have a great many justices of the peace over this country, and it would be easy to get two of them in almost any county to sign a requisition. It is a very serious thing to call out the militia at all. This Bill provides probably enough means for calling them out in place of giving to two magistrates in every county where we have fifteen to twenty or thirty, the power. It would be a serious matter to give the right of calling out the militia to too many people.

Hon. Mr. BLACK—We are discussing this too much from our local standpoint. Take, for instance, the county of Cumberland, which I represented for a long time in the local legislature. It is 50 miles wide and 100 miles long. It is not at all likely that any riot will take place in that county except in the towns. Generally riot occurs in mining districts where it would be very easy to get two magistrates to call out the militia. In fact I might say there are cases where it would be almost difficult to get a magistrate not in the employ or under the control of the managers of the mine. Now, there is a local case where it would be a very dangerous thing to give that power to two magistrates. The case of the destruction of property has been cited, but if you refer to history you will find that there is bloodshed very often in those cases, and it very rarely occurs until the militia are called out. It ought to be a very extreme case when that is resorted to. When strikes and riots occur, there is intense excitement in the community, and it requires in those cases very clear-headed, judicious men to deal with it. In my own county I would say that the mayor or warden and then the judge are all accessible, but I cannot say how it is in the case of some counties that have been cited here. It may be more difficult, and we should legislate to provide for all. I am prepared to look at it in the broadest light. The reeve has been spoken of ; in the maritime provinces we do not know what reeve means.

Hon. Mr. EDWARDS—It means the mayor of a municipality.

Hon. Mr. BLACK—We call them mayors always.

Hon. Sir MACKENZIE BOWELL—The reeve in Ontario is the head of a township municipality.

Hon. Mr. BLACK—I am perfectly satisfied with the Bill as it is, but it would not meet the local conditions in the county from which I come. I would not think it wise legislation to allow the magistrates hastily to decide this thing. I would rather delay a little to get at the judge, because sometimes it is not best to be hasty in such matters. Of course it reflects upon a certain official part of our population to say that they are not all as intelligent and discreet as we would like them to be. In our section of the country, we often have justices of the peace who are not the

wisest of men, and my experience has been that in the appointment of these officials the man that should be justice of the peace will not accept the office, and the man who should not have been a justice is the man who wants to be appointed. I would not like to leave anything to their decision.

Hon. Mr. SULLIVAN—In the county of Frontenac, it would be quite a job to find the warden. He lived last year on Wolfe Island, four miles across the lake from Kingston, which is the nearest point to it. In the county of Lennox the warden came from Amherst Island, a very difficult point to get to; in fact the warden is the most difficult man to get at in any of the counties near which I reside. Whether they are more conveniently situated elsewhere, I cannot say. Of course telegraphs are more generally used now. I do not know who suggested putting the warden next to the mayor. The mayor can be got at, but the warden is the most difficult of all those people to reach.

Hon. Mr. BEIQUE—I think we should be all agreed on this, that the warden or mayor or judge or magistrate are the proper authorities to deal with the matter if they can be reached. It is only in cases where they are not on the spot, or where they refuse to act, that we have to provide for justices of the peace. It would not be required, I take it, in the old provinces. It may be required in the west. I think we would meet the difficulty by adopting the amendment suggested by the hon. Secretary of State, together with the amendment which I am going to suggest in subsection 2, by adding after the word 'absent' in line 33 the following :

Or not to be found within ten miles from the place where the riot or disturbance occurs or is anticipted.

Hon. Mr. DeBOUCHERVILLE—The hon. senator thinks that such a difficulty could not arise in the older provinces, but only in the Northwest. I submit that great danger may arise in the old provinces in localities where neither judges, reeves nor magistrates can be found.

Hon. Mr. SCOTT—And no troops.

Hon. Mr. DeBOUCHERVILLE—We passed a Bill to construct a railway running some hundreds of miles north of the St. Lawrence, through the province of Quebec, the greater part of it a long distance from all settlements. Supposing there are five or six hundred men employed on that line, and they go on strike and begin to riot, where would you find a magistrate or judge in all that region ? That is a contingency which the government should try to meet. I should like indeed to have an explanation how in a case of that kind anybody could be found to issue the warrant ?

Hon. Mr. DANDURAND—The hon. gentleman speaks of the possibility of a riot occurring during the construction of the National Transcontinental Railway. If we cannot find a justice of the peace, we cannot find militia. It will be necessary to reach a place where the militia can be ordered out, and the interested parties will have to come to the settled parts of the country to find magistrates or militia.

On this question of enlarging the jurisdiction of the parties to whom we may apply to have the militia called out, the reason given is that the parties mentioned in the Bill before us would not, perhaps, be available. Wherever there is possibility of a riot there will be a sufficient aggregation of men to find there magistrates and mayors of towns or cities If you go much beyond those aggregations of men, you will have no riot, and there is hardly a place where such an occurrence could take place where you will not find some of the parties mentioned in the Bill available. As to their refusing to act, I share the view expressed by the hon. gentleman from Cumberland (Hon. Mr. Black) that it is a somewhat risky thing to allow justices of the peace, even three of them, to have the power to call out the militia. One strong-headed man being justice of the peace, or not, who is bent on getting out the militia, will find three weak-headed men called justices of the peace to give their signatures to any kind of a requisition. It seems to me there is a considerable responsibility involved in calling out the militia, financial responsibility, and responsibility to the people. Should we not leave to men in high places, the mayor and warden, that responsibility which will finally fall upon the people who elected them ? I am convinced that we should leave some responsibility with

the constituted authorities that are answerable for their actions and will have to pay heavy bills. We have had complaints all round for the last two or three years of the heavy bills for calling out the militia needlessly. So I am convinced we should not enlarge the number of parties who might have the power to call out the militia, and that, with the names in the Bill, we are sure we have men with a greater sense of responsibility, and it would be dangerous to extend it to three justices of the peace.

Hon. Mr. DeBOUCHERVILLE — The hon. gentleman from de Lorimier (Hon. Mr. Dandurand) took it upon himself, and I thank him very much for doing so, to answer a question I put to the leader of the House.

Hon. Mr. DANDURAND—I have to apologize to the hon. gentleman.

Hon. Mr. LANDRY—That is his usual course.

Hon. Mr. DeBOUCHERVILLE—I suppose the government will not endorse everything he says. His answer was that a riot taking place at such a distance, would render it difficult to get the militia there. Does the hon. gentleman believe that in case there was a riot of the men working on the National Transcontinental Railway, and they were destroying the railway plant, that they should not be interfered with because it would take two or three days to inform the commander of the militia to send the troops to quell the riot, and that it would take two or three days longer to get them there? Should the government allow rioting and destruction of property to go on? The hon. member shakes his head. I suppose he withdraws what he said. I have asked the question not in any spirit of opposition. I shall be very glad if the government think there is nothing very serious involved in my question; if they do think such a difficulty might arise, would it not be better for them to make provision to meet it? I am ready to concede that they want to do what is right. Should there not be some means provided, under such circumstances, where a judge or reeve or magistrate could not be found, to call out the militia?

Hon. Mr. SCOTT—The hon. gentleman knows that troops are not available in Canada at all the corners of concession lines. Sometimes they are three or four hundred miles away from the scene, and, therefore, it may take some time to get troops to the scene of a riot, so I think there will be ample time to induce some municipal authority to act. It is exceedingly difficult to frame a Bill to meet all contingencies that may arise in a country like Canada. This clause has been framed to try to meet all possible cases. At the same time one cannot allow the power to be too readily exercised. The people would not approve of it. There are some justices that have not very level heads. There are men who, in ordinary conditions, have good sense but who lose their heads in times of excitement, and therefore it would not be safe to trust it to one or even two justices. The precaution here is one that is really essential. Wherever a judge is available, he, having a calm judicial mind, is not likely to be carried away by any improper motive or fear and would not too hastily act. I think the alternatives that we have mentioned in this Bill will not arise. In fact I did not think it was necessary to insert any of them, and after a conference with some gentlemen who had given it a great deal of thought, they considered that we were creating possible contingencies that are not likely to arise, because the judges all over the country are available.

Hon. Mr. DeBOUCHERVILLE—But if there are no judges to be found?

Hon. Mr. SCOTT—There are always judges in the districts. They may be a long way off. There is no doubt about that, but, at the same time, the troops are a long way off, and the person who would get the judge would hand the papers over to the district officer commanding, so that I think that element may be discarded. Wherever you have troops, you have some judicial authority who can be called upon to act, because the troops that would be called out would be those scattered in cities and towns. You would scarcely get them in the rural municipalities. Wherever there are towns or cities a judge is always available. If a judge happened to leave his district, there is some one to represent him. There is the deputy judge, and the judge of the higher courts. The provision is very ample, and I do not know that we can improve upon it because there

are so many alternative propositions that are not likely to be exhausted.

Hon. Mr. McMULLEN—I am quite willing to leave the clause as it was in the old Act; that is that the reeve, mayor, or warden may be one of the judges, but in this case he must be, and, if he refuses, no other magistrate can do it and you have then to go to the warden, and if he declines to act you have to go to the judge. Let me give you what will be the result, in the county in which I live. Supposing that a riot takes place in the town where I live, it is forty-three miles from the county town and the warden lives fifty-two miles from the county town, away in the south-east corner of the county. He may or may not refuse to act. The probabilities are that he will not act. He would say 'If I sign that requisition, all the labour in the town will be against me. It is not necessary that I should do it.' You may go to the warden and he will say 'show me the statute,' and when he reads the statute he will say 'The mayor of your own town can do it, and why should your own mayor not do it? Why do you come fifty-two miles to get me to do it?' And he declines to sign the requisition. Then you go to one of the judges and say to him 'I want you to call out the militia.' And he will ask 'what for?' And you will say 'a riot in Mount Forest and we want the militia.' He will say 'Why does your mayor not sign it?' You will say 'He did not want to sign it.' He will ask you 'What does the statute say.' The statute says that if the mayor and warden refuse go to the junior judge.

Hon. Mr. SCOTT—There is never a case of that kind. The judge acts at once.

Hon. Mr. McMULLEN—No, no. If you go to the junior judge, he will ask 'Why do you not go to the senior judge?' You say 'We were to him, and he sent us to you and says that it is better that the senior judge should act,' and they keep the deputation dancing back and forward between the junior and the senior judge—

Hon. Mr. DANDURAND—Does the hon. gentleman think there is a possibility of a mayor in Mount Forest, seeing lives and property injured, refusing to protect it?

Hon. Mr. McMULLEN—I think it is quite possible. I believe at the present moment if there was a riot you could not get our present mayor to sign, because he would come to the conclusion that if he took such an action the people would vote against him.

Hon. Mr. EDWARDS—This is a tedious discussion, but a highly important matter, because it is one in which difficulties may arise in one way or another. Primarily I think the cost of calling out the troops should not be imposed upon the county, or a district without those who have to pay the piper being consulted. On the other hand, there is difficulty that perhaps, just as my hon. friend stated, the authorities will refuse to sign. But in this provision, the reeve of the township, who is the mayor of the township, does not come in at all. He is not a justice of the peace. He is simply by virtue of his office, a magistrate for the time being. He is the chief magistrate but he is not a justice of the peace. He could not sign this requisition. Now, I suppose that in all instances it is the whole county that would have to pay the expense and not the individual township that might be involved. I believe that the chief magistrate of the township, in any district where such difficulty might arise, is one of those who should be consulted. For instance, there may be trivial attempts to call out the militia. The local authority may refuse, and a judge at a distance might override that refusal and force the calling out of militia when it is not required at all. These difficulties will occur, and I think we should take some time to arrive at the best and the most judicial way of dealing with this matter. I am one of those who believe that in every instance the chief magistrate who, in rural districts, is the mayor of the municipality or the reeve, is one of those who should be consulted.

Hon. Mr. SULLIVAN—Suppose you send to a distance, the magistrate cannot come in and see whether there is any necessity for it or not, and is he going to sign the requisition on the statement of some messenger who was sent? If that be so, the troops may be called out without any real cause at all. I think it should be compulsory

on the chief magistrate to sign the requisition.

Hon. Mr. POWER—The amendment of the hon. gentleman from de Salaberry is a very desirable one, because it removes any doubt. As the clause is framed now, there might be some doubt as to whether you have to go to the mayor or warden or judge, no matter how far away his residence might be, and I think it is very desirable that an amendment such as proposed by the hon. gentleman from de Salaberry should be adopted, so as to provide that if a riot takes place where there was no mayor or judge living in the immediate neighbourhood, then resort could be had to a justice of the peace, and I hope the committee will adopt that amendment and deal with the amendment of the hon. Secretary of State later.

Hon. Mr. BEIQUE—I would like to change the suggestion I made. Instead of making the amendment where I suggested in line 33, I would leave the sub-paragraph as it is, and add at the end of the paragraph the following :—

And in case none of the above authorities are to be found within ten miles of the place where the riot or disturbance occurs, or is anticipated, the requisition may be signed by three justices of the peace.

Hon. Mr. MITCHELL—I believe that the amendment which has just been moved will mix up the Bill too much. It says 'If they cannot be found'. It will result in lawsuits. People will get magistrates in the country to call out the militia. I think you might better have a Bill that would be explicit and not leave it open to all kinds of misunderstandings. This Bill says 'if they cannot be found'. I might say I cannot find them. I might get the militia out for a corporation. It is the corporation that generally calls out the militia, and not the union. If I were a magistrate and I wanted to get the militia out to shoot, I would not look very hard for the mayor or warden, and I would run the risk afterwards of proving he was not within ten miles.

Hon. Mr. SCOTT—I may say that in the last alternative I read to the House, provision was made for the three justices of the peace. It will come in at the very end. Subsection 4 reads, as follows :—

4. Where the requisition is made by justices of the peace, any statement of the fact therein contained shall not be open to dispute by the officer upon whom the requisition is made.

When a requisition is made by a judge or magistrate having the power—that is in certain districts in Quebec, for instance, where there are judges who, like our stipendiary magistrates, having the power of two justices of the peace, acting with two justices—or by three justices of the peace—That is the last alternative. One of those amendments makes provision for a final appeal, if all the other provisions fail, to three justices of the peace. Those amendments I have suggested here have had the advantage of being prepared in the Department of Justice, where a great deal of thought has been given to the subject, and, therefore, if any amendments are to be made they cover it and might perhaps relieve us from some of the responsibility in accepting their amendments.

Hon. Mr. POWER—I think it is to be regretted that the hon. gentleman from de Salaberry did not adhere to his original intention of putting the amendment in, so as to show that this last amendment should be resorted to when the judge or warden was more than ten miles away. I think the amendment of the hon. Secretary of State is a proper one, but there should be something to make clear the meaning of the earlier paragraph.

Hon. Mr. McMULLEN—The trouble with the amendment of the hon. Secretary of State is simply that you have to go through all the operation of applying first to two justices of the peace and the mayor. If the mayor won't sign you have to go to the warden, and if he won't sign it you have to go to the county judge, and you have to apply to the junior judge, and then you have to go to the third justice of the peace after that, and when you go to that man, he says he does not know anything about the law. You will read over the law, and he will say 'The warden and mayor should sign, and then the county judge'. If they have all refused he will say 'I do not know that I will sign'.

Hon. Mr. SULLIVAN—The hon. gentleman's plan would not get over it. The proper way is to make it compulsory on somebody, the mayor or the judge. Suppos-

ing three magistrates understand that the other authorities have refused, they will refuse also, then where are you ?

Hon. Mr. DANDURAND—The hon. gentleman would not give any discretion to those magistrates.

Hon. Mr. MITCHELL—I do not believe that a magistrate should have anything whatever to do with calling out the militia to be paid for by the municipality. I think the mayors should have that responsibility. They should be depended upon and should act for the people in the municipality, and not justices of the peace appointed by the local government.

Hon. Mr. McMULLEN—That is very true, but how can you get them to act ?

Hon. Mr. DAVID—The law was good as it was. There is always a warden of the municipality who is responsible.

Hon. Mr. SCOTT—The amendment reads as follows :—

Acting with two justices of the peace, and if there is no such judge or magistrate presiding and being in or at such place and able to act, any three justices of the peace having jurisdiction there.

The amendment was adopted.

Hon. Mr. POWER—I propose to insert after the words, 'Unable to act' in line 33, the words 'Or not to be found within ten miles'.

Hon. Mr. SCOTT—No, I object to that.

Hon. Mr. POWER—I think it is desirable to make clear when you can call upon those inferior officers. That is substantially the amendment suggested by the hon. gentleman from de Salaberry. The judge may be at the other end of the county, but he is absent anyway. His home is at the other end of the county. Supposing a riot took place in the eastern end of the county of Halifax, the county judge resides at the city, and the riot may take place a hundred miles away, at a place to be reached only by water or over a coach road, and if you wanted to appeal to the three justices of the peace, you could not claim that the judge was absent or unable to act. He is at home and able to act. It is desirable then that there should be something of this kind.

Hon. Mr. SULLIVAN.

Hon. Mr. FORGET—What will bring on a strike at such a place ? There is nobody living there.

Hon. Mr. POWER—There might be a strike, although I do not say that there is likely to be one. We have a mayor who resides in the city, and we have a warden who resides in a part of the county remote from the place where I have supposed the riot to be taking place. You cannot get at that warden, because you would have to travel thirty miles by coach to reach him and I think the amendment of the hon. gentleman from de Salaberry is a very necessary one to provide that when the officer whom you might go to is too far away, beyond a certain reasonable limit, you can call upon justices of the peace.

Hon. Mr. SCOTT—I think we are constructing imaginary possibilities. I am not aware that in the past any difficulty has arisen in finding proper authority to sign requisitions. Those riots do not occur in remote rural places. If they are likely to occur, the provincial authorities will necessarily have stipendiary magistrates there to look after the peace. The railways will see that they will have magistrates at hand in the event of having trouble. These possibilities are distant and remote. We are losing a great deal of valuable time by creating obstacles that will not arise.

Hon. Mr. BEIQUE—Although I am of opinion that my amendment would be in the right drection I call attention to this fact, we are dealing with an important measure at the end of the session, and it would be well not to introduce by way of amendments matters which may lead up to a great deal of discussion in the other House, and pass the Bill as it is, and next session it can be amended. I thought of suggesting other minor amendments, but as they are not of serious importance I thought the best course was to defer the matter until next session, when we could perfect the Act.

Hon. Mr. McMULLEN—I am quite willing to accept the amendment of the hon. Secretary of State under the circumstances. It has been considered by the Department of Justice and I am willing to accept it.

Hon. Mr. KERR (Toronto)—Let us forego the amendment now. There is a great deal of consideration to be given to this clause. It may not suit the conditions. A good deal can be said on both sides. I have refrained from discussion of it because I think it is not expedient to do so. I would suggest to let the matter stand to be dealt with at another time.

Hon. Mr. McMULLEN—We have passed eighty clauses without a single amendment, and I think we have done very well. We have now struck an important clause and I think the suggestion of the hon. Secretary of State is a fair one, and I am willing to accept that.

The clause was adopted.

On sub-clause 4 of clause 82,

4. Where the requisition is made by the justices of he peace, any statement of the fact therein contained shall not be open to dispute by any officer upon whom the requisition is made.

Hon. Mr. SCOTT—I propose to amend this clause by adding after the words 'by the' in the first line, the following words:

A judge or magistrate having the powers of two justices of the peace acting with two justices of the peace or by three justices of the peace, no statement therein contained shall be open to dispute by the officer upon whom the requisition is made.

The amendment was adopted.

On clause 83,

83. The requisition provided for the next preceding section may be in the following form, or to the like effect, and the form may be varied to suit the facts of the case :—

county of

To wit :

Whereas it has been made to appear to our satisfaction that a riot or disturbance of the peace, beyond the powers of the civil authority to suppress (or to prevent or to deal with) and requiring the aid of the active militia to that end, has occurred and is in progress (or is anticipated as likely to occur) at

(Where the head of the municipality, etc., has declined or is unable to join in the requisition, say)

And whereas the warden (or as the case may be) of the has declined (or is unable through) to join in this requisition :

These are therefore to require you to call out the active militia present in or such portion thereof as you consider necessary for the purpose of suppressing or preventing, or dealing with) such riot or disturbance.

Dated at , this day , 19

Warden, etc. (or as the case may be) or J P.
J.P.
J.P.

Hon. Mr. DAVID—I came in a little too late, but I have a very important amendment to make to clauses 82 and 83 either at the end of clause 82 or 83, and I am confident that it is in the interests of the municipalities. I beg to move that the following be added as paragraph C. :

If the place where such riot or disturbance occurs or is anticipated is a port or harbour under the control of the government or of the harbour commissioners, the requisition shall also be signed by the chairman of the Harbour Commission, or the officer in charge of the port.

In order to understand this amendment, it is only necessary to add another amendment which I propose to make in three words to clause 86, which concerns the payment of the military force when it is called on by the civil authorities. Clause 86 provides that in all cases the municipality will have to pay the cost of the militia when it will be called on. I want to say a very few words, because I understand it is not too late to bring the question before the House. It is this : that the law which obliges the municipality to pay the cost of the services of the militia in all cases is unjust and unfair, and, perhaps, contrary to the principles of the constitution. What does the constitution say? It provides that the military service shall be under the control of the federal government. It is a very excessive power which was given to the federal parliament, and I remember one of the grievances of those who were opposed to the establishment of confederation was that this clause was giving too much power to the federal parliament. I do not want to discuss that, because it is now too late, but I say that the consequence of the power given to the federal parliament is that when the militia is called out, the government must pay for its services and that it appertains to the government to give the services or to help the civil authorities without obliging the municipalities to pay for these services. Why was the militia organized? It was to protect the country against internal or external violence, against inside and outside enemies. In both cases, the government should pay for the services that the militia is called to render to the country. And why were the civil authorities to call out the militia in certain cases? It was because it was considered the municipalities had not the power nor the means

to support militia, or a permanent force for such incidents as occur in time of strikes. The condition is that in all those cases, if you want the service to be appreciated, it must be gratuitous, and the government must pay for the services. Suppose a strike occurs on the Grand Trunk Pacific Railway, in a district far distant from a town where there is a small municipality? Supposing the municipality has to pay for the service of the militia, it would amount to ten times the revenue of the municipality and perhaps more. But I do not want to go so far as that. I wish to sum up what I have to say in three statements. First, because the ports and harbours, according to the constitution, and according to the special law, chap. 47 of 57 and 58 Victoria, are under the control of the government, when they have been so designated by an Order in Council. Orders in Council have been passed in many instances, declaring that such port is a public port, and the consequence is that the port and harbour are under the control of the government. Consequently, vessels when in such a port or harbour, are not under the control of the municipality. They are under the control of the federal government. Shipping is under the control of the government. The goods which are in a harbour are under the control of the municipality. Very often they are from different parts of the country. When a riot occurs in a port or harbour the service which is rendered by the militia is a public service rendered to the whole of the country, and the whole of the country ought to pay for such service.

Hon. Mr. FORGET—Hear, hear.

Hon. Mr. DAVID—And when a disturbance occurs in a port or harbour under the control of the harbour commissioners, the vessels are not under the control of the municipality, and the goods which are there to be protected are not under the control of the muncipality, but even the place where the riot occurs is not a municipal property, and is sometimes the property of the government, or the harbour commissioners. So that, for all these reasons, I contend that when a riot or disturbance occurs in a port or harbour being the property, or under the control of the government or harbour commissioners, the municipality should have nothing to do with it. The government has a permanent force. They say when the municipality pays it, it is because the permanent force not being necessary, they are obliged to apply to the active militia. If the volunteer force is not sufficient to quell a disturbance, the permanent force must be called out. The permanent force must be increased by one thousand. I think with two thousand soldiers, the government will have sufficient force in such cases to do all that is required. Conflicts may occur between the municipalities and the government. I am sure there will be a great deal of friction, because the struggle between capital and labour will increase. We are only at the commencement of a big struggle between labour and capital, and the militia will be called upon under many circumstances to suppress riots, and there may be many cases of rioting and insurrection. Under such conditions nobody will contend that the government is not obliged to furnish the force necessary to suppress rioting and violence. There are many circumstances where there is not much difference between a riot and an insurrection, and very often a riot is the commencement of an insurrection. If the municipalities continue to be obliged to pay for the services rendered by the militia, I am sure before long it will happen that when a strike will occur in the harbour of Montreal, the municipality will refuse to call out the militia, because they will, with reason, say that they are not obliged to meet the expenses of such service, when these services are rendered in the interests of the whole country. If the House is not ready to accept the other amendment, which I shall propose to clause 86, saying that after the case is provided for in this paragraph, the municipality will have nothing to pay if you are not ready to accept the other amendment, I think this amendment will be useless.

Hon. Mr. SCOTT—I could not accept the other amendment, and I do not think the Senate is in a position to place amendments of that kind in a money Bill, attaching a penalty to the Crown, so that the Crown instead of the municipality, shall bear the expense.

Hon. Mr. DAVID—The question of money does not arise, because the government will call on the permanent force.

Hon. Mr. POWER—There will be the expense of transportation.

Hon. Mr. DAVID—It is not a necessary consequence of the amendment.

Hon. Mr. SCOTT—I do not think the House would be disposed to make any exception in favour of Montreal and Quebec. I think they ought to have police force enough to keep under control the body of men who look after a ship. If the police supervision in Montreal had extended far enough, the strikes would not have been serious. It was simply on account of the lethargy of the authorities.

Hon. Mr. DAVID—The hon. Secretary of State may say what he likes against my amendment, but his remarks do not apply to all the ports under the control of the Dominion.

Hon. Mr. SCOTT—It never occurred anywhere else.

Hon. Sir MACKENZIE BOWELL—The principle involved in the amendment proposed by the hon. gentleman, so far as the maritime provinces are concerned, and where the harbour commissioners are under the control of the government, I think, is a very good one; but I question whether we have the power to enact it. It is throwing on the government a liability, and the Senate has no power to do that. It incurs a liability or charge upon the revenue, which is against our constitution to meddle with.

Hon. Mr. DAVID—I am not ready to say that my opinion is better than that of the hon. gentleman, who has had more experience, but I reserve my amendment for the third reading, and will consider how I can answer the objection.

Hon. Sir GEORGE DRUMMOND—It is scarcely fair to speak of the cities of Montreal and Quebec as not open to special privileges, but so it is ; the Harbour Commission of Montreal is really and truly a government department. The majority of the members are appointed by the government. They are ruled by the government, and the territory which they administer is not under the control of the city, nor is it owned by the city, and the port is essentially a port of the Dominion. It is a fair argument, therefore, that the expenses of administering that port and policing it, ought well to be considered by the government, and I think the amendment which has been suggested by the last speaker is a fair and reasonable one.

Hon. Mr. DANDURAND—I drew attention to the fact that the port of Montreal goes much beyond the limits of the city of Montreal, and difficulties, friction and strikes may take place at the west or east of Montreal, and it may develop on the front of the city of Montreal, coming from the neighbouring municipalities, and yet when the militia is called out, it is always the city of Montreal that has to pay for the maintenance of that militia during the time of riot.

Hon. Mr. EDWARDS—I am not one of those who want to impose upon Montreal anything that is unfair, but I cannot conceive why the port of Montreal should not take care of matters of this kind, just as all other districts of the country do.

Hon. Mr. SULLIVAN—So it does, but there are two claims put forward, because it is a public port, and because the government have jurisdiction over certain ports. They have jurisdiction over the entire distance between Montreal and Quebec. Their jurisdiction is not confined to Montreal. It extends along the St. Lawrence river from Montreal to Quebec.

Hon. Sir GEORGE DRUMMOND—Not at all.

Hon. Mr. EDWARDS—The Harbour Commission control, just as they do in Montreal, the entire distance, but under any circumstances, I for one cannot conceive why this matter should be different in the city of Montreal from any other portion of Canada. or any ports.

Hon. Mr. FORGET—That is what we claim.

Hon. Mr. EDWARDS—It is true the city of Montreal is, in a sense, a national port ; but the whole country is contributing to maintain it as a great national port, and I

do not see why it should be made an exception in this respect at all.

Hon. Mr. POWER—The amendment is withdrawn.

Hon. Mr. DAVID—It is not intended simply to make the amendment apply to Montreal. If it were adopted, it would be more beneficial and advantageous to other ports than Montreal, because Montreal is rich enough to pay for such services; but suppose a riot takes place in a port which is attached to the municipality, take Maisonneuve as an example; suppose a riot takes place in the port of Maisonneuve, the municipality is small, and the whole of its revenue would be absorbed by the expenses of the militia for one or two weeks. I think it is a mistake to say that this amendment is especially in favour of Montreal. A riot may be caused by labourers coming from all parts of the world, Italians, Spaniards, Germans and all nationalities—people engaged in the works under the control of the government. Well, is it fair and just that the expenses in such a case—I do not speak of Montreal but I speak of any port in Canada—that the expenses in such a case should be borne by the municipality?

Hon. Mr. SULLIVAN—Are there not provincial police in Montreal?

Hon. Mr. DAVID—No.

Hon. Mr. SULLIVAN—I should like to ask a question. It is a very serious matter. Who has charge of the troops on an occasion of this kind? Supposing that any catastrophe should occur,—fortunately there has not been any so far, but it may occur at any time—is the military authority to guide and direct the troops altogether, and in the event of firing on a mob or using deadly weapons, is the officer to take the full responsibility? Has the mayor or the civic authority the power of preventing a useless slaughter of people? Is there any provision made for it or not?

Hon. Mr. SCOTT—The senior judicial authority calling out the troops must be present and read the Riot Act, and give the people fair warning before any attempt is made to fire on them.

Hon. Mr. EDWARDS.

Hon. Mr. SULLIVAN—Who reads the Act?

Hon. Mr. SCOTT—The mayor or judicial authority who signs the requisition.

Hon. Mr. DOMVILLE—Not only that, but the senior officer in charge must get the order in writing, before he directs the troops to fire.

Hon. Mr. SCOTT—Every precaution is taken.

The clause was adopted.

Hon. Mr. YOUNG—from the committee, reported that they had made some progress in the committee, and asked leave to sit again.

BILL INTRODUCED.

Bill (172) An Act to amend the Customs Tariff, 1897.—(Hon. Mr. Scott).

The Senate adjourned till three p.m.

Second Sitting.

The SPEAKER took the Chair at Three o'clock.

Routine proceedings.

POST OFFICE ACT AMENDMENT BILL.

THIRD READING.

The Order of the Day being called:

Third reading Bill (153) An Act to amend the Post Office Act.

Hon. Mr. SCOTT said: The hon. gentleman (Hon. Mr. Ferguson) suggested that the powers which were intended to be conferred on the superintendent were really struck out by this Bill. I submitted his view to the Deputy Postmaster General, and stated that I in some degree concurred in the opinion of the hon. gentleman (Hon. Mr. Ferguson), and therefore he consented to an amendment, restoring the latter part of clause 12 of the Postal Act. The latter part of the clause contains the authority for the chief post office inspector to make his inquiries, and striking that out rather took away the power and jurisdiction of the inspector. Under the present Bill the chief superintendent is substituted for the post office inspector, and the amendment I propose is to strike out the first nine lines of section 12 instead of the whole section, and

to retain the powers which are contained in that section for the chief superintendent. I therefore move that the clause be amended by striking out the first nine lines, and inserting the following words : 'The chief post office superintendent shall have power to' My motion is that the Bill be not now read the third time, but that it be amended in the direction I have indicated.

Hon. Sir MACKENZIE BOWELL—Is that the correct procedure, to amend a Bill at the third reading ?

Hon. Mr. SCOTT—Our practice has been to amend it either by referring the Bill back to a Committee of the Whole, or to make correction in the House.

Hon. Mr. LANDRY—I think Bourinot, in his work, says the Bill must be re-committed, but the Senate has often adopted the course proposed by the hon. gentleman.

Hon. Mr. SCOTT moved that the Bill be not now read the third time, but that it be referred back to Committee of the Whole for the purpose of making the suggested amendment.

The motion was agreed to.

(In the Committee.)

Hon. Mr. SCOTT—As I have said, when section 12 was struck out it was thought there were other clauses in the Post Office Act which enabled the official to make the inquiry, but the hon. member for Marshfield maintained there was no power, and by repealing clause 12 we were depriving the chief superintendent of the powers which originally belonged to the chief inspector, and he said a part of that clause ought to be retained. On submitting his opinion to the Deputy Postmaster General, and coinciding myself with that view, they authorized the change.

Hon. Mr. DANDURAND, from the committee, reported the Bill with an amendment, which was concurred in.

The Bill was then read the third time and passed.

MILITIA BILL.

THIRD READING.

The House resumed in Committee of the Whole, consideration of Bill (5) An Act respecting the Militia and Defence of Canada.

On clause 136,

136. The following Acts of the parliament of Canada are repealed, in so far as the active and reserve militia land force is concerned :—Chapter 41 of the revised statutes intituled 'An Act respecting the Militia and Defence of Canada ; ' chapter 19 of the statutes of 1898, intituled ''An Act further to amend the Militia Act and chapter 18 of the Statutes of 1900, intituled 'An Act to amend the Militia Act.'

Hon. Mr. DeBOUCHERVILLE—If those Acts are repealed, the Acts on the statutes before them come in force, do they not ?

Hon. Mr. SCOTT—This Bill will not come into force until there is a proclamation.

Hon. Mr. DeBOUCHERVILLE—But if you repeal those three Acts of the revised statutes and another one passed in 1898, the old law will come into force.

Hon. Mr. SCOTT—This Bill we are now passing will supersede all those Acts.

Hon. Mr. DeBOUCHERVILLE—Then why do you say here that such and such Acts are repealed ?

Hon. Mr. SCOTT—Because all preceding Militia Acts are repealed when this comes in force.

Hon. Mr. POWER—The Interpretation Act in the revised statutes contains an express provision that the repeal of a repealing Act shall not revive the original Act.

Hon. Sir MACKENZIE BOWELL—This repealing clause repeals all Acts affecting the active and reserve militia land forces, so that any law or portions of laws now on the statutes, referring to the navy forces still remain in force.

Hon. Mr. SCOTT—Yes.

The clause was adopted.

On clause 19,

Hon. Mr. SCOTT—In the brief that was handed by the department to me, clause 19 was said to be similar to section 15 of the Act as it stands. On examination, I found it did not agree with that clause. On looking through the Act in the revised statutes, and the amendments, I did not find there was any Act corresponding to clause 19 : therefore, after a conversation with the Minister of Militia, we have decided to substitute section 15 as it stands in the original

Act for clause 19. I move the substitution of section 15, which is as follows :

No officer or man of an active militia corps raised and maintained by voluntary enlistment shall be permitted to retire therefrom in time of peace without giving to his commanding officer six months' notice of his intention so to do.

The latter part of clause 19 corresponds, but of course the two first lines do not correspond.

The motion was agreed to.

Hon. Sir MACKENZIE BOWELL—Has the hon. gentleman called the attention of the militia authorities to the other clause to which we took very serious objection ? That is the taking from the commanding officers the right to appoint their own non-commissioned officers ?

Hon. Mr. SCOTT—There are some clauses as to which I have made notes here, and I shall take the earliest opportunity to see the minister about them. In the short time I have had at my disposal, I have had no opportunity to see him.

Hon. Sir MACKENZIE BOWELL—We cannot deal with it then this session ?

Hon. Mr. SCOTT—Not in the short time at our disposal.

Hon. Sir MACKENZIE BOWELL—I should be glad to see that change, because I think it would be in the interest of the service.

Hon. Mr. SCOTT—I shall bring it to the notice of the minister and possibly something may be done.

Hon. Mr. YOUNG, from the committee, reported the Bill with amendments, which were concurred in.

Hon. Mr. SCOTT moved that the Bill be read the third time.

Hon. Mr. DAVID—I have not given up my amendments. I have confidence that they are good, and time will prove that they are. I want to amend clause 82 by adding after paragraph B the following :—

If the place where such riot or disturbance occurs or is anticipated is in a port or harbour under the control of the government or of a harbour commission, the requisition shall also be signed by the chairman of the harbour commission or by the officer in charge of the port.

Hon. Mr. SCOTT.

Besides being signed by the mayor and the persons mentioned in paragraphs (a) and (b), the requisition shall have to be signed by the chairman of the harbour commissioners, or by the officer in charge of the port. I offer this amendment, because I intend to move another amendment to provide that when a riot takes place in a harbour or port under the jurisdiction of the government or of the harbour commission, that the municipality is not bound to obtain the services of the militia. I think it is proper to give a guarantee to the government that the militia will not be called out indiscriminately under circumstances where there would be no good reason to call them out ; and then I want to give to the government a certain guarantee that before acting the requisition will have to be signed by the persons named in paragraphs (a) and (b), and also by the chairman of the harbour commission, or by the officer in charge of the port when not administered by a harbour commission, but which is under the jurisdiction and direct control of the government. I want to say once for all, that this amendment will apply not only to Montreal and Quebec, as some hon. gentlemen have insinuated, but to all the ports and harbours of Canada. There is a clause in the statutes which perhaps I ought to read, which provides that by Order in Council the government has a right to declare that a port in any part of Canada shall be considered a port under the control of the government. I have here a book showing that there are between 60 and 75 ports in the same position or worse than Montreal, because I am sure there are perhaps 50 of them which are less able than Montreal to pay the expenses connected with the calling out of the militia in case of riot and disturbance. And hon. gentlemen must not forget that the amendment applies to places where the municipality has no control ; that it applies to ports and harbours which, under the constitution, and under special statutes, are under the direct control of the government or of a harbour commission, which amounts to the same thing, because when a port or harbour is under the jurisdiction or control of a harbour commission it means the government. Then, when a riot takes place in such a harbour, it takes place on wharfs

which are the property of the government. Do not forget this important point to show the distinction of a riot taking place within the limits of a town or municipality, and a riot in a port; the difference is generally that the riot takes place on government property, or on the harbour commissioners' property, which amounts to the same thing. As I said this morning, what is the object of calling out the militia at such a time? It is to protect the property of the government, to protect steamers, and all kinds of vessels, foreign shipping generally, which are under the protection of the government and not of the municipality. It is to protect goods which are not necessarily the property of citizens at the port, but are destined for other parts of Canada. Moreover, when a riot takes place under certain circumstances it generally is and will be on account of a question of wages, because of difficulty between the government and wage-earners employed on government works. Not in municipal works, but in government works. Why should the municipality pay for the militia, when they have nothing to do with the disturbance, when it is not due to municipal questions, and when sometimes the government is the cause of the riot, which is very often a question of wages, and the riot is provoked by men coming from all parts of the world, employed by the government, and contractors. Is it not unreasonable to say that in such a case the municipality will not be responsible for the payment of the militia? Let the government employ the permanent militia. The government is obliged to pay for the permanent force, so that the government will have no reason to apply to the volunteer militia in such cases. Although there is much more to be said on this question, it is sufficient to show to the hon. members of this House, that the question is more serious than it is thought to be by many, and I do not hesitate to predict, although I am not a prophet, that before long there will be friction and conflicts between the government and the municipalities on that question, very serious conflicts, very serious difficulties, because a riot may take place in a great port which is attached to a small municipality. The other ports are more interested than Montreal. It is said that this is intended specially for Montreal, but I am making this more in the interests of other ports of the Dominion.

Hon. Mr. LANDRY—I suppose this motion is similar to the previous motion, that the Bill be sent back to a Committee of the Whole to make this amendment?

The SPEAKER—No. When this motion was rejected in committee, the hon. gentleman gave notice that he would move the amendment on the third reading of the Bill, which he had a perfect right to do. It can be done either way, but inasmuch as the hon. gentleman moved the amendment in committee, and it was rejected, he gave notice that he would move it at the third reading. I think the usual way is not to refer the Bill back to the committee under such circumstances.

Hon. Mr. DAVID—I have another amendment to propose to another clause of the Bill; both might be taken together.

The SPEAKER—One at a time.

Hon. Mr. LANDRY—I think the hon. gentleman could move the two amendments together. Will he not lose his right to move a second amendment, if he does not move them both at once?

Hon. Mr. DAVID—I would not move the one, if I did not believe the other would be accepted.

Hon. Mr. YOUNG—I understand this motion is similar to one made in Committee of the Whole, that the hon. gentleman from Mille Iles is desirous of moving a second amendment with reference to the payment of military forces, when they are called out, the payment to be made by the government. If he does not get the latter, he does not want the former. Would it not be more convenient if the House dealt with the two, if the House would deal with the latter amendment especially. I submit with all due deference to my hon. friend from Mille Iles that it is contrary to the rules and practice of the Senate to impose a clause of that kind in a Bill which will mean the expenditure of public money. I quote from Bourinot at page 626, if hon. gentlemen desire the authority.

Hon. Mr. DAVID—I am not ready to move that amendment, because I find that there has been a change and a modification in the appreciation of the law on that subject. I have not had time to consult many authorities, and I do not pretend to be posted as I should be, but I say that they are less severe than they were before, and that now the Senate is permitted to insert amendments, and it is for the House of Commons to say if they will accept the amendment or not, and they will generally accept it, unless it be evidently in violation of the rules. Bourinot says :

> Many other entries will also be found of the House accepting Senate amendments, rather than delay the passage of a Bill at an advanced period of the session. It is quite regular, however, to agree to amendments which affect charges upon the people incidentally only, and have not been made with that object.
>
> In order, however, to expedite the business of the House, the privilege claimed and exercised by them, of laying aside Bills sent from the Senate because they impose pecuniary penalties ; nor of laying aside amendments made by the Senate because they introduce into or alter pecuniary penalties in Bills sent to them by this House. Provided that all such penalties thereby imposed, are only to punish or prevent crimes, and offences, and do not tend to lay a burden on the subject, either as aid or supply to Her Majesty, or for any general or special purposes by rates, tolls, assessments or otherwise.
>
> It is frequently found convenient to introduce Bills involving public expenditure in the Senate, and in such a case, the money clauses are embodied in the Bill as presented, in order to make it more intelligible. When the Senate goes into committee on the Bill, these clauses are ordered to be left out. They are printed in red ink or italics in the engrossed Bill sent up to the Commons, and are technically supposed to be blank. These clauses are always considered in a previous committee by the Commons.

I contend that it is not a question of money, and that the payment by the government of the militia is not a necessary consequence of the adoption of the amendment because the government may employ the permanent militia. If they employ the permanent militia, nobody will contend that the government will ask the municipality to pay the expense, because the government pay for the maintenance of the permanent force. In such a case, the government will not ask the municipality to reimburse money which the government pays out in the usual way. It is only, I suppose, when the active militia is called out that extra expense for maintenance is incurred. I say nothing obliges the government to call out the active militia. They may send to the municipality only the members of the permanent force. Then I say it is not an absolute necessity that the government should incur the expense of calling out the militia, if they can use the permanent force.

Hon. Mr. CLORAN—I am in full sympathy with the motion made by the hon. senator from Mille Iles.

The SPEAKER—I think there is a point of order.

Hon. Mr. LANDRY—I say on the point of order that I do not think it can be taken now. The only motion before this House is the first motion moved by the hon. gentleman from Mille Iles.

Hon. Mr. CLORAN—That is all.

Hon. Mr. LANDRY—And that first motion does not involve any expenditure of public money at all.

Hon. Mr. YOUNG—The hon. gentleman from Mille Iles presented the two amendments. The first was regarded as unimportant unless the second was adopted by the House. Therefore I thought, in fairness to the House and in fairness to the hon. gentleman, that we had better deal with the question of the second amendment as it involves the first.

Hon. Mr. CLORAN—No, it does not.

Hon. Mr. LANDRY—We must take things as they are. As a matter of fact before this House now there is only the first motion moved by the hon. member. I asked the hon. gentleman to take the two amendments together, because if he had put only one and one was voted down, I thought he would lose the right of proposing another amendment. The hon. Speaker said he did not think the point would apply, evidently not accepting the proposition which I made that the two motions should be put together.

Hon. Mr. DANDURAND—The hon. gentleman assented to the proposition to move them both together.

Hon. Mr. LANDRY—No, only one was put.

Hon. Mr. CLORAN—As there is only one motion before the House, and that is the first one proposed. I may state that I am in perfect sympathy with the movement

which is made to protect the rights of the municipality. I think this is one of the most important amendments suggested in regard to the administration of the Militia Act. The point the hon. senator from Mille Iles desires this honourable House to accept is that where a riot takes place on government property that the adjoining municipality on one side of the river or the other, on the east, west, north or south, shall not be called upon to pay the expenses of quelling that riot, and I think that the principle which the hon. senator has laid down is right and just. A riot takes place on government property, property on which the government pay no taxes to the municipality. Take the Lachine canal or the Soulanges canal, which are altogether government property, paying taxes to no municipality along the ten, twelve or fourteen miles of the length of that canal. A riot takes place, and the militia is called out to protect the property. Whose property? The government property? What municipality are you going to force to pay for the quelling of a riot on that property? You cannot force any of them. Why force a municipality on the south side or the north side of that canal to pay for such a thing? Why force the city of Montreal to pay large amounts for militia expenses incurred in the protection of government property, instead of forcing St. Lambert or Longueuil to pay for it? I say that the hon. senator from Mille Iles has asked us to place in this Militia Bill a principle safeguarding the rights of municipalities when the property which is protected by the calling out of the militia is government property. Take, for instance, the port of Montreal. There is a stretch of property and merchandise on that line and on those wharfs worth millions which does not belong to the city of Montreal, and with which its administration have nothing to do, which property does not contribute one cent towards the cost of the municipal administration of the affairs of Montreal. Why call upon the city to protect property which contributes nothing towards the city treasury? Why call upon the city of Montreal to pay out tens of thousands of dollars for the protection for which it is not responsible? If the House will accept this amendment with the other amendments, I will maintain the position which I hold jointly with the hon. senator from Mille Iles; but if it is going to be an obstacle in the way of this Bill being adopted immediately and sent down to the House of Commons I would ask the hon. senator to withdraw his amendment at present for this reason: I have consulted with the minister responsible for this Bill and when the matter was laid before him he said we were right, and if it could be remedied by a Bill next year, it would be done. As a matter of justice and of law you cannot call upon me to pay money for protection of property which contributes no revenue to the city of Montreal. I could understand if the harbour commissioners were obliged to pay taxes on the full value of their property, that the city of Montreal would be obliged to afford them the protection which they afford to other citizens who pay taxes into the city treasury. But that corporation is a distinct corporation from the corporation of Montreal—and I suppose it is the same in all the ports—a distinct corporation who are not liable to the municipality for any taxes. It is not fair to sanction a principle which involves injustice, and if the hon. senator has confidence in the wisdom of the government and their desire to do right by the municipalities, and if it is the desire of this House not to accept the amendment to-day if my hon. friend is willing I would be content to have this amendment withdrawn.

Hon. Mr. DAVID—I withdraw nothing.

Hon. Mr. CLORAN—Then I stand with the hon. gentleman.

Hon. Mr. DANDURAND—I would think it very unfortunate if we had to vote on this motion, when it is in fact incidental to the larger question involved in the second motion. If the second motion is objected to on a point of order, then the hon. gentleman from Mille Iles will withdraw that motion even if it were adopted.

Hon. Mr. DAVID—Not necessarily.

Hon. Mr. DANDURAND—I thought the hon. gentleman said he did not care for the motion if it were not followed up by the other motion providing for a charge upon the public treasury for the maintenance of the militia while on duty.

Hon. Mr. CLORAN—I did not deal with the point, because I thought it was coming up later; but I wanted to point out that the second amendment involved no question of expenditure on the part of this Bill. His demand is to prevent the government from charging the municipalities for the protection of the property of the government. It is not a question of spending money. We are not asking the government to spend money, but we want to lay down the principle that the government has no right to charge the municipality with expenses which it has not lawfully and rightfully incurred.

Hon. Mr. SCOTT—It is clearly a question of Montreal vs. the Dominion.

Hon. Sir MACKENZIE BOWELL—No.

Hon. Mr. SCOTT—The hon. gentleman seems to assume that the government have something to do with the harbours all over the country. I am not aware that they have. It is the first I have ever heard that they had. I think the harbour masters of Kingston, Collingwood or any other place would be very much annoyed if they heard that the government had any right to dictate terms to them as to the harbour property. The city of Montreal has helped the harbour of Montreal in large sums.

Hon. Mr. DANDURAND—And they pay a low rate of interest.

Hon. Mr. SCOTT—It is idle to place the city of Montreal on a different basis in this matter from any other portion of the Dominion, and I do not suppose the House would be disposed to entertain a proposition by which the treasury of the country will be taxed especially for the benefit of the city of Montreal.

Hon. Mr. FORGET—I do not think it is the city of Montreal alone. I think it is unfair to mention Montreal.

Hon. Mr. SCOTT—What other cities besides Montreal and Quebec are there? We do not hear of it from St. John or Toronto?

Hon. Mr. FORGET—I represent the district of Sorel, and in that district the government owns a great deal of property and owns the Sorel shops. I do not know exactly the name of the municipality where they are located. The government employs three or four hundred men.

Hon. Mr. THIBAUDEAU (Rigaud)—Double that.

Hon. Mr. FORGET—Supposing there was a strike there to-morrow and the militia were called out, would it be fair to saddle that municipality with the expense of ten or fifteen thousand dollars? I do not suppose their revenue is more than $5,000 or $6.000 a year. Many of the men who work in the shops reside in Sorel. I do not think they have the means of paying for such protection; they are too poor. A strike might be provoked there on account of the men not being paid enough wages, and would it be fair that the municipality where the shops are should be compelled to pay for the expense of quelling that strike? I think it would be most unjust.

Hon. Mr. OWENS—The same thing would apply to other government works. The Grenville or Carillon canal, for instance, where a riot might take place. It would be equally unfair to call on the adjoining municipality to pay for the protection of government property there. It is not a matter of the city of Montreal against the Dominion; it is simply a question of the government defending their own property, and not calling upon the adjoining municipalities to pay for something in which they are not specifically interested. I would support the amendment.

Hon. Mr. MITCHELL—Do I understand the hon. gentleman to lay down the principle that all properties not taxable shall protect themselves?

Hon. Mr. OWENS—No, but if the government owns the property the government should protect it.

Hon. Mr. MITCHELL—Does the hon. gentleman contend that all properties which are not taxable in the province, which do not pay municipal taxes, shall be called upon to protect themselves in case of trouble?

Hon. Mr. OWENS—The motion is not dealing with that question at all. It is dealing with government property, and the government should protect their own property.

The House divided on the amendment, which was lost on the following division:

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The Honourable Messieurs

Baker,	Dandurand,
Béique,	David,
Bernier,	Drummond
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Non-Contents:

The Honourable Messieurs

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Macdonald (P.E.I.),	Thibaudeau
McMullen,	(de la Vallière),
Mitchell,	Watson,
Power (Speaker),	Yeo,
Scott,	Young.—13.
Templeman,	

Hon. Mr. FROST—I am paired with the Hon. Sir John Carling, so that my name must be struck off.

Hon. Mr. SCOTT—Perhaps Sir John Carling would vote the same way.

The SPEAKER—I do not see that it is a government question.

Hon. Mr. SCOTT—It is a government Bill.

Hon. Mr. FORGET—If it is a government Bill I have a right to vote.

Hon. Sir MACKENZIE BOWELL—If the hon. gentleman is paired with any one, his duty is to adhere to the pair.

The name of Hon. Mr. Frost was struck off, leaving the division yeas, 11; nays, 13.

Hon. Mr. DAVID—With the leave of the House I withdraw my second amendment.

Hon. Mr. LANDRY—I beg to move that Bill No. 5 be not now read the third time, but that it be amended by striking out in clause 39 all the words after 'shall be appointed,' in the ninth line down to the end and replacing them with the following:

By the officer commanding the corps or regiment to which they belong and shall hold their rank during pleasure.

That is replacing the old law and giving to the commanding officer of each regiment the right which he has had heretofore, to name the non-commissioned officers of his regiment.

The amendment was declared lost on division.

The motion for the third reading of the Bill was carried, and the Bill was then read the third time and passed.

LAND TITLES ACT AMENDMENT BILL.

THIRD READING.

The House resolved itself into Committee of the Whole on Bill (158) An Act to amend the Land Titles Act, 1894.

(In the Committee.)

Hon. Mr. SCOTT—This is a Bill of a somewhat technical character. It has been found necessary to make some changes to admit of certain documents to be registered in the Northwest Territories. Under the Land Titles Act the rule is that only straight conveyances are to be registered. There are a number of agreements and documents which would be very convenient for the people up there to have registered, to give them in that way a degree of legality which they cannot otherwise possess, and therefore these amendments are made with that view. The explanation furnished me of the reasons for the change is that agreements for the sale and purchase of lands in the Territories cannot be registered under the provisions of the Land Titles Act, the transfer must be absolute. Therefore, when the Hudson Bay Company, or any company who had received a land grant from the Crown, sells a parcel of land to an individual, and the latter, prior to receiving his transfer from such company, obtains, either for the purpose of paying such company the purchase money for such land or for erecting buildings thereon, purchasing stock, or other purpose satisfactory to himself, a loan from another company upon the security of the land the mortgage executed to secure the repayment of such loan cannot be filed with the registrar as the law stands at present. The delay in the execution of a transfer from an individual to an individual does not occur, as it does in cases of purchases of lands from the large companies referred to. The reason that the Hudson Bay Company is named in the amendment is that only a small proportion of that company's lands has been granted to it by Canada, its title being derived under the original charter from Great Britain. True, the grant is from the Crown in both instances, but grants from the Crown under the provisions of the Land Titles Act are grants under the provisions of the Dominion Lands Act, or, in other words, grants from the Crown as represented by the Do-

minion. The amendments have been pressed for for several years, not only by the land companies and loan companies and the solicitors of such companies, but by settlers and persons interested in their welfare and advancement. The amendment of subsection 2 of section 33 of the Act is necessary if section 73 is to be amended as proposed, and advantage has been taken of the amendment of subsection 2 of section 33, to provide for another very necessary amendment, the entering in the day-book of maps and plans to be filled with the registrar under the provisions of the Railway, Irrigation and other Acts, but not registered. At present it is not considered that the registrar is acting contrary to the provisions of the subsection in question, as it now stands, in entering such maps and plans in the day-book, and as he has not another record book in which to enter them, it is now difficult to keep track and trace of them in his office.

Hon. Mr. McMULLEN, from the committee, reported the Bill without amendment.

The Bill was then read the third time and passed.

CUSTOMS ACT AMENDMENT BILL.

THIRD READING.

Hon. Mr. SCOTT moved the second reading of Bill (170) An Act to amend the Customs Act.

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

The House resolved itself into a committee of the Whole on the Bill

(In the Committee.)

Hon. Mr. SCOTT—The explanation furnished me by the department is that the object of section 1 is to make the provisions of the customs laws in regard to customs 'duty' also applicable to 'special duty,'—applying to the collection of the special duty and to penalties, for evasion or non-payment of the same. Vide Customs Act, sections 6 and 7, re collection, and section 192, &c., re penalties. Under sections 2 and 3 the provision for collection of an additional sum is dropped on account of the new provision regarding special duty. In case of the undervaluation of dutiable goods not subject to special duty or otherwise, there are penalties provided under section 192, &c., of the Customs Act for evading any part of the duty properly payable.

Hon. Sir MACKENZIE BOWELL—This is harping back to the old law. The law previously imposed a duty upon an article composed of more than one material upon that which bore the highest duty under the tariff. That was repealed, and a very cumbersome clause was inserted in place of it, under which you had to consider the value of the component parts of the article, and that of which it contained the most. I pointed out at the time the great difficulty arising under the law. Now, I observe that they are going back, slightly modifying the clause, and I think that experience has taught them that the going back to the old law would be an improvement.

Hon. Mr. SCOTT—The explanation given me by the department as to section 4, re entry at not less than invoice value: This amendment is deemed necessary to aid in securing the entry of goods upon true invoices representing actual sales by the exporters. The object of clause four is to promote uniformity in regard to the valuation of imported goods, and to discourage litigation. This is a necessary power for the purpose of carrying out the provisions of the resolutions this year in respect to special customs duties.

Hon. Sir MACKENZIE BOWELL—I see a difficulty will arise out of this as well as under the old law. There is no doubt about that. The department in Ottawa in the past had the power of revising the decision of any official in the department, no matter what it was, in any part. There was a special power given for that purpose. The only point that strikes me in this that is new is to make it final and conclusive except as otherwise provided in this Act. That would mean it would not take anything from the right to put it into appeal. I think the amendment is a very good one.

The clause was adopted.

Hon. Mr. BAKER, from the committee, reported the Bill without amendment.

The Bill was read the third time and passed.

INLAND REVENUE ACT AMENDMENT BILL.

A message was received from the House of Commons with Bill (173) An Act further to amend the Inland Revenue Act.

The Bill was read the first time.

Hon. Mr. SCOTT moved that the rule be suspended and that the Bill be now read the second time. He said: The only change is by the addition of the words 'unless otherwise directed by the department,' in the 15th line.

By clause 7 of the Act it is provided that the Minister of Inland Revenue may refuse to grant any license; at the same time clause 20 says in substance that the license shall be used by the collector upon the favourable report of the inspector.

The change proposed is with the view of conciliating the two enactments.

The amendment proposed by the second clause is in the following words: 'or when manufactured from sugar, syrup, molasses or other saccharine matter not otherwise provided for.'

This amendment is proposed with the view of making clear our right to collect duty on spirits made with domestic molasses. Our law provided for a duty on spirits made with foreign molasses. But it is not very clear whether we can collect duty on our domestic product.

The amendment made by the third clause is in the addition to the section, the following words to be found on line 15: 'Except that malt imported into Canada, crushed or ground, shall be subject to a duty of 2½ per pound.'

We have no provision in our law authorizing us to levy a duty on crushed and ground malt, commonly called malt flour. Lately large importations of malt flour have been made and it is to be presumed that that malt flour will supersede malt in the breweries or distilleries. Then it should be taxed to the same extent as the malt itself. The sum of 2½ of duty on malt flour is equivalent to 1½ cents on the malt itself.

Hon. Sir MACKENZIE BOWELL—From the explanation the Bill is simply for the purpose of protecting the revenue in certain cases, and to cover cases that are not provided for in the present law?

The motion was agreed to, and the Bill passed through all its stages.

CANADA EASTERN RAILWAY PURCHASE BILL.

FIRST AND SECOND READINGS.

A message was received from the House of Commons with Bill (163) An Act authorizing the government of Canada to purchase the Canada Eastern Railway and to take possession of the Fredericton and St. Mary's Railway bridge.

The Bill was read the first time.

Hon. Mr. SCOTT moved the suspension of the rule and the second reading of the Bill.

Hon. Sir MACKENZIE BOWELL—This Bill has been on the tapis for some little time. I remember when they were running the last election in the province of New Brunswick it was then mooted that Mr. Blair, the then Minister of Railways and Canals, was in negotiation with Mr. Gibson, the principal owner of this road, for its purchase, and it was denied with a very great deal of vehemence, and a good deal of earnestness by the press, and also by those who are connected with the government. At the same time it was not only currently reported, but believed that negotiations were proceeding for the purchase of the road. Since that time the scheme for the purchase has culminated, and now we have a Bill presented to the House to pay some $800,000 for this road; and the government are also taking power to take over St. Mary's bridge in aid of which the government had loaned some years ago $300,000 towards its construction.

Hon. Mr. SCOTT—We are absolute owners of the bridge. The government had a mortgage on the bridge, and it has been forfeited.

Hon. Sir MACKENZIE BOWELL—No, it has not been forfeited. This Bill does not go as far as that. The government advanced for the construction of the bridge so much, and took a mortgage on it some sixteen years ago. If my information is correct, not a cent has been paid since that time.

Hon. Mr. DOMVILLE—Neither principal nor interest.

Hon. Sir MACKENZIE BOWELL—Now it is proposed to take that bridge over and, according to the last clause, it will be found

that they are not to close that mortgage to which the hon. Secretary of State has referred, for twelve months, on the ground that they want to give the owners of the bridge an opportunity of paying off the mortgage and taking possession of it as owners. In the future, in case the National Transcontinental Railway goes to Fredericton, and crosses that bridge, it may possibly be of some value. The object of that amendment made in the House of Commons giving the power to the government to close the mortgage finally at the end of twelve months and take possession of the bridge, was to prevent the owners of the bridge at some future period, should the government take possession of it without foreclosure, compelling the government to account for the receipts during the period it was in their possession. We know in Ontario what the law is in respect to mortgages. The original Bill as introduced had no provision of that kind. The hon. member for Hamilton pointed out the difficulties in which the government might be involved in the future in case the bridge should become a valuable property, and a demand be made upon the government for a statement of receipts and expenditures. Under the law, they would have a right to demand that they should account for them. It was pointed out, and it is a grave question—at least so some legal gentlemen say—as to whether the Dominion has a right to go even that far in assuming the ownership of the bridge. However, that is not a point that we need discuss now. If I am wrong, the hon. gentleman will put me right.

Hon. Mr. DOMVILLE—The right of foreclosure exists under the Act without going to the court.

Hon. Sir MACKENZIE BOWELL—Yes, we are to give now $800,000 for a property which is certainly not worth that sum. If that be a paying road, as it has been represented, then the owners would not be likely to part with it. They have been trying for years and years to sell that road to the government. The information that I have today is that competent engineers have been over that road and their report is that it will cost at least $4,000 per mile to put it in a proper shape for use. Then, in addition to that, we have no statistics to show what the earnings or cost of the road have been, nor the aid which it has received from the Dominion government, the local government and the municipalities. When this question was first mooted a month ago I asked the Secretary of State if he would endeavour to obtain the information which would be necessary to enable this House to deal with a question of the kind. None of that information has been laid before parliament. No one knows what the original cost was, what subsidies were given in aid of it, or what state the road is in at the present moment. My information is, as I have already stated, from engineers, that it would require at least $4,000 per mile to put it in running order. Then there is another point we ought to know before the road is purchased. What is the weight of the rails laid on that road? Perhaps the hon. member for Rothesay could tell us.

Hon. Mr. DOMVILLE—I do not know.

Hon. Sir MACKENZIE BOWELL—I have been told that the weight of those rails is only fifty-six pounds to the yard.

Hon. Mr. DOMVILLE—I should judge about that.

Hon. Mr. DANDURAND—They are over sixty pounds.

Hon. Sir MACKENZIE BOWELL—If they are fifty-six pounds to the yard, what does that mean? It means a re-railing of the whole road.

Hon. Mr. DOMVILLE—Not necessarily.

Hon. Sir MACKENZIE BOWELL—Does anybody suppose that the heavy engines of the Intercolonial Railway, of which this is to form a branch, and the heavy traffic it is expected will run over it, will be safe on rails weighing fifty-six pounds to the yard? Every change on the Intercolonial Railway has been to increase the weight of rails in order that they may do the business of the road more rapidly, and the engines upon it are very large and powerful. We know that from the large estimates that have been voted by parliament for that purpose, so that we are really buying a comparatively worn-out road, and involving the country in another heavy expenditure. I venture to predict that instead of $800,000, the road will cost before it is in a position to make it up to the standard of the Intercolonial Railway a couple of million dollars. I do

not think, judging from the improvements that have been made on the Drummond County Railway, and which were absolutely necessary to enable the Intercolonial Railway to use it even as a feeder, that it can be done for less. We do not suppose for a moment that the Intercolonial Railway with its heavy rails and powerful engines will use a line to Fredericton with fifty-six pound rails. Common sense will force every one to come to that conclusion. Then, why should we buy that road? The only reason that I have heard or seen advanced is that if the government do not purchase it and make it a feeder to the Intercolonial Railway, it will fall into the hands of the Canadian Pacific Railway, and thereby divert certain trade which naturally, it is contended, belongs to the Intercolonial Railway. The traffic on that line, I take it for granted, would go over the Intercolonial Railway, provided that was the cheapest and most profitable way to send it. Why then do we want to buy up this road? Is it to be understood that all the lateral lines in the provinces of New Brunswick and Nova Scotia are to be purchased by the government? Is it to be a new system of government ownership and management of railways in the maritime provinces that is to be adopted? That is a question which we may fairly ask. Then I should like to ask the hon. Secretary of State, who is responsible for the utterances of the premier, how the government reconciles the declaration made by the premier not a month ago to a deputation which waited upon him, asking for assistance to survey the Georgian Bay canal, with this new policy. The premier replied that he was opposed to government ownership of railways, but was in favour of government ownership of waterways. I presume he made that statement with the idea that there should not be another waterway connecting the upper lakes with the St. Lawrence owned by a private corporation. I am not prepared to dispute that policy, but what I want to know is how he and the cabinet reconciled that declaration with the fact that they must have been then in negotiation for the purchase of this Eastern Extension Railway in the province of New Brunswick? If the public is to be constantly told that the men who rule and control the country are not in favour of a certain policy, while at the same time they are in active negotiation for the purchase of a road, pursuing a course diametrically opposed to their declaration, what confidence can the people have in them? How many iron bridges are there on this road? It crosses, as I understand, a number of streams. Whether they are large rivers or not I am not prepared to say, but, from the information I have, there is not an iron or steel bridge on the road. If that be the case, it will necessitate the reconstruction of every bridge on that line. Even if some of the bridges are of steel, they are only built for the purpose of local trade, with light engines, and small trains. The consequence is that we shall be saddled with this 136 miles of road at a cost of $800,000, and the cost of maintaining and keeping in repair a bridge in which we have an interest of $300,000 and arrears of interest for about 15 or 16 years at four per cent, with the prospect of renewing all the rails for the 136 miles, reconstructing all the bridges, and retieing the road—in fact, almost rebuilding the whole line. That is the responsibility the government is assuming, and in the face of the declaration made by the premier, it is for the country to say how far confidence can be placed in declarations made by the government. If the policy is to purchase all the local roads in New Brunswick, the system had better be carried out at once to its full extent. The declaration was made in the House that during last year, or a few years past, this road in the state in which it is, has had a surplus over expenditure of about $2,000—a very small amount, that would be swallowed up by the construction of one small bridge at any time. To any one who has given the question the slightest attention or consideration, it must be evident that this is an improvident bargain, entailing on the country an expenditure which ought not to be incurred. It is taking over property that the owners have been trying to get rid of for years, because it is an incubus upon their finances, no matter what they might say to the contrary, and foisting upon the government an unprofitable undertaking. If we live a few years after the purchase of this road, if my predictions are not fulfilled in respect to it, I shall be very glad to acknowledge my error.

Hon. Mr. SCOTT—I have a few figures relating to the construction of the road, and to its reputed value and the subsidies it has received. I hope before another stage to have some further information. The length of the road with bridges is 136½ miles. The road and the rolling stock together cost $2,098,412; cost per mile, $15,429.29 with the rolling stock. The cash cost, however, is put down at $13,000 per mile, in the opinion of Mr. Schreiber, and the total cash cost is estimated at $1,768,000.

Hon. Mr. FORGET—What is meant by the first cost ?

Hon. Mr. SCOTT—I presume that included commissions and discounts and rolling stock.

Hon. Mr. FORGET—That is to say, they paid in cash $1,768,000, and they valued it at $2,098,000.

Hon. Mr. SCOTT—The subsidies the road received were, first, from New Brunswick, $400,000. The province waives all right to any consideration, owing to the road being taken over by the government of Canada. The Dominion have given a subsidy of $350,400, and they received old rails from the Intercolonial Railway from time to time equal to $24,439, making a contribution from the Dominion and from the provinces of $774,839. The road was commenced about 1875, and nine and one-half miles was built then. In 1884 and 1885 the line was built from Chatham Junction to Gibson, 108 miles. In 1886 eight and one-half miles was built to Indiantown, and in 1894 five and three-quarters, and four and three-quarters were built to Nelson on the Miramichi. That makes 136½ miles. In addition to that there are sidings of eight and one-quarter miles. As to the rails, the report handed to me places the weight 65 pounds, 58 pounds and 60 pounds. I have not the proportionate quantity for each mile. There are rails on the line of those various weights.

Hon. Sir MACKENZIE BOWELL—I suppose the 56-pound rails are the old rails worn out on the Intercolonial Railway when given to them ?

Hon. Mr. DOMVILLE—No, they were new rails. The rails on the sidings would be old rails.

Hon. Sir MACKENZIE BOWELL.

Hon. Mr. SCOTT—Mr. Schreiber estimates it will cost about $1,000 per mile to put the road in good repair. It is now in good condition, as appears by the report of several engineers.

Hon. Mr. LANDRY—Not counting the renewal of rails ?

Hon. Mr. McMULLEN—They do not intend to put on new rails at that price.

Hon. Mr. SCOTT—Clearly not. As to the reasons for buying the road, it has been urged by the members from the province of New Brunswick, and the Minister of Railways, that if it were acquired by the Canadian Pacific Railway valuable territory, a natural feeder for the Intercolonial Railwy, would be lost, and that if the road is put in good condition and close connections made with the Intercolonial Railway its value will be very much enhanced.

Hon. Sir MACKENZIE BOWELL—Will the hon. gentleman tell me where it will connect with the Intercolonial Railway ?

Hon. Mr. DOMVILLE—On the Miramichi. It comes across from there—starts from Chatham junction.

Hon. Mr. SCOTT—It was urged that the traffic of a very large section of New Brunswick would go to the Canadian Pacific Railway rather than to the Intercolonial Railway, and that the trade was certain to increase in the future. I hope that the prophecy will be fulfilled.

Hon. Mr. FORGET—I should like to know about the old rails. Were the second-hand rails from the Intercolonial Railway used ?

Hon. Mr. SCOTT—I think not.

Hon. Mr. FORGET—Were the new rails bought by the government ?

Hon. Mr. SCOTT—As they are put down as Barrow steel rails, I presume they were new rails.

Hon. Mr. FORGET—New rails that the government had no use for ?

Hon. Mr. SCOTT—I could not tell anything about the history of them.

Hon. Mr. FORGET—The hon. gentleman says the government bought it because they do not want to see it go into the hands of the Canadian Pacific Railway ?

Hon. Mr. SCOTT—And to make it a feeder of a very valuable territory to the Intercolonial.

Hon. Mr. FORGET—Is it to the knowledge of the hon. gentleman that the Canadian Pacific Railway made an offer for the road ?

Hon. Mr. SCOTT—I do not know anything about the history of the road.

Hon. Mr. FORGET—The hon. gentleman said that the Canadian Pacific Railway wanted to buy it, and that the government considered that the Dominion had better buy it.

Hon. Mr. SCOTT—I say that representations had been made that the road would probably fall into the hands of the Canadian Pacific Railway. I said it was so reported.

Hon. Sir MACKENZIE BOWELL—The hon. gentleman is in error as to the character of the rails. I was in the government at the time these rails were given, and as indicated by the hon. gentleman from Rothesay, when the rails began to wear out on the main line they were taken up and a better class of rails laid down. The rails taken up were put on the switches of the Intercolonial Railway and the surplus rails taken up from the old track were donated in aid of local roads, and this is one of them.

Hon. Mr. DOMVILLE—Only the branches.

Hon. Sir MACKENZIE BOWELL—Perhaps, but the rails they received from the Intercolonial Railway were given to them as rails that were not required, having been taken up and replaced by rails of a better quality. I have no doubt the hon. gentleman from Wellington will remember very well the transaction at the time.

Hon. Mr. McMULLEN—Yes.

Hon. Sir MACKENZIE BOWELL—Because the first rails that were given under such circumstances were given by the government of which my hon. friend the Secretary of State was a member, the government of the late Alexander Mackenzie, and the same policy was pursued by Sir John Macdonald's government after it came back to power.

Hon. Mr. SCOTT—I think I stated the value of the old rails given by the Intercolonial Railway was $24,439.

Hon. Mr. DOMVILLE—That would not go very far.

Hon. Sir MACKENZIE BOWELL—That would be only worth old iron, and that is all the Intercolonial Railway could have done with them if they had sold them.

At six o'clock, the Speaker left the chair.

After Recess.

Mr. DOMVILLE resumed the debate. He said : This is entirely a provincial question. We have to consider first, is the railway built, second, why was it built, and, third, who built it. Without going into any elaborate figures, we find that the Dominion government gave a subsidy and the local government also aided the enterprise, and the government of the day, whether right or wrong, laid down a standard of what the rails were to be. They were to be fifty-six pounds, and fifty-six-pound rails were laid down. It would be a mistaken argument to take the position that the road was no good, because if that were true, where are all the other railways, and why are we trying to develop and open up this country ? One would infer from the remarks of my hon. friend from Belleville (Hon. Sir Mackenzie Bowell) that this road was no good. Can we for a moment suppose that the Dominion government and the local government would have subsidized this company to the extent of $774,000 to build a railway that was no good ? We must inquire why that road was built. It cuts the Intercolonial Railway at right angles, and extends to Fredericton, passing through a fine agricultural country, as good as any we have in New Brunswick, excepting perhaps the river fronts. It gives a straight line from the Gulf of St. Lawrence to Fredericton, and a short route for the transportation of fresh fish in cold storage to the United States markets. The whole of the Miramichi coast is interested in this line. Is there any one who will say, if that road had to be built to-morrow, that the 136 miles could be constructed for $800,000 ? That would be only $6,000 per mile. Why, the rails are worth to-day nearly $3,000 per mile, and if the road is any good at all it is dirt cheap at the price named. I do not say that the road will not require repairs ; every railway does. The Grand Trunk Railway which was built half a

century ago and passes through the very finest part of Ontario, has never been a paying line; even to-day they are only paying dividends on some of the preferential stock.

Take the Intercolonial Railway; has that ever paid anything? No. I care not who may run it, it will go behind. Every railway goes behind until the country has developed a trade, and then it becomes a paying proposition. The Canadian Pacific Railway has had a different experience. It runs through the great grain and cattle lands of the west. The business has been well managed, and they have been able to hold their own and pay dividends. If we are seeking to develop Canada, why should not the maritime provinces get a share of the benefit? Having spent a great deal of money on these local roads, why not go a little further and say, 'You have struggled to open up the province of New Brunswick; we will assist the further development by taking over these roads and managing them ourselves.' It would be a mistake to say that while we are paying so much attention to the great west we are going to neglect the maritime provinces. Perhaps some hon. gentlemen may argue that we have nothing to do with this railway. I take the ground that every railway is a high road with rails upon it, that the engine has taken the place of horses for the transportation of freight. Any railway which is building up the maritime provinces will earn a revenue for this country. My hon. friend from Hastings (Hon. Sir Mackenzie Bowell) complains because the rails are only 56 pounds to the yard. Who ordered 56-pound rails? Not the present government, but their predecessors who, in their wisdom, thought such rails were suitable. As to the condition of those rails, I am not thoroughly informed, but I have no doubt from what I do know that they are in good order, and that the road, for a road of that kind, is in fairly good condition. As to the equipment, what road can you build to-day for anything like the cost of this? Take the Canadian Northern; the papers brought down to the House show that the road has cost between $16,000 and $17,000 with bridges and some of it $19,000 a mile. At these figures, what would it cost to build this road which we are now getting for $800,000? Over $2,000,000. It cannot be an injury to the Intercolonial Railway; it does not draw traffic from it, and if it helps to build up St. John and Fredericton, is not that doing a great deal towards the development of this country? What fault can be found with that? No hon. gentleman will take the ground that nothing shall be done for the maritime provinces. We have in the province of New Brunswick the Buctouche Railway, the Kent County Railway, the Albert Railway, the St. Martin's and Upton Railway, the Havelock Railway, the Norton Railway, which is commonly called the Central. All these railways have cost so much. Are we going to assume that because they have been constructed it is not the duty of the government of the day to have nothing more to do with them? We have given $10,000 or $12,000 a mile in the way of subsidies to aid construction; are you going to say to the people there shall be no prosperity in the maritime provinces, and that these roads are not to be placed in a paying condition? I take it as a cardinal principle that the government should help those railways, collect them together and run them in connection with the Intercolonial Railway, without the expense of keeping up so many managements. If you take the ground that we do not require the Intercolonial Railway, you simply say that we should not have come into confederation. When we did go into confederation how many people believed in it? Take up the annals of New Brunswick and Nova Scotia and you will find that nobody wanted to have anything to do with confederation or with Canada in those days.

Those ideas have passed away, and nobody thinks now of breaking away from the confederation. Everybody believes in building up a great nation and developing the transportation routes of the country. As to the bridges on this railway, I do not know whether they are of iron or of steel. I do not believe there are many bridges on the line, because it does not cross many rivers, but if a road like this had steel bridges such as you find on the western roads, you could not build it to-morrow for $25,000 per mile, because we know the shorter the mileage the greater the ration of expense in putting up bridges. The owners of this road have lost money. The figures produced here show that the road cost in

cash, $1,768,000. The subsidies from the government amount to $774,000 : where did the balance come from ? The unfortunate promoters who put their money into the project thought it would benefit themselves and develop the country, but they have lost money. The $800,000 they are receiving will not pay them. That amount would not build the most ordinary roadbed. Culverts have to be put in, rails laid, and right-of-way secured. Nobody will say that 136 miles of roadbed could be constructed for $800,000. The government are acquiring for $800,000 a property which, with a comparatively small additional expenditure, will be a benefit to the maritime provinces, and especially to New Brunswick. It may be argued that the government should not own railways. I contend that the government should either have no railways or own all the railways. In the maritime provinces the government own the Intercolonial Railway . then let them acquire these branches. Having assisted them, they should get the possession of them and put them in proper shape for traffic. The St. Martin Railway was closed up for a year ; the Buctouche road stopped running for a time, and all these other railways have been doing indifferent work. Why ? Because they have not had the fostering hand of the government. They have not been in the hands of strong corporations that could put them on a paying basis. I have no doubt if the government would take up these branch roads at once, and put them in proper shape, and administer them properly, while they might not pay directly they would pay indirectly. If they are run successfully, even though they do not yield a revenue above expenses, they will develop our agricultural and mining interests and thus contribute to the prosperity of the Dominion. I remember my experience the first time I came to Ottawa, in 1872. We had to take the railway to Holton, from Holton drive to Madawaska, and at Madawaska take the railway to Danville Junction, on the Grand Trunk Railway ; and when we came to Prescott Junction it took two or three days to get to Ottawa from Prescott. That occurred on several occasions. That condition of things has passed away. I remember the difficulty we had in getting to the Northwest. When I went out to the Red River first, it was something to be able to talk about that I had visited Winnipeg and the prairies. To-day we can take a pullman here and be in Winnipeg inside of three days. Canada has expanded, and our ideas must expand with the growth of the country. I venture to say that in three or four years, those of us who will then be surviving will feel how little we now appreciate the expansion of the country. Taking that ground, we ought not to pass strictures on those railways and bridges. If we must find fault, let us censure the governments that in the past subsidized this railway, because if the ground is taken that the line is useless to-day, it was equally useless then.

If the governments of the day, both the Dominion and the local governments, thought in their wisdom that it was a line well worth building, and assisted the project with money grants, now that the company come in forma pauperis, and say 'We have tried to do the best we could with the railway, but it has been a losing concern. We have struggled against adversity, but having lost all our money, we want you to take this line off our hands, help us to get out of it, help the country and operate the railway. So far we have been able to carry it on but not successfully, either from want of means or of railway knowledge. Not being railway men to a great extent, we have not made it pay, and we are willing to lose the difference between $2,000,000 and $800,000 out of our own pockets. Personally I have no interest in the matter at all. I am only interested as a New Brunswicker in the development of New Brunswick. I have great faith in New Brunswick. I have faith in this road when it is run by the government ; although it does not pay at present, it is going to pay indirectly in the good service it will give to the people, and by the country that it passes through being developed, and producing a traffic that will eventually pay for the running of the road. It has been stated by my hon. friend that this deal is the result of a political pull. I cannot see that there is anything political in it. The bridge was an unfortunate bridge. Why did the government grant money towards the construction of an unfortunate bridge ? Take the bridge at St. John, I

fought, when I was in the Commons, with all my might to prevent them granting the money. They gave more money to build a bridge across the river, than it ever cost. A Mr. Tucker—not the member—came up to Ottawa, and was not able to pay the fees to get the Bill through. The promoters had to wait till the following session to raise the fees for the Bill, and what did they do? There is a bridge across the River St. John. I do not know what tolls they are charging to-day but they were charging four dollars a car for every car that went over that bridge. Who pays it? The Canadian Pacific Railway. Who gets the money? People that never invested a shilling in the enterprise. It is owned by a private corporation, who draw large dividends by charging a heavy toll on the bridge. They are controlling the trade across the River St. John, but they never put a dollar of their own into the bridge. Then the Fredericton bridge was constructed, because it was supposed that it was an absolute necessity to make the connection between the Canada Eastern Railway and the west to allow fresh salmon, smelts and other fish to be sent to market quickly, by that short cut. They could not get through there unless they had a bridge. It must have been poor policy to have granted them government aid. I am not prepared to say it was not. It was thrown away as far as the government was concerned, because those people who got the money have nothing to-day. The government got the bridge back, and the company has to submit. The money has been expended, and it is gone. I do not think the bridge at St. John is safe. I do not believe a heavy train could run over it at all. It is tested to the last half inch. It is a bridge built years ago for lighter rolling stock than we have to-day, and every time I travel over it I feel glad when I arrive at the other side, to know that I am safe. That is a fact. Now I wish to take three positions: first of all, that the government of the day who voted money for these enterprises must have known what they were doing. They must have appreciated the fact that the railway was necessary.

Hon. Mr. LANDRY—It was done for a purpose.

Hon. Mr. DOMVILLE—Perhaps it was done for a purpose, and perhaps this was done for a purpose, but did they succeed in the purpose, considering all the money they paid out? Perhaps they might not succeed in this scheme. The whole question comes down to this: Is the railway there necessary? Is it going to be of any use for New Brunswick. And being in an unfortunate position, is the government justified in taking up the road and making it a part and parcel of the Intercolonial Railway? I do not see anything else to consider at all.

Hon. Mr. LANDRY—Who are they buying it from?

Hon. Mr. DOMVILLE—Buying it from the creditors.

Hon. Mr. LANDRY—Who are they?

Hon. Mr. DOMVILLE—The hon. gentleman does not want me to name them. I do not believe Mr. Gibson will get a dollar out of it, and I think he has sunk a fortune in it. I do not think there is a dollar in it which goes to him. I could tell the hon. gentleman to whom the money goes.

Hon. Mr. LANDRY—That is what we are asking.

Hon. Mr. DOMVILLE—The hon. gentleman will have to put a notice on the order paper if he wants the information. If hon. gentleman on both sides of the House would only have a little kindly feeling, it would be all right. We have a very large and prosperous country, and if hon. members would only view the question as I view it, that the government of Canada while distributing its bonuses here and there, while endeavouring to build up this great country, is perfectly right in saying that something is due to the maritime provinces. I do not think there is any one in the province of New Brunswick who understands the situation, who will not justify the purchase of this railway by the government. I do not care what his politics are or who he is, he will say that the government have made a most judicious purchase. I state without fear of contradiction that this is a railway for the general advantage of the provinces, and a railway that is for the general advantage of the maritime provinces must be for the general advantage of the Dominion; then, never mind who gets the money. The question is

whether you have a cheap property, and whether that property is an advantage to Canada. If the Senate votes about eighty millions of money to-morrow, as they are going to do, and if they are willing to have our railway system developed, then the least thing they can do is to allow this Bill to go through. You will be doing a generous act and the people of Canada on both sides of politics will appreciate the fact that the Senate have recognized that we have done what we could to better the conditions of that little province known as New Brunswick.

Hon. Mr. McMULLEN—I can well remember in the early history of my political life hearing a good deal regarding the Canada Eastern Railway. I remember that it was called Gibson's road, and I can remember very well when voting subsidies for the construction of that road, it was said that we were voting money for the purposes of building up the personal interests of one man. Mr. Gibson was at that time a good friend of my hon. friends opposite. He has changed, I think, once or twice, in his lifetime politically.

Hon. Sir MACKENZIE BOWELL—He knows where his interest lies.

Hon. Mr. McMULLEN—And it appears to me he is willing to support the party in power. He was a man of that kind, so far as I remember. He secured at one time the retirement of Mr. Temple in order to provide a seat for the Hon. Mr. Foster, who was elected there afterwards, and sat for that constituency for a considerable time. It was during the time Mr. Foster was here, as representative of the county, that a grant was made for the purpose of building the Fredericton bridge. We criticised very pointedly the grant towards the construction of that bridge. It was not a grant. It was a loan. The government loaned $300,000, and in addition to that they paid a bonus of $15,000 to every $100,000—that is, $45,000 as a bonus and $300,000 as a loan towards the construction of that bridge. I remember distinctly myself following the matter up, and every year asking for a return of the amount of interest that was collected on that investment and inquiring why the interest was not collected. I believe it was not collected under either government. I do not know whether their receipts during the time the Conservatives were in power were larger than they have been recently. Whatever the condition may be, I believe they have both virtually treated the company that built that bridge in the same way. Neither government has collected any interest, as I understand. The bridge has been built some sixteen years, and the interest was $12,000 a year. That would amount to about $200,000, without compound interest, and $300,000 that has been loaned, which virtually makes about half a million. When this Canada Eastern Railway was built it was looked upon as a lumber or timber line. It was built for that purpose. It was considered that there was a large amount of timber in the district, and Mr. Gibson has utilized that road, for fifteen or sixteen years, for the purpose of bringing timber to his mill, which is erected, as I understand, at Fredericton, at the bridge. The road has been in existence sixteen years, and we are paying about $5,800 a mile for it. As far as I am concerned, I am entirely opposed to the purchase of branch lines in any province to be added to the Intercolonial Railway. I am opposed to that policy on the ground that there are no branches with the exception of one, I think, that has been added to the Intercolonial Railway which has not been virtually a drain upon the main line, rather than an assistance. I opposed the construction of the Pictou branch. I opposed the construction of the Oxford and New Glasgow line. All these lines that were built virtually duplicated the Intercolonial Railway, and what is the condition to-day? We have sixty-six millions of money virtually sunk in the Intercolonial Railway, upon which the country is paying at least three per cent interest, That is about $2,000,000 a year of interest paid by the taxpayers of this Dominion, and in addition to that, last year they had to pay a million and a half of money to keep the line running and make up expenses. With all that experience in the past, we are adding to it by the purchase of this road.

The price to be paid for this branch may

be reasonable—I do not know whether it is or not—but it is quite clear after it has been operated for sixteen years, that it is not in a condition in which it can be utilized either by the mortgagees of the road or the party who owns it, and the only hope for its future is to unload it on to the Intercolonial Railway. When we consider the fact that there are wooden bridges along that line that are sixteen years old, what kind of condition must they be in? The country will have to replace all these wooden bridges with iron bridges, and that is going to be a serious expense, and if the Intercolonial Railway is going to use their heavy engines on that branch, they will have to put on heavy rails. The 56-pound rails will not carry the large engines which are run on the Canadian Pacific Railway, the Grand Trunk Railway and the Intercolonial Railway. They have the old style of rails, and a lot of wooden structures, virtually rotten, and a poor roadbed. I have not seen the country, but I am opposed to the purchase by the government of this railway for the reasons that I opposed other additions to the Intercolonial Railway. We should have confined ourselves to the main line and not have added anything. What was the experience of the Grand Trunk Railway years ago? The Grand Trunk added a number of branches to its main line. I know from the general manager of that road that they considered that those branches in place of being an advantage were a disadvantage until such time as they accumulated a certain amount of trade, and got solidified and in first-class shape, and were relaid with good steel rails. In some cases they commenced to pay, but it would have been better for the Grand Trunk Railway and Great Western if they had held to the main line of their road instead of adding largely to these systems by buying up and building branch lines. That was their experience, and the country's experience with regard to the Intercolonial Railway will be just the same. This is the commencement of a system that may be followed out. We are beginning by this purchase. I have heard it said that there are a great many more lines in Nova Scotia and New Brunswick that would like to sell out. We are beginning a system which may result in the country owning the whole railway system of the maritime provinces. Influence will be brought to bear on the government, and it will be said, 'Well, you bought Gibson's line, why have you not a right to buy my line.' I can remember when our friends opposite were in power, Sir John Macdonald stating across the floor of the House, that they had virtually gridironed New Brunswick with roads; that they subsidized them until the country was covered with railways. We are now beginning to buy them up. I have no desire to deprive Nova Scotia and New Brunswick of their fair share of public money. I am quite willing they should look forward to successful development of any resources they have, through their country being opened up. At the same time I very much fear that a system of this kind will result in further expense and new bridges. My hon. friend from Rothesay in his speech mentioned two or three or four lines that were doing no work. Is it expected that we shall buy those lines also? Influence will be brought to bear upon the government, and they will be urged that they should take up those lines and rebuild them, and put them in proper shape. I am entirely opposed to doing that.

We have had a great many railways built in past years, like the Baie des Chaleurs and many other roads that should never have been built; that there was not a trade which would justify the construction, and they have been and are to-day, monuments of the grossest folly in some cases. I do not know whether this road is in that position or not. It may have done a large timber trade in the past. I daresay it has; but the timber trade there is getting pretty well cleaned out, and now there is little for the road to do, unless it is made a connecting link with some system that will secure freight, and in that way it may be made to earn something. I would very much prefer, in the face of our experience regarding government roads, that we should decline altogether to have anything to do with this road. I would rather see something given to help it out of its difficulty, and let the owners work it rather than we should endeavour to put it in running order. My hon. friend said it has cost about twenty-

five thousand dollars a mile. If it was built sixteen years ago, I do not think it cost within ten thousand dollars a mile of that. We built about 125 miles in our district, and I can say after it was built, steel rails and all, the cost was only about sixteen thousand dollars a mile, so that this railway must run through a hilly country if it cost anything like twenty-five thousand dollars a mile. I observe that the company received $350,000 from the Dominion towards its construction and $400,000 from the province, and when you deduct those amounts, and give credit for the amount of money the road must have earned, which would be more than running expenses, I have no doubt that the party that is selling it is getting a good portion, if not all, of the money they have put into it. They are getting $800,000 out of it, after getting the $750,000 or $850,000 to help build it. I do not know how Mr. Schreiber, as chief engineer, formed his opinion in regard to the value of the road. I have not seen his figures or estimates, and I do not know what value he puts upon the wooden bridges. I should like to know that, and also the value he places upon the iron. He says it can be repaired for about a thousand dollars a mile. It is amazing to me, if a bridge sixteen years old can be strengthened so that it will carry the engines of the day, for a thousand dollars a mile. There must be very few bridges on it. My hon. friend said something with regard to the government ownership of roads. I have no confidence whatever in the government being able to run a railway as cheaply as a private company. I think we have experience in all lines of public expenditure, that where the government is called upon to go into the construction of any public works, a railway or a building, as a rule these things cost the government, I do not care who is in power, from twenty-five to thirty per cent more than it would cost the individual. That is about the average. Then with regard to the government operating a road, what is the secret about the Intercolonial Railway? The secret about the Intercolonial Railway is that the employees have virtually taken the government by the throat. They have formed combinations. They have stipulated conditions upon which they work. They have made their own terms for their own services.

The telegraph operators have a combination there. They made a demand upon the government, and they increased the rates beyond those paid on any road in Canada, and they have that combination to-day. A telegraph operator cannot go on the Intercolonial Railway and look for a job, and the government cannot put him there. The Minister of Railways cannot employ a man without the consent of the association. That is the condition into which things have drifted. As long as you allow the operators of the road, the station men and so on, to control the arrangement and operation of the line, to dictate their hours, dictate their wages and everything connected with the road, you will never be able to run a railway and make it pay. The government have lost control. I know it is pretty hard for a government to fight combinations of that kind. They would naturally say to themselves, 'We found things in the condition in which they are when we came in. If we lower men's wages there is a general cry and they will turn out and vote against us and our friends.' I know of a man who was in charge of the Intercolonial Railway, a man who made a determined effort to try to run it on business principles, and what was his confession, after making an honest, determined effort? If it had not been for political influence he could have done it. If it had not been that he was dictated to and that he must do something for this friend and that friend of the party in power, he could have made the line a profitable business. But he could not persist in the lines that he had laid down. He had to resign, and the result is that on the Intercolonial Railway to-day I venture to say there are more men employed to the mile than on any other road in Canada.

Hon. Sir MACKENZIE BOWELL—Yes, or in the United States either.

Hon. Mr. McMULLEN—I daresay there are. I am not blaming one party more than another with regard to the matter. The two parties, to use a vulgar phrase, may touch thumbs with regard to the responsibility in the matter, because I criticised for years the expenditure of my

hon. friends opposite. Although I believe a very honest and determined effort was made to turn over a new leaf, after all the influence of members through whose constituencies the road ran, was brought to bear, and they demanded that something should be done; some friends must get work; some sewers must be dug to give them employment, and by that method the road has developed into what it is to-day, sixty millions sunk, and it has run half a million behind in earning its expenses. I point that out to show that it is utterly hopeless for a government to undertake the operation of a railway. With regard to the contract that has been made for the construction of the Grand Trunk Pacific, I am glad to know that while a large portion of that road, from Moncton to Winnipeg, has to be built and owned by the country, before there is a rail laid down on it it is leased to a party that has to operate it and pay as a rental 3 per cent on the money invested. It is far better to operate it as an independent line, in the face of the expenses that we have paid in the past for operation by the government. I hope the government will make an effort to get rid of the Intercolonial Railway. I remember on one occasion travelling with the general manager of the Canadian Pacific Railway, Mr. Van Horne, in his private car. He stated to me some years ago, before they built the St. John branch, that if the government of Canada would give the Canadian Pacific Railway control of the Intercolonial Railway, he would not hesitate to say that they would pay $1,000,000 a year and operate it in the interests of the country and give just as good a service as the country was getting under the operation by the government. How much better that would be?

Hon. Sir MACKENZIE BOWELL—And without raising the rates.

Hon. Mr. McMULLEN—Yes, and give just as good a service. I hope the Intercolonial Railway will not be further extended. There has been some talk of the government extending the Intercolonial Railway by buying out the Canada Atlantic. I hope the government will not entertain such a proposition. I should like to see them dispose of the Intercolonial Railway and that just as soon as possible, if there has to be a sacrifice made. The United States had a little experience in building roads. They built the Central Pacific or Southern Pacific, and I know that the country lost over thirty millions. They never made it pay. The United States government will never put another dollar in a railway, and I believe the United States to be the shrewdest nation on the face of the earth. They do not own a road now, or attempt to own any road. So far as this Bill is concerned, I express my regret that the government have bought the road. I suppose that they were coaxed or goaded into it to make some arrangement with the creditors, and it was taken over. I am afraid that is the initiation of a scheme that will force them to make other purchases. We will find people hammering at the doors of parliament, urging that roads which have been subsidized years ago should be taken over and made part of the Intercolonial Railway. Eventually we may own the whole railway system of the maritime provinces, and we will have a load on our hands which will take from the public treasury a large sum, and parliament will have to provide for a large deficit on them year after year. I am afraid that will be the result if this is to be continued. I do not know why the government decided to buy this road. Possibly there may have been some reason. I have heard no reason except what the Secretary of State says to-day, but I fear it will result in more purchases of that kind, and we will keep adding to our government railways. When the present government go out of power, if they ever do, the other party will come in and if they are urged to take over branch lines, what will be the argument? They will say 'When the Reformers were in power, they bought the Canada Eastern Railway in New Brunswick, a road 136 miles long. That is a precedent. Now we want you to buy these other roads.' The result will be that, whatever party is in power, the people will keep urging them to buy unprofitable lines, and add them to the Intercolonial Railway. I have had such an experience in criticising for many years the management of the Intercolonial Railway, in the House of Commons, that I finally gave it up. I made up my mind it was of very little use. Year after year we had exposures of jobbery. I remember in one

case, it was declared that in some sections they were supplying flat cars to run loaded wagons on, and box-cars to take a team in, and running them to St. John, and running them to Halifax, and after the load was taken off and sold, the empty wagon was put on the flat car, and the team and the other stuff was put in the box-car and the whole carried back, perhaps forty, fifty or a hundred miles. I remember that circumstance being proven before a committee of the House. I do not know whether such things are done now or not. I cannot tell, but I have had such a sickening of government ownership of railways that I earnestly hope that we will get rid of all we have got, and I will be glad to see not another foot added to what we possess.

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

The House resolved itself into Committee of the Whole on the Bill.

On clause 3,

There may be paid for the said railway and undertaking and other property as aforesaid, out of any unappropriated moneys forming part of the Consolidated Revenue Fund, the sum of eight hundred thousand dollars.

Hon. Mr. LANDRY—Is the government bound by that clause to pay that sum? It says may.

Hon. Mr. KERR (Toronto)—It is only permissive.

Hon. Mr. LANDRY—I hope the government will not avail itself of those powers.

Hon. Mr. SCOTT—If we can get it cheaper, we shall do so.

The clause was adopted.

Hon. Mr. BAKER, from the committee, reported the Bill without amendment.

The Bill was then read the third time and passed.

CUSTOMS TARIFF AMENDMENT BILL.

SECOND AND THIRD READINGS.

Hon. Mr. SCOTT moved the second reading of Bill (172) An Act to amend the Customs Tariff, 1897. He said: The items are in a general way a reduction of the tariff of 1897. For instance, item 22, 'paraffine wax candles, 25 per cent ad valorem,' was 30 per cent. Item 323 is amended by adding the following proviso:

Provided that for duty purposes the minimum value of an open buggy shall be $40, and the minimum value of a covered buggy shall be $50.

The Act of 1897 imposed an ad valorem duty of 35 per cent. That is changed to a specific duty. It appears that very cheap buggies came in from the United States and were entered at a very low figure. Clause 9 removes the duty from artificial teeth after April next. It appears large quantities are in stock in various establishments in Canada, and if they were put on the free list the importers would lose a large sum. One change, therefore, will not take place until April next. Clause 15 adds to prohibited goods the following: 'Stallions and mares of less value than fifty dollars each.' It appears in the Northwest very poor stock comes in from the United States, and the intention is to exclude them. The evil may exist in other parts of Canada, but it prevails to a greater extent in the Northwest than anywhere else.

The motion was agreed to, and the Bill was then read the third time, under suspension of the rule, and passed.

ALIENS LAW AMENDMENT BILL.

SECOND READING.

Hon. Mr. SCOTT moved the second reading of Bill (162) An Act respecting Aliens. He said: This Bill provides a penalty for making false representations as to the condition of the labour market in Canada in countries outside of the Dominion. We can go into details of this Bill when it is referred to Committee of the Whole.

Hon. Mr. LANDRY—I see that the hon. member from Toronto is on his feet. Has he an amendment to move?

Hon. Mr. KERR (Toronto)—No, I thought the hon. gentleman was going to raise a point of order.

Hon. Mr. LANDRY—Not yet.

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

Hon. Mr. SCOTT moved that the Bill be referred to a Committee of the Whole House to-morrow.

Hon. Sir GEORGE DRUMMOND—I appeal to the government to drop this Bill. It is a highly contentious measure. I hope they will postpone it until another session.

The motion was agreed to.

The Senate adjourned until 11 a.m. to-morrow.

THE SENATE.

Ottawa, Wednesday, August 10, 1904.

First Sitting.

The SPEAKER took the Chair at Eleven o'clock.

Prayers and routine proceedings.

TRANSLATION OF DEBATES.

Hon. Mr. LANDRY—Before the Orders of the Day are called, I desire to ask the hon. Secretary of State if anything is to be done, regarding the translation into French of the Senate Debates? We are in the dying hours of the session, and I think it is time to lay my complaint before the hon. ministers. We have had no French translation of the 'Debates' since the month of April. If we are to be supplied with the French copies of the 'Debates' two or three months after the session, the expense of the translation is useless. We should get it from day to day, as soon as it is translated, and printed. The printer has a lot of the manuscript translation before him. It is kept there, and nothing is done with it. If the hon. Secretary of State occupies his present seat next session he should apply the proper remedy so that we may have the 'Debates' furnished us from day to day.

Hon. Mr. SCOTT—It is a long-standing grievance, and dates back to confederation. I have never been on that committee, and I really do not know what the trouble is. There may be some reason at the Bureau, because, as the hon. gentleman knows, the Bureau is quite unequal to the labour it has to perform, and cannot keep it up with anything like fair rapidity. We are now authorizing an addition to it, and it is quite evident that we shall have to send out a great deal of the work. This, however, is a class of work we could not very well send to other offices. It has to be done in the Bureau. I understand that the translation and printing have been completed up to the end of June. I think it is in a very much better position than it was in former years, so that there is some improvement. We hope the improvement will be greater another year, and that the service will be more satisfactory in the future, than it has been in the past.

Hon. Sir GEORGE DRUMMOND.

Hon. Mr. LANDRY—We have had only one or two copies of the unrevised edition this year. If the Bureau could be enlarged——

Hon. Mr. SCOTT—We are enlarging it now. The work of extending it is going on.

ALIENS BILL.

SECOND READING.

The Order of the Day being called, second reading (Bill 162) An Act respecting Aliens.

Hon. Mr. SCOTT moved that the Bill be referred to Committee of the Whole House.

Hon. Mr. LANDRY—As the hon. gentleman did not give any explanation on the second reading. I would ask him to explain the Bill as it stands now.

Hon. Mr. SCOTT—The Bill has been subjected to very many important changes—that is the Bill as it will be submitted to the committee. It has been criticised a good deal, and one has to acknowledge that there is considerable opposition to it; but I think all the objectionable clauses have been removed. It has been practically so amended that it will be accepted by this Chamber without hesitation; clause 4, which was very stringent and far-reaching, has been practically struck out. The amendment which I shall propose simply meets a case which attracted a good deal of attention recently in Montreal, where an Italian agent represented to some of his fellow-countrymen in Italy that there was a great opening in Canada, and by giving him a commission they were sure to receive employment. The consequence was 4,000 or 5,000 Italians were stranded in Montreal for some time. The amended clause will meet a case of that kind. It has nothing to do with legitimate engagement of labour. If any employer of labour chooses to make arrangements to bring persons from abroad he can do so, supposing his object is honest and fair, and he really means to give them employment—that he is not acting for the purpose of extorting money from the people. That will be the whole affect of clause 4.

Hon. Mr. DeBOUCHERVILLE—The hon. gentleman wants to amend this clause?

Hon. Mr. LANDRY—What will be the effect of the clause as amended?

Hon. Mr. SCOTT—The hon. gentleman asked me, as I was unable to explain the Bill at the second reading, to give an explanation of it now, as we hope it will pass, and therefore I am not reading the Bill as originally printed, but as I hope it will be amended in committee. The very sweeping clause in the Bill as it is now, will be reduced to making provision for such a case as occurred recently in Montreal, where an Italian had induced a large number of his countrymen to come to Canada on the assurance that he would get them employment on payment of a fee. It is only cases of that kind that will come under clause 4. The Bill in its original phraseology and spirit had a great many objectionable clauses in it and those have all been removed.

Hon. Mr. LANDRY—Is that the only clause to be amended ?

Hon. Mr. SCOTT—The most important change in clause 5, is that instead of the minister being clothed with authority to do certain things, it is reserved for the Governor in Council. It is thought it would be safer.

Mr. BAKER—The explanation by the hon. Secretary of State, it appears to me, makes the Bill more odious and objectionable than it was in its original form, for we find it is aimed at a special case. Is the parliament of Canada legislating for a special case ?

Hon. Mr. SCOTT—No, I only mentioned that as an illustration.

Hon. Mr. BAKER—The principle of the Bill is so vicious, the construction of it is so bungling, and the affect of it may be so disastrous, that I move that the House do not now resolve itself into a Committee on the Whole on the Bill, but that it go into Committee of the Whole this day six months.

Hon. Mr. YOUNG—Would it not be better to await the result of the committee's work and, on the third reading, the hon. gentleman will have the same opportunity that offers now to move his amendment ?

Hon. Mr. BAKER—The objection to that is that the Bill has been introdcced in the very dying hours of the Senate. Why should the Senate be called upon at such a time to consider a Bill of such importance, and far-reaching effect ? It is perfectly monstrous that any government should delay legislation of this kind to the last moment of the session. It is an open secret that the government is at sixes and sevens on this very Bill, and the spectacle is not one to be contemplated with satisfaction by any man whether he is on the right or left of the Speaker. There is no right or left, it is true, in the Senate, but the Bill is so objectionable that even on the ground of the lateness of its introduction it ought not to be entertained in the Senate.

Hon. Mr. DANDURAND—I admit this is most important legislation which has come late in the session in both Houses, but the reason given by the hon. gentleman to reject the Bill in toto, is not absolutely satisfactory to my mind. He takes clause 4, as proposed to be amended by the Secretary of State, and says that his objection is to the fact that it covers a special case. If he will read the amendment to clause 4, he will find it is not made to cover a special case. It has sprung from facts in a special case in Montreal, but it is general in its application, and absolutely innocuous as to its effect. It will be an offence for any one to attract aliens to this country in order to defraud them. It is so absolutely mild and insignificant, that if the hon. gentleman had said he opposed the Bill because this clause is meaningless I could understand his argument. For my part, it does not go far enough, but I would be satisfied if the other clauses are not harder to tackle than this one, to pass the Bill this session, and see how far we can amend it in following sessions. But there is a clause of far more importance than that—clause 5. I do not know that the hon. Secretary of State has given full explanations of the amendments which he intends to move. We may strike considerable difficulty owing to the importance of clause 5, the newness of the legislation and the considerable amendments which are being suggested by certain members of this body and which will be submitted in committee. I agree with the hon. gentleman from Killarney (Hon. Mr. Young) that we could, as we have nothing else before us, and are waiting for the Supply Bill, do our best to see how far we can legislate towards bringing out of this committee a satisfactory Bill on certain of its

clauses. There are very important clauses in this Bill some of which are absolutely unobjectionable, clauses which were unanimously accepted by the House of Commons and which will be found equally satisfactory to this House; so as we have still an hour and one-quarter at our disposal to tackle that heavy piece of legislation, we should go as far as the time would permit us.

Hon. Mr. BAKER—I submit that the explanation of my hon. friend makes confusion worse confounded, and adds another reason why we should cry a halt. To admit that the legislation, cannot be justified, but begging the Senate to pass it in the meantime in order that it may be amended and licked into shape at some future time——

Hon. Mr. DANDURAND—I did not say that.

Hon. Mr. BAKER—The proposition is so objectionable, that I do not see how it can receive the support of the independent members of the Senate. We are all perfectly independent here; we have no occasion to pander to the prejudices of any class of subjects in the Dominion. I say the Bill is so objectionable that it would be wise and better, and more consistent with the dignity of the Senate if the consideration of it were stopped at this very point. Having stated my opinion of the Bill however, I am perfectly ready to withdraw the motion with the permission of the Senate, and allow the government to blunder on with their legislation.

Hon. Mr. LANDRY—The objection taken by my hon. friend to referring the Bill to Committee of the Whole, attacks the Bill itself in its present form.

Hon. Mr. DANDURAND—We are discussing the principle.

Hon. Mr. LANDRY—That is the proper motion to make. We cannot accept the amendments that we do not understand. The Bill is not in a good form to-day; it may be put in a good form in committee, but as the Bill stands now, and my hon. friend's motion is directed against the Bill as it stands now, it is very objectionable. Clause 4, provides:

4. Every person who does, in Canada, anything for the purpose of causing or procuring the publication or circulation by advertisement or otherwise, in a country outside of Canada, of false representations as to the opportunities of employment in Canada, or as to the state of the labour market in Canada, intended or adapted to encourage or induce the immigration into Canada, of persons resident in that country, or who does anything in Canada for the purpose of causing or procuring the communication to any resident in such country of any such false representations, shall, if such false representations are thereafter so published, circulated or communicated, be guilty of an offence, and liable, on summary conviction before two justices of the peace, to a penalty of not more than one thousand dollars and not less than fifty dollars for each and every such offence.

I understand that the government to-day is willing to withdraw the clause and substitute another for it, but that has not been proposed yet, and as the Bill comes to-day before the committee, the hon. gentleman from Bedford (Mr. Baker) is perfectly justified in asking for a division of the Senate on the Bill containing that and other clauses. The hon. Secretary of State said he intended, when the next clause was under discussion, to substitute the authority of the Governor in Council for the authority for the minister alone. Clause 5, is as follows:—

5. In every case where the parliament of Canada since the first day of January, 1903, has authorized or hereafter authorizes the construction at the public expense, or has aided or hereafter aids by gift of money or land or by loan or guarantee or other valuable consideration, the construction of a railway or any portion thereof, it shall be unlawful to let or sublet the work of such construction to any alien, or to any corporation not incorporated under legislation of Canada or of a province, and the majority of the directors and the majority in value of the shareholders of which, are not British subjects, or to employ or suffer to be employed on said work any person who is not at the time of his employment a British subject, or a person bona fide domiciled in Canada and so domiciled for at least six months continuously immediately prior to such employment, or who is not certified to by the Department of the Interior as having come to Canada as an immigrant intending in good faith to settle in Canada, unless the minister is satisfied that there is not available sufficient unemployed Canadian labour to enable the work to be properly prosecuted and performed within the time limited by law or by contract, or there is some other reason deemed by the Governor in Council sufficient in the public interest; in which case, and in so far as the minister may deem it necessary, and for any particular portion or portions of the work, and for any specified period or periods, and as to any particular number of persons, the minister may consent in writing to the employment of persons whose employment would otherwise be unlawful. The term 'construction' shall include work of surveys and all other work preliminary or incidental to actual construction. For every wilful violation of any of the pro-

visions of this section the person, partnership, company or corporation guilty thereof shall be liable to the same penalties as are provided in respect of a violation of any of the provisions of section 1 of said Act of 1897 as amended, which penalties shall be recoverable in the same manner as are the penalties mentioned in the said section 1 as amended.

The change promised by the hon. Secretary of State is only on the question of the minister being replaced by the Governor in Council.

Hon. Mr. SCOTT—There are some other minor changes.

Hon. Mr. LANDRY—That is the only change the hon. gentleman referred to.

Hon. Mr. BEIQUE—The House is free to move other amendments.

Hon. Mr. LANDRY—Yes; and the minister is free to change his views as he pleases.

Hon. Mr. BEIQUE—With the consent of the House.

Hon. Mr. LANDRY—I suppose so, but he probably got that consent beforehand.

Hon. Mr. BEIQUE—Did the hon. gentleman give his consent?

Hon. Mr. LANDRY—No; before giving my consent I want to know what the amendments will be, and how the Bill will come out of committee. When it is reported from committee it will be time enough to say whether we shall approve or disapprove of the changes to be made in committee. I shall be free to take my position then. There are others who may have taken their position before. They have assembled in committee, and helped to bring the government out of the bad position in which they find themselves.

Hon. Mr. BAKER—All before three o'clock to-day?

Hon. Mr. LANDRY—I do not know. I suppose we are at liberty to discuss all those amendments. What I want to find out is this: the hon. Secretary of State mentioned only one change in that clause——

Hon. Mr. SCOTT—I did not want to detain the House; that is the reason.

Hon. Mr. LANDRY—Now we are told there are other changes.

Hon. Mr. SCOTT—Yes; and in other clauses.

Hon. Mr. LANDRY—In fact, it is a new Bill.

Hon. Mr. SCOTT—No.

Hon. Mr. LANDRY—I suppose the preamble will remain as it is, but even the title may be changed yet. It is a radical change in the Bill we are now asked to adopt, and the motion made by my hon. friend cannot touch that principle before we go into committee. His motion is directed against the principle of the Bill as presented to the House. If his motion is lost, then, when we go into committee, we may make what alterations we like, and at the third reading, if the Bill as reported from the committee, does not meet the wishes and views of the hon. gentleman, he can move the six months' hoist.

Hon. Mr. KERR (Toronto)—Hon. gentlemen will see that there are provisions in this Bill which are not controversial, provisions for the protection of the country, which it is important should be passed, and passed without delay. Take clause 7 and the following clauses. The law has been found to be defective, and not to give sufficient power to the government to protect the country from the introduction of the class of persons mentioned there. For the protection of the country, clauses 7, 8 and 9 are immediately pressing and urgent. Therefore, it will be seen there are provisions in the Bill which ought to be dealt with. As to the other provisions of the Bill, which are controversial, it is intended to suggest something which may be acceptable. If it is acceptable, well and good; if it is not, the House is open to express its opinion about the matter. Under the circumstances, I think we would be doing our duty by passing into committee and learning what the position of the Bill will be.

Hon. Mr. SULLIVAN—This applies essentially to immigration. I want to know are not some of these matters provided for in the Immigration Act?

Hon. Mr. KERR (Toronto)—They are not.

Hon. Mr. SULLIVAN—Are they entirely new?

Hon. Mr. KERR (Toronto)—They are practically all new.

Hon. Mr. DeBOUCHERVILLE—We must not forget that the hon. senator who pro-

posed the six months' hoist has asked leave to withdraw his motion. It would be better to comply with his request, and we can discuss the Bill in committee. Just now we are in a very peculiar position. I move that the hon. gentleman be allowed to withdraw his motion.

Hon. Mr. SULLIVAN—Is it not proper to discuss the principle of the Bill now ?

Hon. Mr. SCOTT—No.

Hon. Mr. SULLIVAN—I think it is. There will be no other opportunity offered. I think this is a most extraordinary Bill. Considering the occasion and the subject, no such important legislation has ever been proposed here before at such a stage of the session. Here is the Senate thinned out to a remarkable extent. I admit that those who remain are all wise men except myself, but at the same time it is not treating the House fairly. The hour for prorogation is fixed, and we cannot carry on this debate longer than up to three o'clock. I object entirely to this word alien. Acts of this kind are not to be approved of under any circumstances. Some of the clauses are of a beneficial character, but they belong to immigration, and should not be put into an Act of this kind merely to give it a colouring and pretense to carry it through. Speaking of Alien Acts I consider this an un-British measure. The British parliament has never, except in the gravest extremity, passed an Alien Act. It had always been a prerogative of the sovereign, but up to the time of the French revolution it was seldom acted upon by parliament. Then it became necessary to have an Alien Act. Why ? Because there were 7.000 or 8.000 emigrés in England. The French Republic wanted to be recognized, and what was the answer of Lord Grenville ? He said if the representative of the republic was there as the ambassador of His Most Christian Majesty, he would be willing to receive him, but as the representative of a republic he could not. Talleyrand was sent away on very short notice a few days afterwards when King Louis was killed. When Napoleon, after the peace of Amiens, demanded that the English people should send away from their country those who were there as he said, plotting against the government, what was the answer of the British government, and it was endorsed by the whole country? They said: So long as those people conducted themselves properly, they would receive the protection of English law. I mention that to show how seldom, and only in what dire extremity, such laws are made by the British parliament. We have no time to study the effect of this measure. Who on earth can study it as it goes along ? The lawyers, who are sharp of intellect and trained to such work, may be able to grasp the question, but I confess it is more than I can do. The Bill as put forth in the first place, was a great bid for a certain vote. It was intended to take in one swoop the whole labour vote of the country. Never before was there such excitement started in a moment as when the terms of this Bill were known. The people all over the country, by a consensus of opinion demanded a change, and I think it was wise, so far as the party was concerned, and in that respect only, that the alien trouble could be remedied. I do not see anything in this Bill that we could not do just as well without. I do not see anything that is sufficiently attractive to be voted for except those clauses which provide what is already in the Immigration Act. I do not care how much the Bill may be amended, it would be better to drop it in the interest of the country and every one concerned, even in the interest of the political party at present in power. I think that would be the best course to take in the public interest. The Bill is not in accordance with British law.

Hon. Sir GEORGE DRUMMOND—Before the matter is dealt with, I should like to say that while I might not be inclined to move the six months' hoist, I would have renewed the appeal, as I indicated last night in one sentence, that the government should postpone this Bill for another session, for the reason that it has come too late and there is not time to give full consideration to the important questions dealt with in the Bill. It may be that the amendments made in the Bill as it is proposed to us now have removed in a very large measure the objections made to it. We will consider these clauses when we get into committee. It may be that they are perfect, but they suffer from the fact that they were in very bad company when they first made their ap-

pearance, and for my part I once more respectfully appeal to the government: on the ground that at this stage of the session, this matter cannot be considered in a careful and systematic manner as becomes deliberations of this House, and it would not be wise on the part of the government to force this measure through this year.

Hon. Mr. MACDONALD (P.E.I.)—I must say that I am quite in accord with the sentiment expressed by the hon. gentleman from Kennebec (Hon. Sir George Drummond) that it is too late for us to deal with a measure of this kind. There has not been a session since I have had the honour of a seat in this House in which important Bills have not come up as now, during the last stage of the session, and I think it is the duty of hon. senators to take a stand against such a system as has been prevailing here for many years past of having the most important Bills introduced in the Senate in the last days of the session, when a majority of the senators have departed for their homes. It would become a fixed principle if we do not take a strong stand against it. Many Bills have come to this House late in the session which we should have had during the earlier days. I think this is a proper occasion on which to take a stand against this practice. This is certainly an important Bill. It would appear to me as if the fourth clause of the Bill was intended to strike at the government itself, or at their agents abroad, for the statements that they are sending broadcast through different countries to induce immigrants to come to this country. The hon. senator from Toronto pointed out that clause 15 of the Bill contained a provision which he thought would be beneficial to the country It would certainly be a very bad measure indeed if he could not find one clause that would meet with the approval of the country. I congratulate the hon. member on the strong reasons he has advanced to induce us to support a Bill containing quite a number of clauses—namely, because there was one clause in it which might meet with general approval. It is a somewhat singular coincidence that an Aliens Bill was introduced in the imperial parliament during the present session. It was debated there for several days, and at the conclusion of the debate, extending over seven days, the Attorney General said the government would withdraw the Bill, because at the rate of progress it was making it would take 515 days to pass the imperial House of Commons. If a Bill of that nature was likely to take such a length of time in the imperial House of Commons, a Bill of a similar title introduced in this House should I think be expected to take a little more time and attention from the honourable senators than we can give it in the closing hours of parliament, when we are within just three hours of prorogation.

Hon. Mr. DeBOUCHERVILLE—It may be three days.

Hon. Mr. MACDONALD (P.E.I.) It is possible, as the hon. gentleman says, that it may be three days ; but judging by the small attendance here I doubt very much whether we can extend the time as long as that. It is proposed that certain amendments shall be made in the Bill. We know nothing of what these amendments may be, but I am opposed to the Bill as it is presented to the House, and I hold that it is the proper time to make the motion that this Bill be read this day six months, and therefore I shall object to the withdrawal of the motion made by the hon. gentleman from Missisquoi.

The amendment was lost on division.

The House resolved itself into Committee of the Whole on the Bill.

In the committee on clause 2.

2. Section 3 of the said Act of 1897, as said section is enacted by section 1 of chapter 13 of the statutes of 1901, is amended by striking out the word 'knowingly,' and by inserting after the word 'Canada' in the seventh line the words 'knowing or having reasonable grounds for believing that he was then an alien or foreigner.

Hon. Mr. SCOTT—This section strikes out the word 'knowingly' from section 3 of the Act of 1897.

Hon. Mr. DeBOUCHERVILLE—I shall object to the word 'foreigner' there. You may be a British subject and a foreigner.

Hon. Mr. LANDRY—This clause strikes out the word 'knowingly.' Whether he does it knowingly or not he will be prosecuted.

Hon. Mr. KERR (Toronto)—It was only to meet a case that was decided, where the evidence was perfectly clear, that a man had

every reason to believe he was dealing with an alien in violation of the Alien Labour Act, and the man said that it was not proven that he knew it, and these words are added, —' or having reasonable ground for believing that he was then an alien or foreigner.'

Hon. Sir GEORGE DRUMMOND—I think the change would make it a little more stringent in a prosecution at law.

Hon. Mr. KERR (Toronto)—No; less stringent.

Hon. Mr. BEIQUE—It is difficult to prove that the person actually knew, and in all cases of that kind it is open to the prosecution to prove, that the party against whom the complaint has been made had reasonable grounds for knowing.

Hon. Sir GEORGE DRUMMOND—And should have known.

Hon. Mr. BEIQUE—Is implied to have known, and the object of the clause is to substitute for the word knowingly, 'knowing or having reasonable grounds for believing that he was then a foreigner.'

Hon. Sir GEORGE DRUMMOND—It seems to me the word knowingly in the original Act of 1897 is quite tight enough, and I should not like to be a party to any measure which would make it stronger. I therefore oppose this clause in the modified Bill, because I think it is quite enough to enact that if he does it knowingly he is liable.

Hon. Mr. DeBOUCHERVILLE—I move that the word 'foreigner' be struck out.

Hon. Mr. SULLIVAN—I move that the word 'alien' be struck out and the word 'foreigner' left in.

Hon. Mr. POWER—The word 'alien' and the word 'foreigner' mean exactly the same thing.

Hon. Mr. LANDRY—Then why repeat the word?

Hon. Mr. SULLIVAN—I do not think they would mean exactly the same according to the way English people understand it.

Hon. Mr. LANDRY—Is there a difference between the two?

Hon. Mr. SCOTT—No; I think not.

Hon. Mr. LANDRY—Then the motion will carry?

Hon. Mr. SCOTT—Yes.

Hon. Mr. KERR (Toronto).

Hon. Mr. LANDRY—Which will the hon. gentleman strike out?

Hon. Mr. SCOTT—The words 'or foreigner.'

Hon. Sir GEORGE DRUMMOND—I move that the whole clause be struck out.

Hon. Mr. LANDRY—Section 3 of the Act of 1897——

Hon. Mr. SCOTT—That has been amended by chapter 13 of the Act of 1901. That is the controlling Act now. We are amending that Act by striking out the word 'knowingly.' A person may assist without knowing that he is assisting. He may not be guilty of the fault you are imputing to him if you strike out the word 'knowingly.' You replace that expression in the 8th line by the words 'knowing or having reasonable grounds for believing.' I do not find that this amendment will read properly. It means nothing at all the way it is stated.

Hon. Mr. SCOTT—Then it is harmless.

Hon. Mr. LANDRY—If the amendment is carried it will read thus:

> For every violation of any of the provisions of section 1 of this section, the person, partnership, company or corporation violating it by knowingly assisting in encouraging or soliciting immigration or importation of any alien or foreigner into Canada to perform service of any kind under contract or agreement expressed or implied, parole or special with such alien or foreigner previous to his becoming a resident or a citizen of Canada, &c.'

Hon. Mr. SCOTT—Knowing or having reasonable grounds to believe.

Hon. Mr. LANDRY—But what does 'knowing' apply to? Not to the guilty party, and I think the hon. minister wants to reach the guilty party. It does not apply at all.

Hon. Mr. SCOTT—I have no objection to allow that word to remain in, if that is going to carry the clause.

Hon. Mr. POWER—There is not much use in discussing the measure if there is no fixed policy.

Hon. Mr. SCOTT—The object is to get through with the Bill. If the hon. gentleman has any objection to striking out the word, I have no objection to allow it to remain in.

Hon. Mr. POWER—The question has not yet been put on the amendment which was

moved by the hon. gentleman from Montarville to strike out the words 'or foreigner', and before the question is put, I propose to call attention to this. We propose to insert certain words in section 1 of the Act of 1901. When we come to look at section 1 of that Act we find the words 'encouraging or soliciting the immigration or importation of any alien or foreigner into Canada.' The words 'alien or foreigner' are used there. Later on, it is proposed to insert these words 'such alien or foreigner' so that you admit the words 'or foreigner' in the middle place, and you leave them out in the other two places, and you have to amend the original Act in the two places, if you propose to amend this Bill.

Hon. Mr. BAKER—I do not like to be uncharitable, but the observation of the hon. gentleman from Halifax makes it quite apparent that this Bill was carelessly constructed, if such a word may be applied to any instrument that finds its way to light, without any care or diligence whatever. The hon. Secretary of State has very frankly confessed that the object was to get the Bill through, and it was quite apparent the object of whoever drafted it, was not to draft a Bill that would meet the approval of any body of legislators who gave an intelligent and intelligible consideration to what might be brought before them. The Bill as it is, is really a thing, if I may use a slang phrase, 'that no fellow can understand.'

Hon. Mr. DANDURAND—The hon. gentleman is throwing a slur on the Commons whose child we have received and are now examining. It is the joint effort of the brains of the House of Commons which has produced this Bill.

Hon. Mr. LANDRY—That is not an answer. I should like the hon. gentleman to explain to us the meaning of the clause.

Hon. Mr. FORGET—I understand the government accepted the amendment suggested by the hon. gentleman from Montarville, and also consented to insert the word 'knowingly.'

Hon. Mr. SCOTT—The word 'foreigner' is repeated in other parts of the Bill.

Hon. Mr. LANDRY—It might be struck out in the same way.

Hon. Mr. SCOTT—I withdraw the proposition. I have no objection to stand by the other proposition that the word 'knowingly' remain there.

The committee divided on the amendment to strike out the word 'foreigner' which was lost on the following division.

Yeas, 4. Nays, 11.

Hon. Mr. LANDRY—The hon leader of the Senate accepts the suggestion to strike out the word 'knowingly.'

Hon. Mr. SCOTT—If the clause is to remain I have no objection. I do it to expedite the business before the House.

Hon. Mr. LANDRY—I would not like to take the hon. member by surprise and say that we accept his decision.

Hon. Mr. SCOTT—I was simply making a concession.

Hon. Mr. LANDRY—I think that the clause, taking out the word 'knowingly', means nothing at all by the addition of those last words, 'Knowing or having a reasonable ground for believing.' Does that apply to the guilty party who is an alien? Must a man have reasonable ground to believe that he is a so and so, or does it apply to somebody else, to the prosecutor for example, one who may lay a complaint, if he has reason to believe that the guilty party was then an alien or foreigner? To what does that apply?

Hon. Mr. BEIQUE—A person is charged with having imported or contributed to importing an alien, and with the word 'knowingly' in the section, it has been held by a judge that, as it was not proved that he actually saw the certificate of naturalization of the party, although he knew or was supposed to know that he was an alien, because he was living in the state, to the knowledge of the accused, the word knowingly as contained in the Act had not been complied with. The proof was not sufficient to meet all the provisions of the Act, and the amendment is merely for the purpose of substituting for the word 'knowingly' or in other words, instead of compelling the prosecution to prove actual knowledge, to make it sufficient that the prosecution prove that he had reason to know that he was an alien.

Hon. Mr. MACDONALD (P.E.I.)—The contention of the hon. gentleman from Stadacona is, that as the clause has been amended that the words knowing or having reasonable grounds for believing that he was an alien, applied not to the alien himself, but to the person making the charge. I think the clause should be written out so that there would be an opportunity for every person to understand it.

Hon. Mr. FORGET—I think a word should be added there. A person might do things which would look very suspicious, and he might do things that were wrong, but not knowingly. You cannot sin unless you know you are sinning, and at the same time he might do things which he would not do if he knew he were committing a wrong. So that you are opening the door there for a judge to think that the man knew he was guilty anyway. I do not think we should strike out the word 'knowingly.' A man is considered innocent until he is proven guilty.

Hon. Mr. LANDRY—The proposition is, shall this clause be adopted. The hon. Secretary of State has just stated that he was ready to drop the word 'knowingly' if we allowed the clause to pass. I move that section two be amended by striking out all the words in the 1st, 2nd and 3rd lines to the word 'knowingly'. The Act of 1897 has been amended by the Act of 1901, so that it is the Act of 1901 that is now in force, and when you propose to amend the Act of 1900 as amended by the Act of 1901, you look at the statutes and you find that 'Canada' is in the eighth line of clause 3.

Hon. Mr. POWER—I think the better way is to strike out the clause altogether. If we leave the word 'knowingly' in the clause, then there is no object in keeping in the other words which are proposed to be substituted. Better strike out the whole clause.

Hon. Mr. BAKER—We are told that an interpretation adverse to the decision of my hon. friend has been given by some court of competent jurisdiction.

Hon. Mr. POWER—No.

Hon. Mr. LANDRY—After having spoken to the hon. gentleman from de Salaberry, I amend my motion and will substitute the word 'fifth' for the word 'eighth' so that it will come after the word 'Canada' in the fifth line.

The CHAIRMAN—The proposition is that all the words after the word 'amended' in the eleventh line, be struck out and further that the word 'seventh' be replaced by the word 'fifth.'

The amendment was adopted.

Hon. Mr. KERR (Toronto)—I suggest that the clause be withdrawn, as there is a misunderstanding about it.

Hon. Mr. SCOTT—I move that the clause be struck out.

The motion was agreed to.

On clause 3,

3. Section 6 of the said Act of 1897, as amended by section 3 of chapter 13 of the statutes of 1901, is hereby repealed.

Hon. Mr. KERR (Toronto)—That is repealing the provision respecting the Attorney General taking proceedings for deporting; the other provisions of the Act, later on, supersede that.

Hon. Mr. DANDURAND—It is replaced by cause 6.

On clause 4,

4. Every person who does, in Canada, anything for the purpose of causing or procuring the publication or circulation by advertisement or otherwise, in a country outside of Canada, of false representations as to the opportunities of employment in Canada, or as to the state of the labour market in Canada, intended or adapted to encourage or induce the immigration into Canada, of persons resident in that country, or who does anything in Canada for the purpose of causing or procuring the communication to any resident of such country of any such false representations, shall, if such false representations are thereafter so published, circulated or communicated, be guilty of an offence, and liable, on summary conviction before two justices of the peace, to a penalty of not more than one thousand dollars and not less than fifty dollars for each and every such offence.

Hon. Mr. KERR (Toronto)—I beg to move that this clause be amended so as to read as follows:

Every person who by false representations does in Canada anything for the purpose of inducing another person to come to Canada with intent to defraud such person shall be guilty of an offence, &c.'

Hon. Mr. DeBOUCHERVILLE—That is quite the contrary of this.

Hon. Mr. KERR—I think no person will object to that. In other words a person cannot induce any alien to come in order to rob him.

Hon. Sir GEORGE DRUMMOND—I think the clause was intended to mean a great deal more than that. Not only should it deal with the case of a man who, by false representations, induces another man to come with intention to defraud, but it should deal with people who, by false representations, induce people to come to Canada or prevent people from coming to Canada, and that is my view of the situation. I would move some amendment to that, adopting the hon. gentleman's amendment as a substantial improvement. I would add 'to deter or to discourage immigration into Canada of any person by false representation.'

Hon. Mr. McMULLEN—That is right.

Hon. Mr. KERR (Toronto)—The two propositions are separate ones. I suggest that my amendment be introduced, and when that is done we will deal with the one proposed by the hon. gentleman from Kennebec.

Hon. Sir GEORGE DRUMMOND—I should like to ask whether the qualification 'with intent to defraud' would not impose great practical legal difficulties in the way of conviction? I suppose it would, but it is most proper.

Hon. Mr. DANDURAND—I am not quite satisfied with the limited extent of this clause. In order to reach the party who makes the false representation, it must be established, and I agree with the hon. gentleman from Montreal, who made that same remark, that it was with intent to defraud that party, because it seems to me the false representation should be sufficient. If you induce a party, by making false representations, to come into Canada, you may qualify the false representations if you want to, but besides the false representations, the meaning of which we could settle, if you add, 'with intent to defraud the party,' it seems to me we are undertaking a very large contract. It is ugly enough and injurious enough to induce that party into Canada on false representations. You might imagine a case where the agent in Italy, or on the continent, might make the false representations, and not be within this country or within the reach of the law at all.

Hon. Mr. DeBOUCHERVILLE—I do not believe the hon. gentleman from Toronto is serious in this amendment. What is there in this which the hon. gentleman wants to strike out which will not be approved by everybody? What objection can there be to this clause? Is it not perfectly right? Why does the hon. gentleman strike it out? If it is done in Canada it will be punishable, but if it is done outside of Canada the party cannot be punished by our law. We have had such cases. I think it was said some time ago that this clause was to meet the case of the Italians in Montreal. It is not only the Italians; the papers have published other such instances very often. I could not cite cases now in which the employees of the government were accused of having made these false representations in England. You are striking the whole of this out, and providing that if, in Canada, such a thing is done, the party will be guilty. I think we should leave the clause as it is. I should like anybody to show me what harm there is in this clause as it is passed by the House of Commons. Those hon. gentlemen who have read the records will find that this question was thoroughly discussed in the House, and we had plenty of opportunity to see both sides of it.

Hon. Mr. THIBAUDEAU, from the committee, reported that they had made some progress with the Bill, and asked leave to sit again.

The Senate adjourned until three p.m.

Second Sitting.

The SPEAKER took the Chair at Three o'clock.

Routine proceedings.

RAILWAY SUBSIDIES BILL.

FIRST, SECOND AND THIRD READINGS.

A message was received from the House of Commons with Bill (No. 171) An Act to authorize the granting of subsidies in aid of the construction of the lines of railway therein mentioned.

The Bill was read the first time.

Hon. Mr. SCOTT—Hon. gentlemen will probably have been aware of the subsidies proposed to be granted to a number of Rail-

way companies by this Bill, the details having been already announced to the public. I may say that these subsidies are limited to companies whose rights to a subsidy are now expiring. Those that have expired for a year or more will not come within the provisions of this Bill; it is practically a revote. The mileage is very much smaller than usual, because the subsidies are limited to a few subsidiary roads.

Hon. Mr. LANDRY—What is the total?

Hon. Mr. SCOTT—I have not made it up, but the mileage of all these railways is less than 400 miles.

Hon. Mr. LANDRY—What is the amount?

Hon. Mr. SCOTT—The amount is $3,200 per mile, with the provision that if the cost exceeds $15,000 per mile, for such portion in excess of $15,000 they get a proportion in excess of $3,200 not to exceed $6,400 altogether.

Hon. Mr. DeBOUCHERVILLE—What is the total amount?

Hon. Mr. SCOTT—I cannot tell the amount, but the total length is about 400 miles. The mileage of many of them is very short, running from a mile and one-half to eighty miles.

Hon. Mr. LANDRY—We are asked to swallow this Bill without knowing a word about it, although we are voting away subsidies to the amount of $2,560,000.

Hon. Mr. SCOTT—Oh, no.

Hon. Mr. LANDRY—Perhaps a little more.

Hon. Mr. SCOTT—No, not nearly as much as that.

Hon. Mr. LANDRY—That is what the subsidies would amount to at the rate of $6,400 per mile.

Hon. Mr. SCOTT—That is the maximum rate, which will only apply to small portions of them. The rate is $3,200 per mile.

Hon. Mr. LANDRY—Are there any railways included in that list that were not included in the subsidies voted last year?

Hon. Mr. SCOTT—Only those voted last year and not all of those, because any that have not been entitled to a subsidy within a year past are not included. In some cases the time is expiring in the month of August. They have been commenced, and it is only fair and reasonable that there should be an extension. In some cases the right will not expire until next year, and it gives them a couple of years longer; but any companies that became entitled to a subsidy and allowed the subsidy to expire over a year ago, are not included in this list.

Hon. Mr. LANDRY—Have any of these been partially paid?

Hon. Mr. SCOTT—I do not think so. I move that the Bill be read the second time.

The motion was agreed to, and the Bill passed through its final stages.

BOUNTIES ON LEAD ACT FURTHER AMENDMENT BILL.

FIRST, SECOND AND THIRD READINGS.

A message was received from the House of Commons with Bill (No. 175) An Act to amend an Act passed in the present session, and intituled an Act further to amend the Act providing for the payment of bounties on lead contained in lead bearing ore mined in Canada.

The Bill was read the first time.

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

Hon. Mr. LANDRY—I thought we had already passed that Bill?

Hon. Mr. SCOTT—So we had, but there was an error that was overlooked in this chamber. We could not go back to consider the Bill. It was intended to apply to the past, because some of the subsidies had been earned before the fiscal year terminated. The gentleman who drafted it thought it was wide enough, that the word 'any' would include what had already been done, but when I saw it last evening, I said, no I did not think it would, and I sent for the law clerk and told him he had better draft a short Bill and send it to the House of Commons because the Bill we had passed was not broad enough.

The motion was agreed to, and the Bill passed through its final stages.

COMPANIES ACT AMENDMENT BILL—

COMMONS AMENDMENT CONCURRED IN.

Hon. Mr. SCOTT moved concurrence in the amendment to Bill (164) An Act to amend the Companies Act 1902.

Hon. Mr. LANDRY—What is the effect of the amendment ?

Hon. Mr. SCOTT—In the original Act of 1902, there was a clause authorizing the State Department to issue letters patent for all purposes except for the construction and organization of railways, telegraphs and telephones. It was not intended that a contractor should be debarred from taking a contract, for instance, to supply poles for a telegraph line, or to build a railway as a chartered company ; but the court has held that under the language of the statute, the word 'construction' is so wide that a company authorized to construct public works for instance—and a number of charters of that kind have been issued—would not have power under the Act to take a contract for the construction of a section of railway. In order to remove that, a member of the House of Commons introduced a Bill in the early part of the session to amend the Act in that particular, to make it clear that this word 'construction' had been interpreted by the courts too widely. The intention of the Act was that a company might be chartered to undertake the construction of a railway, a telephone or a telegraph line, but not to organize or hold a charter. However, we took up the Bill here and passed it, and it went to the House of Commons where exception was taken to it. As the Bill contained other clauses which were useful, it was thought better to drop this clause. The Bill contains, for instance, a provision in which the leader of the opposition took an interest last session and this session, that is where shares are less than $100 and the company desires to consolidate them, it can be done. There was an omission in the Act of 1902, a provision intended to authorize the directors of a company to accept bills of exchange and give promissory notes without obtaining the authority of the shareholders, or without the passage of a by-law. That Act had been a long time on the statutes, but through an accident it was omitted from the Act of 1902, and this Bill has a clause supplying that deficiency.

Hon. Mr. LANDRY—What is the clause struck out by the House of Commons ?

Hon. Mr. SCOTT—The clause is as follows :

3. Nothing in this section, or in any charter or letters patent heretofore or hereafter issued, shall be deemed to prevent any company to which this Act applies from acting as a contractor in railway, telegraph or telephone construction.

A company chartered for construction purposes cannot take a contract for the construction of a railway, telegraph or telephone. That is the effect of it.

Hon. Mr. DANDURAND—That is the effect of it as far as the Bill goes, but there is a considerable question as to the right contained in the provision of the law of granting those letters patent. This clause was more a declaratory clause than otherwise, because legal opinions are not unanimous on that point.

The motion was agreed to.

THE RULES OF THE HOUSE.

Hon. Mr. SCOTT—It will be within the recollection of hon. gentlemen that at the close of last session the hon. leader of the opposition suggested that in order to preserve better order and decorum than has prevailed, I am sorry to say during the session just closing, the Speaker should be vested with more authority than he possesses under the rules as they exist. The hon. gentleman suggested that a committee should be struck at the beginning of the present session for the purpose of framing rules of that character. Unfortunately, nothing was done. A few days before he left here, he made a similar suggestion, with the hope that at the beginning of next session, rules would be framed to confer on the Speaker power to preserve proper decorum in the Senate, practically powers possessed by the Speaker of the House of Commons. The House is separating without anything having been done. I would suggest that the Speaker himself, and other hon. gentlemen, might prepare suggestions and when we meet next year, a committee could be struck to take those suggestions into consideration and from them frame rules for our own observance.

Hon. Mr. LANDRY—I quite agree with the proposition of the hon. gentleman, and I hope members who are not present here to-day will be notified—at all events, that those who have occupied the position of Speaker in the past, Sir Alphonse Pelletier

and Senator Miller—so that they may prepare whatever suggestions they may have to offer at the beginning of next session. That, however, is not very pressing now. What is more pressing is to adopt the Alien Labour Bill, and I think we should go immediately into committee to give the government a chance to pass that Bill, because if the hon. leader of the Senate loses time in making those propositions, he may not have his Bill passed.

Hon. Mr. SULLIVAN—Instead of rejoicing with the hon. gentleman, I regret that the Secretary of State considers it necessary that a committee should be appointed to frame rules, and I hope it will not be found necessary in the future, but that the rules which govern gentlemanly conduct in this House, and which have been found sufficient in the past, will be enforced in the future.

Hon. Mr. SCOTT—I propose to submit a resolution for the consideration of the House, expressing the desirability of appointing a select committee at the beginning of next session for the purpose of revising the rules and forms of procedure of the Senate, and that His Honour the Speaker be requested to examine the rules during the ensuing recess, with a view to offering suggestions to the committee to make alterations necessary to remove all doubts as to his power, and make it conform more to the power possessed by the Speaker of the House of Lords.

Hon. Mr. LANDRY—I object to such a motion without notice.

Hon. Mr. SCOTT—There is nothing very serious in it.

Hon. Mr. LANDRY—It is because it is not serious that I object.

Hon. Mr. SCOTT—I have thrown out the idea, and I trust hon. gentlemen who take an interest in the subject will deal with it.

Hon. Mr. LANDRY—We must take it up in a formal way.

ALIEN LABOUR BILL.

BILL DEFEATED.

The House resumed, in Committee of the Whole, consideration of Bill (162) An Act respecting Aliens.

Hon. Mr. KERR (Toronto) moved the adoption of clause 4, as amended.

Hon. Mr. LANDRY.

Hon. Mr. LANDRY—As amended, I suppose it reads :

> Every person who by false representations does in Canada anything for the purpose of inducing another person to come to Canada with intent to defraud such other person shall be guilty of an offence, &c.'

Hon. Mr. KERR (Toronto)—Yes.

Hon. Mr. LANDRY—I proposed to add, after the words 'found guilty of an offence,' the words 'willingly by false representations.'

Hon. Mr. KERR (Toronto)—The man who makes false representations must do it willingly.

Hon. Mr. LANDRY—No ; the hon. gentleman may make a false representation in this House and not do it willingly.

Hon. Mr. KERR (Toronto)—It cannot be false unless a man knows it is false.

Hon. Mr. LANDRY—'Knowingly' is the word I intended to use.

Hon. Mr. KERR (Toronto)—I should like the hon. gentleman to be reasonable about it. It is the way all our statutes are framed. It is exactly the expression in our Criminal Code. As the hour is getting late, I would ask the hon. gentleman to deal with this Bill so that it will become law.

Hon. Mr. LANDRY—We can if the hon. gentleman does not speak too long on the subject. It is proposed to give power to two justices of the peace to condemn a man to pay $1,000. That is too much for two justices of the peace ; they are not accustomed to such a sum ; they never go over $50. I think it is against the spirit of our law and traditional tribunals to give power to two justices of the peace to impose such a penalty. It should be before a superior court. If the hon. gentleman is willing to put it that way, I do not object to the clause.

Hon. Sir GEORGE DRUMMOND—I prefer the amendment of which I gave notice at the morning sitting. It is to this effect : In line 22, after the word 'induces,' to insert the following : 'or to deter or discourage.' I am quite willing to take the clause with those words inserted.

Hon. Mr. DeBOUCHERVILLE—Does the government accept the amendment of the hon. senator from Toronto ?

Hon. Mr. TEMPLEMAN—Yes.

Hon. Mr. DeBOUCHERVILLE—I should like the hon. gentleman from Toronto to follow the usual course and explain why he proposed to strike out clause four and substitute his amendment. What objection has he to clause four in the Bill ?

Hon. Mr. KERR (Toronto)—The object is to avoid contention. The clause as it was drawn before was objected to, and there was a difference of opinion on it in the Senate, and on that account it has been changed to the phraseology of the section put, in what was supposed to be a form that would be acceptable to all. It was thought that no one would in any way question the propriety of enacting that a man who induces a person by false representations to come to this country with the intent, when he came here, that he should defraud him should be punished by a severe fine. It was understood that that would be accepted by everybody.

Hon. Mr. SULLIVAN—A gentleman in Kingston employs 500 or 600 men. About two years ago they struck. He sent by an agent to Germany or Scotland or some foreign country.

Hon. Mr. WATSON—Order.

Hon. Mr. SULLIVAN—Well, say Germany. A number of men came out and went to work. The strikers got at them and induced some of them to stop work. Supposing they represented that this man's agent had made false representations to induce them to come to Canada, would the proprietor of the factory be liable to punishment for the act of his agent in a foreign country ? That ought to be considered. It would be too bad to punish him for false representations made by his agent, when his intention may have been to act in good faith. The fact is it would be better to strike out the clause altogether.

Hon. Mr. CLORAN—Knowing the excessive legal ability and talent of the hon. gentleman from Toronto, I am a little surprised that he should ask us to introduce in this Bill something which is already covered by the criminal law of the country. There is no need to say in this Bill that anybody who by fraudulent representation does a thing to defraud another shall be liable to a penalty ; he comes under the criminal code. He does an act which is governed by the common law of the country. I quite agree with the Minister of Labour in the provision contained in this clause, and with Sir George Drummond, that there should be an alternative—that nobody shall be allowed to induce people to come to Canada by false representations, and that nobody shall deter or discourage people from coming to Canada by false representations. You would then have a clause which would aim at the labour agitator who is working against the interests of the country, and prevent others from inducing people to come to the country under false representations.

Hon. Sir GEORGE DRUMMOND—It is impossible to conceive that we can get through with this Bill. I therefore move that the committee do now rise.

Hon. Mr. WATSON—Before that motion is put, I wish to say that I think it is a matter to be regretted, because there are some parts of the Bill that ought to be passed, and the minister in charge has stated his willingness to make such amendments to the provisions as contained in the printed Bill as would meet any reasonable objections; but it apparently is the determination of some hon. gentlemen to talk this Bill out. It has been charged that this Bill has been brought down at a late hour of the session. There is no question about that at all. The reason for that, I think, is quite apparent to most people, that this Bill is practically framed on the information received from Judge Winchester's report. The judge has been investigating the charges against the Grand Trunk Pacific of employing United States engineers, and the Bill could not be prepared until that information was received by the minister. However, it appears to be the determination to attack the Bill. I think the reasons for the delay in bringing the measure down are fair reasons, and it is a pity provisions that should be passed by the legislature should not be enacted this session. However, if the committee are determined to obstruct the Bill, there is no particular reason why we should sit here with the large gathering who have assembled to witness prorogation, as it is evident the Bill cannot be passed.

Hon. Mr. BAKER—Not being one of the talkers I think I can properly resent the imputation that has been cast upon members of the Senate——

Hon. Mr. WATSON—The hon. gentleman can, yes.

Hon. Mr. BAKER—who find the time too short to discuss this Bill upon its merits. There is no responsibility thrown upon anybody but the government who neglected until the last moment to bring forward this measure. They alone are responsible for it, and I say that on behalf of those gentlemen who are seeking to discuss this measure upon its merits, I resent the imputation that they are doing it against time, to talk the Bill out.

Hon. Mr. WATSON—I am not a member of the government, but I would say in reply on behalf of the gentlemen who are promoting this Bill, that they could not possibly have had the information which would enable them to frame the Bill correctly, until they had the report of Judge Winchester, and clause 5 is dealing almost entirely with the report of Judge Winchester or the fact that the Grand Trunk Pacific employed United States engineers. Investigation was demanded, and the report was only handed in a few days ago, and it was not possible to frame this clause until that report was presented.

Hon. Mr. DOMVILLE—The trouble is caused by the Bill being presented at this late hour. I have no doubt it is all right, and I have not a word to say against it, but at this period of the session it is impossible to take it up and deal intelligently with it.

Hon. Mr. DANDURAND—It is quite evident that even if we want to give a cursory attention to some clauses of the Bill that at this late hour we could not do ample justice to it, and if we are obliged to accept the motion of the hon. gentleman from Bedford, there is one remark I want to make, and it is that this is not an Alien Labour Bill, but it is what we have called an omnibus Bill. There were very many things in it, some of which no one could object to and others which should be amended, but there is one special clause that was drafted in view of the disclosures that were made before Judge Winchester, who conducted that inquiry on the employment of a number of strangers in connection with the Grand Trunk Pacific. This Bill will go over till we meet again in six months.

Hon. Mr. LANDRY—Before that.

Hon. Mr. DANDURAND—Perhaps before that, and I hope that the incidents that justified the government in acting on certain lines will not be intensified by what will happen during the ensuing six months, and that public opinion will not be thus educated as it has been by the hiring of such a number of United States men as were employed, according to what we have learned from the report of Judge Winchester, on the Grand Trunk Pacific. I hope that when we come back to this chamber next session we shall find that due justice has been done to Canadian labour and Canadian skill and Canadian professional men.

Hon. Mr. LANDRY—That is all we want.

Hon. Mr. DeBOUCHERVILLE—The hon. gentleman who has just spoken says the Bill has come so late that we cannot examine it, and the House has just passed a Bill involving an expenditure of three or four millions without even seeing the Bill. It seems to me very strange after passing that Bill that we should say: 'We have not had time to study this measure.' The principle of the Bill has been discussed in all the papers in the whole country and in the House much better than that Bill which voted three or four millions without our knowing what it was, and I am surprised to see that the ministers of the government in this House have been ready to accept every amendment, and some of the members on the other side have been ready to endorse the proposition that the Bill be thrown out.

Hon. Sir GEORGE DRUMMOND—I hope the committee will deal with my amendment.

The motion was agreed to, and the committee rose.

Hon. Mr. DeBOUCHERVILLE—I think I have a right to move that this Bill be referred back to the Committee of the Whole, and I make that motion.

The SPEAKER—No; I do not think so. The Bill is dead. Prorogation is to take

place in seven minutes, and we cannot deal with the Bill. Notice of motion would have to be given.

Hon. Mr. LANDRY—I think the only way to revive that Bill would be that government give notice so as to put it back on the order paper.

The House adjourned during pleasure.

After some time the House resumed.

THE SUPPLY BILL.

FIRST, SECOND AND THIRD READINGS.

A message was received from the House of Commons with Bill (No. 174) An Act for granting to His Majesty certain sums of money for the public service for the financial years ending respectively, June 30, 1904, and June 30, 1905.

The Bill was read the first time.

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

Hon. Mr. LANDRY—We have not the Bill and we are asked to swallow $77,000,000.

Hon. Mr. SCOTT—I hope the hon. gentleman will not ask that I shall enter into any detailed explanation of this measure. I shall have a very brief resumé. The main estimate is $55,017,238.84. The supplemental estimates brought down from time to time amount in one instance to $7,065,266.31 and in another instance to $397,450. That is, the amount of consolidated account sums up to $62,479,955.15. In addition to that, certain sums of money have been voted from time to time the estimates charged with the capital account. The total amount charged to capital account during the current year is $12,692,104 making a total of consolidated and capital account of $75,172,059.

Hon. Mr. LANDRY—I do not find the figures given by the hon. gentleman to be very correct. If we look at the Bill we find that the first item given $55,000,000 is in reality, counting the capital with it, $62,935,000, and supplementary estimates one of $21,000, another of $10,000, another of $1,865,639.30, and another one of $11,839,272.70. Another of $681,070.50, and the last one $397,450, giving a total of $77,749,879.36. That is what the Supply Bill is asking today.

Hon. Mr. SCOTT—The figures have been prepared by the official in the Finance Department who is charged with the preparation of the estimates, and therefore I am quite sure that the totals that I have given are absolutely correct. I have the details but we would not have time to go through them.

Hon. Mr. LANDRY—We have the details printed by the government themselves.

Hon. Mr. SCOTT—Notwithstanding what the hon. gentleman says, I think you will find on comparison that my figures are absolutely correct, because I have the details all here taken from the department.

Hon. Mr. LANDRY—It is a simple matter of addition, and I too have the figures given by the government themselves, in the different supplementary estimates given to us, and I find it amounts to $77,749,000.

The Bill was read the second and third time and passed.

BILLS ASSENTED TO.

At four o'clock p.m., His Excellency the Governor General proceeded in state to the Senate Chamber, in the Parliament Buildings, and took his seat upon the Throne. The members of the Senate being assembled, His Excellency was pleased to command the attendance of the House of Commons, and that House being present, the following Bills were assented to, in His Majesty's name, by His Excellency the Governor General, viz :—

An Act to amend the Act of the present session respecting the Temiscouata Railway Company.

An Act to amend the Act of the present session intituled : 'An Act to incorporate the Thorold and Lake Erie Railway Company.'

An Act respecting Timagami Railway Company.

An Act respecting the Edmonton Street Railway Company.

An Act respecting the Imperial Loan and Investment Company of Canada.

An Act respecting the Alliance Bank of Canada.

An Act to amend the Railway Act, 1903.

An Act to amend chapter 61 of the statutes of 1903 respecting the Revised Statutes of Canada.

An Act for the relief of Annie Christman.

An Act respecting the Montreal Terminal Railway Company.

An Act to amend the Acts relating to Naturalization and Aliens.

An Act to incorporate the Canadian Credit Indemnity Company.

An Act to incorporate the Thompson River Improvement Company.

An Act respecting the West Canadian Collieries, Limited.

An Act to amend the Representation Act, 1903.

An Act to amend the Bank Act.

An Act respecting certain patents of the Canadian Office and School Furniture Company, Limited.

An Act respecting the Pacific Bank of Canada.

An Act respecting an Arbitration between His Majesty and the Grand Trunk Railway Company of Canada.

An Act to amend the Fisheries Act.

An Act respecting the Inspection of Grain.

An Act to amend the General Inspection Act.

An Act respecting the payment of certain Railway Subsidies.

An Act to amend the Dominion Elections Act, 1900.

An Act to amend chapter 68 of the statutes of 1903, respecting the bounties on Steel and Iron.

An Act to amend the Railway Act, 1903.

An Act to provide for the payment of a bounty on Crude Petroleum from Canadian Wells.

An Act to amend the Animal Contagious Diseases Act, 1903.

An Act to amend the Inland Revenue Act.

An Act to further amend the Act providing for the payment of bounties on lead contained in lead-bearing ores mined in Canada.

An Act respecting the Canadian assessment-policy-holders in the Mutual Reserve Life Insurance Company.

An Act to amend the Land Titles Act, 1894.

An Act to further amend the Inland Revenue Act.

An Act to amend the Customs Act.

An Act authorizing the government of Canada to purchase the Canada Eastern Railway and to take possession of the Fredericton and Saint Mary's Railway Bridge.

An Act to amend the Customs Tariff, 1897.

An Act to amend the Post Office Act.

An Act respecting the Militia and Defence of Canada.

An Act to amend the Companies Act.

An Act to authorize the granting of Subsidies in aid of the construction of the lines of railway therein mentioned.

An Act to amend an Act passed in the present session and intituled : 'An Act to further amend the Act providing for the payment of bounties on lead contained in lead-bearing ores mined in Canada.'

To these Bills the Royal Assent was pronounced by the Clerk of the Senate in the following words :—

In His Majesty's name, His Excellency the Governor General doth assent to these Bills.

Then the Honourable the Speaker of the House of Commons addressed His Excellency the Governor General as follows:—

MAY IT PLEASE YOUR EXCELLENCY :

The Commons of Canada have voted the Supplies required to enable the government to defray the expenses of the public service.

In the name of the Commons, I present to Your Excellency the following Bill :—

An Act for granting to His Majesty certain sums of money for the public service of the financial years ending respectively the 30th June, 1904, and the 30th June, 1905.

To which Bill I humbly request Your Excellency's assent.

To this Bill the Clerk of the Senate, by His Excellency's command, did thereupon say :—

In His Majesty's name, His Excellency the Governor General thanks His Loyal Subjects, accepts their benevolence and assents to this Bill.

After which His Excellency the Governor General was pleased to close the Fourth Session of the Ninth Parliament of the Dominion with the following

SPEECH

Honourable Gentlemen of the Senate :

Gentlemen of the House of Commons :

I am glad to relieve you from further attendance in parliament after a session that has been protracted to a longer period than I had anticipated when addressing you on the eleventh of last March.

The terms and conditions upon which the National Transcontinental Railway will be built and operated having been finally adjusted and agreed upon, the work of construction will proceed as rapidly as the surveys of the line and the location of the road will permit.

The consensus of opinion expressed on the changes in the tariff affords very gratifying evidence that the alterations have met with general approval.

The arrangements made by my ministers with the government of Mexico for line of steamers between that republic and Canada on the Atlantic and Pacific will, I hope, add materially to our foreign trade.

The steadily increasing revenue has amply justified the liberal aid granted towards the improvement of our rivers and harbours and the construction of other public works materially benefiting the trade and commerce of our country.

The changes made in the Act respecting the Militia and Defence of Canada, providing for the increased strength and efficiency of the force will, I do not doubt, meet with general approval.

Gentlemen of the House of Commons :

I thank you for the liberal provision you have made for the public service.

Honourable Gentlemen of the Senate:

Gentlemen of the House of Commons:

My official connection with the Dominion of Canada is drawing to a close. Be assured I shall watch its future progress and development with deep and abiding interest and pray that the peace and prosperity with which this favoured land is now being blessed, may under God's providence long continue.

The Speaker of the Senate then said:

Honourable Gentlemen of the Senate:

Gentlemen of the House of Commons:

It is His Excellency the Governor General's will and pleasure, that this parliament be prorogued until Monday, the nineteenth day of September next, to be here holden, and this parliament is accordingly prorogued until the nineteenth day of September next.

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PART I—SENATORS

The following abbreviations are used : 1st R., 2nd R., 3rd R., 1st, 2nd and 3rd Readings; *without remark or debate; Accts., Accounts; Adjn., Adjourn; Adjd., Adjourned; Amt., Amendment; Amts., Amendments; B., Bill; B.C., British Columbia; Can., Canada or Canadian; Com., Committee; Co., Company; Consdn., Consideration; Cor., Correspondence; Dept., Department; Govt., Government; His Ex., His Excellency the Governor General; H. of C., House of Commons; Incorp., Incorporation; Inq., Inquiry; Man., Manitoba; Mess., Message; M., Motion; *m.*, moved; N.B., New Brunswick; N.W.T., North-west Territories; N.S., Nova Scotia; Ont., Ontario; Parlt., Parliament; P.E.I., Prince Edward Island; P.O., Post Office; Ques., Question; Rem., Remarks; Rep., Reported; Ret., Returned; Ry., Railway; Sel., Select; 6 m. h., Six Months' Hoist; Withdn., Withdrawn.

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(A) An Act for the Relief of James E. Taylor (Mr. Kerr, Cobourg). Int., 73; 2nd R.*, 85; 3rd R.*, 184; R. A., 270 (c. 17).

(B) An Act for the relief of R. J. M. Rodgers (Mr. Kerr, Cobourg). Int., 73; 2nd R.*, 85; 3rd R.*, 151; R. A., 1237 (c. 18).

(C) An Act for the relief of Andrew W. Mann (Mr. Kerr, Cobourg). Int., 74; 2nd R.*, 233; 3rd R.*, 393; R. A., 718 (c. 84).

(D) An Act for the relief of Annie Christman (Mr. Kerr, Toronto). Petition presented, 73; int., 74; 2nd R.*, 233; 3rd R.*, 680; R. A., 1237 (c. 109).

(E) An Act to make the King's Shilling Legal Tender (Mr. Domville). Int. and rem., 74; 2nd R., rem., Mr. Scott, Sir M. Bowell, Mr. Ellis, Mr. Young, 192; Mr. Béique, Mr. McMullen, Mr. Miller, 193; Mr. Scott, Mr. Domvilie, 194; deb. adjn., 195; deb. resumed, rem., Mr. Scott, Sir M. Bowell, 272; Mr. Lougheed, Mr. Kerr (Toronto) 273; Mr. Macdonald (B.C.), Mr. McSweeney, Mr. Templeman, Mr. McMullen, 274; Mr. Coffee, Mr. McGregor, Mr. Scott, 275; Mr. Dandurand, Sir M. Bowell, 276; Mr. Scott, M. (Mr. Thompson) to postpone deb., 277; Mr. Edwards, Mr. McMullen, Sir M. Bowell, 278; M. agreed to, 279; B. dropped, rem., Mr. Scott, Mr. Domville, 347.

(F) An Act to incorporate the Cedar Rapids Manufacturing and Power Co. (Mr. Domville). Int., 80; 2nd R.*, 108; 3rd R.*, 190; R. A., 718 (c. 85).

(G) An Act for the relief of Jennie Davison Moore (Mr. Kerr, Cobourg). Int., 108; 2nd R.*, 233; 3rd R., 393; R. A., 718 (c. 86).

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(H) An Act to amend the Insurance Act (Mr. Kerr, Toronto). Int., 108; rem., 108-113; Sir M. Bowell, Mr. Kerr (Toronto) 113; Mr. Domville, 113; Mr. Scott, Sir M. Bowell, Mr. Kerr (Toronto), Mr. Speaker, 114; Mr. Kerr (Toronto), Mr. Landry, Mr. Speaker, B. read first time, rem., Mr. McMullen, 115; Mr. Poirier, Mr. Dandurand, Mr. Ferguson, Sir M. Bowell, 116; Mr. McMullen, 117; 2nd R., rem., Mr. Kerr (Toronto) 249-251; point of order (Mr. Landry) 251; rem., Mr. Scott, Mr. Landry, Mr. Gibson, Mr. Kerr (Toronto) 252; Mr. Béique, Sir M. Bowell, 254; Mr. Kerr (Toronto), Mr. David, 255; Mr. Béique, Mr. Landry, 256; Mr. Watson, Mr. McMullen, Sir M. Bowell, Mr. Speaker, 257; Mr. Béique, 259; Sir M. Bowell, 260-265; deb. adjn., 265; deb. resumed, rem., Mr. McMullen, 279, 285. Mr. Cloran, 299; Mr. Domville, 300-310; Mr. Scott, Mr. Kerr (Toronto) 310; Mr. McMullen, Mr. Ferguson, 312; M. to postpone deb., rem., Mr. Cloran, 314; Mr. McMullen, 316; Mr. Gibson, 317; Mr. Béique, 319-322; M. Cloran, 322; Mr. Kerr (Cobourg) 323; Mr. McMillan, Mr. Watson, 324; Mr. Lougheed, 325, Mr. McHugh, Mr. Robertson, Mr. Sullivan, 326, Sir M. Bowell, 327; Mr. Cloran, Mr. Poirier, 328; Mr. Landry, 329; Mr. Kerr (Toronto), Sir M. Bowell, 330; amt. rejected, c. 22, n. c. 33, B. read 2nd time, 331 on M. (Mr. Young) to ref. B. to Select Com., rem., Mr. Young, 388 Mr. Scott, Mr. Watson, Mr. Speaker, M. dropped, 389; rep. from Com. on B. & C. (Sir George Drummond), M., rem., Mr. Ellis, Mr. McMullen, Mr. Landry, 690; Sir George Drummond, Mr. Landry, Mr. Dandurand, Sir George Drummond, Mr. Scott, Sir M. Bowell, 691; Mr. Young, Mr. McMullen, Sir M. Bowell, Mr. Kerr (Toronto) 692; on M. (Mr. Kerr, Toronto) to concur in amts., rem., point of order (Mr. Landry), Mr. Speaker (ruling) rem., Mr. Kerr (Toronto) point of order (Mr. Landry) 730; rem., Mr. de Boucherville, Mr. Kerr (Toronto), Mr. Landry, Mr. Scott, 731, Mr. McMullen, 731-734; Mr. Bolduc, Mr. Speaker, Mr. Landry, 734; Mr. Kerr (Toronto), Mr. Béique, Mr. Wilson, Mr. Young, Sir M. Bowell, Mr. Tessier, 735; objn. withdrawn, rem., Mr. McMullen, 736-742; Mr. Béique, Mr. McMillan, 742; Mr. Béique, 743-745; Mr. McMullen, Mr. Cloran, 745; Mr. Béique, 746-750; Mr. Cloran, 750-753; Mr. McGregor, 753; Mr. David, 754; Mr. Domville, 755-760; M.

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(Mr. Domville) to adjn. deb. rejected, c. 18, n. c. 21, 760 ; rem., Mr. Domville, 760-763 ; point of order (Mr. Kerr, Toronto), rem., Mr. Landry, Mr. Speaker, Sir M. Bowell, 763 ; M. (Mr. Macdonald, P. E. I.) to adjn. deb., rem., Mr. Macdonald (B.C.) ; M. agreed to, 764 ; deb. resumed, Mr. Macdonald (P. E. I.) 765-769 ; Mr. McSweeney, 769-744 ; Mr. Lougheed, 774 ; Mr. Macdonald (B.C.) 775 ; Mr. Tessier, Mr. Kerr, Mr. McMullen, Sir M. Bowell, 776 ; Mr. Béique, 777 ; Mr. McMullen, Mr. Domville, Mr. Speaker, 778 ; Sir M. Bowell, 779 ; Mr. Wilson, 779-794 ; Mr. McHugh, 794-796 ; Mr. Macdonald (B.C.) 796 ; Mr. Kerr (Toronto) 796-799 ; Mr. Macdonald (B.C.) 799 ; Mr. Sullivan, 799-802 ; Sir M. Bowell, 802-806 ; Mr. Edwards, 806 ; Mr. McMillan, Mr. Béique, 807 ; Mr. Robertson, 808 ; Mr. Kerr (Toronto), Mr. Cloran, 809 ; Mr. Kerr (Toronto), Mr. Béique, Mr. Roberson, 810 ; Mr. Cloran, Mr. Béique, Sir M. Bowell, 811 ; Mr. Young, amt. rejected, c. 21, n. c. 21 ; rep. of Com., adopted, c. 26, n. c. 16, M. for 3rd R., rem., (Mr. Landry) 812 ; Mr. Lougheed, Mr. Landry, Mr. de Boucherville, 813 ; Mr. Young, Sir M. Bowell, Mr. Landry, 814 ; M. Scott, Mr. Dandurand, Mr. Speaker, 815 ; Mr. Wilson, Mr. Landry, 816 ; Mr. McMullen, Mr. Speaker, Mr. Landry, Mr. Béique, 817 ; M. for 3rd R., point of order (Mr. Landry) 820 ; Mr. Speaker, Mr. Landry, Mr. Kerr (Toronto) 821 ; Mr. Landry, Mr. Speaker, Mr. de Boucherville, Mr. Cloran, 822 ; Mr. de Boucherville, Mr. Cloran, Mr. Lougheed, M. (Mr. Béique) to amend, 823 ; Mr. Cloran, Mr. Béique, Mr. Kerr (Toronto) 824 ; Mr. Domville, Mr. Wilson, 825 ; Mr. Béique, Mr. Wilson, 826 ; Mr. Sullivan, Mr. Dandurand, Mr. McMillan, 827 ; M. (Mr. Béique) to amend, rem., Mr. McMillan, 828 ; Mr. Scott, Mr. Mr. Béique, 829 ; Mr. Sullivan, Mr. McMullen, Mr. Domville, 830 ; Mr. Béique, Mr. Domville, 831 ; Mr. Baird, Mr. Béique, Mr. Wilson, Mr. Dandurand, 832 ; Mr. Macdonald (P.E.I.), Mr. Wilson, Mr. Cloran, 833 ; M. (Mr. Béique) to amend, 834 ; rem., Mr. Domville, Mr. Béique, Mr. Cloran, M. agreed to ; M. (Mr. Béique) to amend, 835 ; rem., Mr. Cloran, Mr. Béique, 836 ; Sir M. Bowell, Mr. Béique, Mr. David, Mr. Dandurand. 837 ; Mr. Béique, 838 ; Mr. McMillan, Mr. Béique, Mr. Cloran, Mr. Wilson, Mr. David, 839 ; Mr. Wilson, Sir M. Bowell, 840 ; Mr. Kerr (Toronto), 841 ; Sir M. Bowell, Mr. Cloran, Mr. Béique, 842 ; Mr. Cloran, Mr. Béique, Mr. McSweeney, 843 ; Mr. Béique, Mr. Watson, Mr. Cloran, 844 ; Mr. Kerr (Toronto), Mr. Domville, Mr. Vidal, Mr. Béique, Mr. Cloran, 845 ; Mr. Speaker, Sir M. Bowell, Mr. Scott, 846 ; Mr. Landry, Mr. Speaker : B. passed, 847 ; M. to concur in rep. of Com. on B. & C., 878 ; rem., Mr. Cloran, 979 ; Mr. Scott, Mr. Macdonald (B.C.), Sir M. Bowell, 981 ; R. A., 1238 (c. 131).

(I) An Act to amend the Act respecting the jurisdiction of the Exchequer Court as to Ry. Debts. (Mr. Béique). Int., 183 ; 2nd R., 195 ; 3rd R.*, 347.

(J) An Act for the relief of Eliza Robertson (Mr. Kerr, Cobourg). Int., 233 ; 2nd R.*, 271 ; 3rd R.*, 415 ; R. A., 718 (c. 87).

(K) An Act respecting the Northern Bank (Mr. Watson). Int., 298 ; 2nd R., 347, 355; 3rd R.*, 560 ; R. A., 718 (c. 88).

(L) An Act respecting the British American Pulp, Paper and Ry. Co. (Mr. Gibson). Int., 347 ; 2nd R.*, 657.

(M) An Act respecting the Pacific Bank of Canada (Mr. Templeman). Int., 639 ; 2nd R.*, 679 ; 3rd R.*, 709 ; R. A., 1238 (c. 118).

(N) An Act to amend the Companies Act, 1902 (Mr. Scott). Int., 859 ; 2nd R., rem., Mr. Scott, 930 ; in Com., rem., Mr. Dandurand, Mr. Scott, Sir M. Bowell, 931 ; on 3rd cl., Sir M. Bowell, Mr. Scott, Mr. Béique, 932 ; Mr. Dandurand, Mr. Scott, cl. adopted, on 4th cl., Mr. Scott, Sir M. Bowell, 933 ; Mr. Béique, Mr. Dandurand, Mr. Scott, cl. adopted, rep. from Com. (Mr. Baker) and 3rd R., 934 ; M. (Mr. Scott) to concur in Commons amts., 1232 ; rem., Mr. Scott, Mr. Dandurand, M. agreed to, 1233 ; R. A., 1238 (c. 139).

(3) An Act to amend the Criminal Code, 1892 (Mr. Scott). Int., 243 ; 2nd R., 271 ; 3rd R.*, 299 ; R. A., 717 (c. 47).

(5) An Act respecting the Militia and Defence of Canada (Mr. Scott). Int., 1003 ; 2nd R., *m.*, rem., Mr. Scott, 1101 ; Sir M. Bowell, 1102 ; Mr. Landry, Mr. Dandurand ; M. agreed to, 1103 ; Com. of the Whole, rem., Mr. Landry, Mr. de Boucherville, Mr. Scott, 1128 ; on 2nd cl., Mr. Landry, Mr. Scott, Mr. Power, 1129 ; Sir M. Bowell, Mr. Landry, Mr. Scott Mr. Ferguson, 1130 ; on 4th cl., Mr. Landry, 1130 ; Sir M. Bowell, Mr. Power, Mr. Fer-

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(8) An Act respecting the Nova Scotia Permanent Benefit Building Society and Savings Fund (Mr. McDonald, C.B.). Int., 242 ; 2nd R.*, 292 ; 3rd R.*, 560 ; R. A., 717 (c. 71).

(9) An Act to amend and revive the acts respecting the St. Clair and Erie Ship Canal Company (Mr. Lougheed). Int., 80 ; 2nd R.*, 108 ; 3rd R.*, 127 ; R. A., 270 (c. 1).

(10) An Act to incorporate the Campbellford, Lake Ontario and Western Railway Company (Mr. Kerr, Cobourg). Int., 139 ; 2nd R., 184 ; 3rd R., 190 ; R. A., 270 (c. 12).

(11) An Act respecting the British Columbia Southern Railway Company (Mr. Lougheed). Int., 80 ; 2nd R.*, 108 ; 3rd R.*, 139 ; R. A., 270 (c. 2).

(12) An Act respecting the Montreal, Ottawa and Georgian Bay Canal Co. (Mr. Young). Int., 80 ; 2nd R.*, 127 ; 3rd R., 187 ; R. A., 279 (c. 6).

(13) An Act respecting the Canadian Pacific Railway Co. (Mr. Ferguson). Int., 80 ; 2nd R.*, 108 ; 3rd R.*, 139 ; R. A., 270 (c. 3).

(14) An Act respecting the Atlantic and Northwest Railway Co. (Mr. Baker). Int., 80 ; 2nd R.*, 108 ; 3rd R.*, 139 ; R. A., 270 (c. 4).

(15) An Act respecting the Ottawa Northern and Western Railway Co. (Mr. Dandurand). Int., 80 ; 2nd R.*, 108 ; 3rd R., 139 ; R. A., 270 (c. 5).

(16) An Act respecting the French River Boom Co. (Mr. McMullen). Int., 127 ; 2nd R.*, 139 ; 3rd R.*, 187 ; R. A., 270 (c. 8).

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(17) An Act to confer on the Commissioner of Patents certain powers for the relief of Chas. Algernon Parsons (Mr. Gibson). Int., 127 ; 2nd R.*, 139 ; 3rd R.*, 191 ; R. A., 270 (c. 15).

(18) An Act respecting the Manitoba and Northwestern Railway Company of Canada (Mr. Young). Int.. 139 ; 2nd R.*, 184 ; 3rd R.*, 190 ; R. A., 270 (c. 13).

(19) An Act respecting the Atlantic, Quebec and Western Railway Co. (Mr. Dandurand). Int., 80 ; 2nd R.*, 127 ; 3rd R.*, 187 ; R. A., 270 (c. 7).

(20) An Act to incorporate the Cascapedia Manufacturing and Trading Co. (Mr. Gibson). Int., 127 ; 2nd R.*, 139 ; 3rd R.*, 187 ; R. A., 270 (c. 10).

(21) An Act to incorporate the Pontiac and Interprovincial Railway Co. (Mr. Edwards). Int., 80 ; 2nd R.*, 139 ; 3rd R.*, 187 ; R. A., 270 (c. 9).

(22) An Act to incorporate the Brantford and Hamilton Railway Co. (Mr. McHugh). Int., 187 ; 2nd R.*, 195 ; 3rd R.*, 265 ; R. A., 717 (c. 50).

(23) An Act respecting the Collingwood General and Marine Hospital (Mr. Kerr, Cobourg). Int., 127 ; 2nd R.*, 139 ; 3rd R.*, 187 ; R. A., 270 (c. 11).

(24) An Act respecting the Canadian Fire Insurance Co. (Mr. Lougheed). Int., 151 ; 2nd R.*, 187 ; 3rd R.*, 266 ; R. A., 270 (c. 40).

(25) An Act to incorporate the White Horse and Alsek Railway Co. (Mr. Young). Int., 139 ; 2nd R.*, 184 ; 3rd R., 190 ; R. A., 270 (c. 14).

(27) An Act respecting the Real Estate Title Guarantee and Trust Co. (Mr. Casgrain, de Lanaudière). Int., 151 ; 2nd R.*, 187 ; 3rd R.*, 399 ; R. A., 717 (c. 67).

(28) An Act respecting the Temiscouata Railway Co. (Sir Alphonse Pelletier). Int., 198 ; 2nd R.*, 199 ; 3rd R.*, 265 ; R. A., 717 (c. 51).

(29) An Act to incorporate the Canadian Credit Indemnity Co. (Mr. Kerr, Toronto). Int., 639 ; 2nd R.*, 679 ; M. to concur in amts., 857 ; 3rd R.*, 867 ; R. A., 1237 (c. 112).

(30) An Act respecting the Guelph Junction Railway Co. (Mr. McMullen). Int., 198 ; 2nd R.*, 199 ; 3rd R.*, 265 ; R. A., 270 (c. 21).

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(31) An Act to incorporate the Guelph and Goderich Railway Co. (Mr. McMullen). Int., 198 ; 2nd R.*, 199 ; 3rd R.*, 265 ; R. A., 270 (c. 22).

(32) An Act to incorporate the Walkerton and Lucknow Railway Co. (Mr. McMullen). Int., 198 ; 2nd R.*, 199 ; 3rd R.*, 265 ; R. A., 270 (c. 23).

(33) An Act respecting the Vancouver, Victoria and Eastern Railway and Navigation Co. (Mr. Templeman). Int., 139 ; 2nd R.*, 184 ; 3rd R.*, 266 ; R. A., 270 (c. 39).

(34) An Act respecting the Grand Trunk Pacific Railway Co. (Mr. Dandurand). Int., 266; 2nd R., 288, 335 ; rep. from Com. (Sir Alphonse Pelletier) rem., Mr. Macdonald (B.C.), Sir Alphonse Pelletier, Mr. Watson, Mr. Scott, 348; N. of amt. (Mr. Dandurand) 657; 3rd R., *m.*, 677; N. of amt. (Mr. Macdonald, B.C.) 679 ; M. for 3rd R., rem., point of order (Mr. Landry) 692 ; rem., Mr. Scott, Mr. Landry, Mr. Dandurand, Mr. Speaker (ruling), Sir M. Bowell, 693 ; Mr. Scott, Mr. Macdonald (B.C.) 694 ; Mr. Scott, 695 ; Sir M. Bowell, Mr. Speaker, Mr. de Boucherville, 696 ; Mr. Macdonald (B.C.), Sir M. Bowell, 697 ; Mr. Macdonald (B.C.), M. agreed to, 698 ; R. A., 718 (c. 91).

(37) An Act to amend the Exchequer Court Act (Mr. Scott). Int., 617.

(38) An Act to amend the Petition of Right Act (Mr. Scott). Int., 151 ; 2nd R., 187 ; in Com., rem., Mr. Scott, Sir M. Bowell, 195 ; rep. from Com. (Mr. Ellis) and 3rd R., 196 ; R. A., 270 (c. 16).

(39) An Act to amend the Yukon Territory Act (Mr. Scott). Int., 617 ; 2nd R., 680 ; in Com., rem., Mr. Scott, 688 ; Sir M. Bowell, Mr. Power, Mr. de Boucherville, Mr. Lougheed, 689 ; prog. rep. (Mr. Ellis) 690 ; again in Com., rem., Mr. Scott, 698; Sir M. Bowell, Mr. Lougheed, 699 ; Mr. Power, Mr. Macdonald (P.E.I.), Sir M. Bowell, Mr. Lougheed, 700 ; Mr. Power, Sir M. Bowell, rep. from Com. (Mr Ellis) and 3rd R., 701 ; R. A , 718 (c. 99).

(40) An Act respecting the Can. Southern Ry. Co. (Mr. Kerr, Toronto) 688 ; 2nd R.*, 698 ; 3rd R.*, 702 ; R. A., 718 (c. 98).

(42) An Act respecting the Sprague's Falls Manufacturing Co., Limited. Int., 391 ; 2nd R.*, 415 ; 3rd R.*, 499 ; R. A., 717 (c. 70).

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(43) An Act respecting the Quebec and Lake Huron Railway Co. (Sir Alphonse Pelletier). Int., 198 ; 2nd R.*, 199 ; 3rd R.*, 265 ; R. A., 270 (c. 24).

(44) An Act respecting the Berlin, Waterloo, Wellesley and Lake Huron Railway Co. (Mr. Merner). Int., 198 ; 2nd R.*, 266 ; 3rd R.*, 298 ; R. A., 717 (c. 44).

(45) An Act respecting the Home Bank of Canada (Sir M. Bowell). Int., 242 ; 2nd R., 247 ; 3rd R.*, 249 ; R. A., 717 (c. 41).

(46) An Act to incorporate the Boundary, Kamloops and Cariboo Central Railway Co. (Mr. Watson). Int., 198 ; 2nd R.*, 233 ; 3rd R.*, 265 ; R. A., 270 (c. 30).

(47) An Act respecting the Kootenay Central Railway Co. (Mr. Templeman). Int., 198; 2nd R.*, 199 ; 3rd R.*, 265 ; R. A., 270 (c. 25).

(48) An Act respecting the Nicola, Kamloops and Similkameen Coal and Railway Co. (Mr. Macdonald, B.C.). Int., 242 ; 2nd R.*, 266 ; 3rd R.*, 298 ; R. A., 717 (c. 46).

(49) An Act respecting the James Bay Railway Co. (Mr. McHugh). Int., 198 ; 2nd R.*, 199 ; 3rd R.*, 265 ; R. A., 717 (c. 58).

(50) An Act to incorporate the St. Maurice Valley Railway Co. (Mr. Legris). Int., 242 ; 2nd R.*, 246 ; 3rd R.*, 266 ; R. A., 270 (c. 32).

(51) An Act to incorporate the Okotoks and High River Lumbering and Development Co. (Mr. Lougheed). Int., 198 ; 2nd R.*, 266 ; M. for 3rd R. (Mr. Perley) rem., Mr. Gibson, Sir M. Bowell, 677 ; Mr. Gibson, Mr. Scott, Mr. Watson, Mr. Kerr (Toronto) 678 ; Mr. Scott, Mr. Kerr (Toronto), M. agreed to, 679 ; R. A., 718 (c. 89).

(52) An Act respecting the Manitoba and Keewatin Railway Co. (Mr. Watson). Int., 242 ; 2nd R.*, 247 ; 3rd R.*, 266 ; R. A., 270 (c. 33).

(53) An Act respecting the North American Telegraph Co. (Mr. Watson). Int., 198 ; 2nd R.*, 199 ; 3rd R.*, 265 ; R. A., 270 (c. 26).

(54) An Act to incorporate the Dominion Fire Insurance Co. (Mr. Young). Int., 617 ; 2nd R.*, 657 ; 3rd R.*, 677 ; R. A., 718 (c. 80).

(55) An Act respecting the Canadian Northern Railway Co. (Mr. Watson). Int., 242 ; 2nd R.*, 247 ; 3rd R., 266 ; R. A., 270 (c. 34).

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(56) An Act to amend the Criminal Code, 1892 (Mr. Scott). Int., 243 ; 2nd R.*, 271 ; 3rd R.*, 299 ; R. A., 717 (c. 48).

(57) An Act to incorporate the Interprovincial Railway Bridge Company of New Brunswick (Mr. Scott). Int., 198 ; 2nd R.*, 292 ; 3rd R.*, 364 ; R. A., 717 (c. 54).

(58) An Act respecting the Imperial Loan and Investment Co. (Mr. Cloran). Int., 680 ; 2nd R.*, 688 ; 3rd R.*, 817 ; R. A., 1237 (c. 105).

(60) An Act respecting the Kettle River Valley Railway Co. (Mr. Templeman). Int., 242 ; 2nd R.*, 292 ; 3rd R.*, 364 ; R. A., 717 (c. 55).

(61) An Act to incorporate the Thorold and Lake Erie Railway Co. (Mr. Domville). Int., 242 ; 2nd R.*, 266 ; 3rd R.*, 364 ; R. A., 717 (c. 52).

(62) An Act respecting the Welland and Grand Island Bridge Co. (Mr. Edwards). Int., 242 ; 2nd R.*, 247 ; 3rd R., 265 ; R. A., 270 (c. 35).

(63) An Act respecting the Edmonton and Slave Lake Railway Co. (Mr. Baird). Int., 198 ; 2nd R.*, 233 ; 3rd R.*, 265 ; R. A., 270 (c. 31).

(64) An Act respecting the Strait of Canso Bridge Co. (Mr. Church). Int., 198 ; 2nd R.*, 199 ; 3rd R.*, 265 ; R. A., 270 (c. 27).

(65) An Act respecting certain patents of Louis E. Curtis (Mr. Kerr, Cobourg. Int., 198 ; 2nd R.*, 200 ; 3rd R.*, 415 ; R. A., 717 (c. 63).

(66) An Act respecting the Northern Pacific and Omineca Railway Co. (Mr. Macdonald, B.C.). Int., 198 ; 2nd R.*, 200 ; 3rd R.*, 265 ; R. A., 270 (c. 28).

(67) An Act respecting the Ontario Accident Insurance Co. (Sir M. Bowell). Int., 243 ; 2nd R.*, 266 ; 3rd R.*, 347 ; R. A., 717 (c. 49).

(68) An Act respecting the Hudson Bay and Northwest Railway Co. (Mr. Kerr, Toronto). Int., 243 ; 2nd R.*, 243 ; 3rd R.*, 298 ; R. A., 717 (c. 59).

(69) An Act to incorporate the Monarch Life Assurance Co. (Mr. Kerr, Cobourg). Int., 242 ; 2nd R.*, 247 ; rep. from Com. (Sir George Drummond) 377 ; 3rd R.*, 399 ; R. A., 717 (c. 58).

(70) An Act respecting the Canadian Pacific Railway Co. (Mr. Lougheed). Int., 198 ; 2nd R.*, 200 ; 3rd R.*, 265 ; R. A., 270 (c. 29).

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(71) An Act respecting the Ottawa, Brockville and St. Lawrence Railway Co. (Mr. Mitchell). Int., 242 ; 2nd R.*, 247 ; 3rd R.*, 266 ; R. A., 270 (c. 36).

(72) An Act to amend the National Transcontinental Railway Act (Mr. Scott). Int., 242 ; on 2nd R., rem., Mr. de Boucherville, Mr. Speaker, Sir M. Bowell, 364 ; Mr. Scott, 364-377 ; Mr. Ferguson, Mr. Scott, 400 ; Sir M. Bowell, 401-415 ; amt. (Sir M. Bowell) 415 ; Mr. Casgrain (de Lanaudière), 416-426 ; Mr. Bolduc, 426-436 ; Mr. King, 436-447 ; Mr. Ferguson, 451 ; Mr. Scott, Mr. Landry, 452 ; Mr. Wood, 453-462 ; Mr. Wilson, 462-471 ; Mr. Macdonald (B.C.), 471-475 ; Mr. McMullen, 475-488 ; Mr. McMillan, 488-492 ; Sir M. Bowell, Mr. Ferguson, 492 ; Mr. Watson, Mr. Young, Mr. de Boucherville, Mr. Sullivan, Sir M. Bowell, 493; Mr. Ferguson, 499-518; Mr. Béique, 518-525 ; Mr. Bernier, 525-531 ; Mr. Gibson, 531-536 ; Mr. Perley, 536-543 ; Mr. Watson, 543-553 ; Mr. Sullivan, 553-557 ; amt. rejected. c. 19, n. c. 34, rem., Mr. Landry, Mr. Scott, Mr. Béique, Sir M. Bowell, Mr. Cox, 558 ; Mr. Kerr (Toronto), Mr. McMullen, Mr. Gibson, Mr. Landry, 559 ; M. agreed to c. 34, n. c. 20, rem., Mr. Baker, Mr. Watson, 560 ; in Com., rem. on 3rd cl., Mr. Ferguson, Mr. Scott, 560 ; Mr. McMillan, 561 ; Mr. Ferguson, 561-565 ; Mr. Béique, Mr. Dandurand, 565 ; Mr. Ferguson, 566 ; on 8th cl., Mr. Ferguson, Mr. Scott, Mr. McMillan, Mr. Wood, Mr. Béique, 567 ; Mr. McMillan, on 10th cl., Mr. Macdonald (B. C.), Mr. Scott, 568 ; Sir M. Bowell, 569 ; Mr. Scott, Mr. Macdonald (B.C.), Mr. Dandurand, 570 ; Mr. Ferguson, 571 ; Mr. Macdonald (B.C.), Mr. Dandurand, Sir M. Bowell, 572 ; Mr. Dandurand, Sir M. Bowell, 573 ; Mr. Power, 575-577 ; Mr. Templeman, 577-579 ; Mr. de Boucherville, Mr. Scott, Mr. Landry, 579 ; Mr. Macdonald (B.C.), Mr. Ferguson, 580 ; Mr. Landry, 581 ; Mr. Templeman, Mr. Dandurand, 582 ; Mr. Landry, Mr. Scott, 583 ; Mr. Perley, Mr. Dandurand, 584 ; Mr. Ferguson, Mr. Watson, 585 ; Sir M. Bowell, 586 ; Mr. Watson, Mr. Perley, Mr. Power, 587 ; Sir M. Bowell, 588 ; Mr. Power, Mr. Dandurand, 589 ; Mr. Ferguson, 590 ; Mr. Dandurand, Mr. Ferguson, Sir M. Bowell, 591 ; Mr. Ferguson, Mr. Macdonald (B.C.); on 11th cl., Mr. Landry, 592 ; Mr. Scott, Sir M. Bowell; on schedule, Sir M. Bowell, Mr. Scott, Mr. Ferguson, 593; Mr. Dandurand, Sir Mr.Bowell, Mr. Scott, Mr. Ferguson, 594; Mr. Scott, Mr. Ferguson, 595-598; Sir M. Bowell, Mr. Ferguson, Mr. Scott, 599 ; Mr. Wood, Mr. Scott, Mr. Ferguson, 600-603 ; rep. from Com. (Mr. Young) and M. (Mr. Scott) for 3rd R., M. (Mr. Macdonald, B.C.) to amd. 10th cl., rem., Sir M. Bowell, Mr. Speaker, amt. rejected c. 13, n. c. 26, 603 ; M. (Mr. Wood) to amd., rejected c. 13, n. c. 26, M. (Mr. Landry) rejected c. 13, n. c. 26, Sir M. Bowell, 604 ; M. (Sir M. Bowell) rejected c. 13, n. c. 26, 605 ; M. for 3rd R. agreed to, c. 26, n. c. 13, rem., Mr. Watson, Mr. Landry, Mr. Kerr (Toronto), pairs, Sir M. Bowell, 606 ; Mr. Landry, Mr. Cloran, 607 ; Mr. Ferguson, Mr. Young, 608 ; R. A., 717 (c. 72).

(73) An Act to amend the Railway Act, 1903. Int., 716 ; 2nd and 3rd R., 854 ; R. A., 1238 (c. 107).

(74) An Act to amend the Fisheries Act (Mr. Scott). Int., 965 ; rem., Mr. Scott, Sir M. Bowell, 966 ; Mr. Scott, Sir M. Bowell, 1049 ; in Com., rem., Mr. Power, Sir M. Bowell, 1050 ; Mr. Scott, Sir M. Bowell, Mr. Ferguson, rep. from Com. (Mr. Macdonald, P.E.I.) 1051 ; 3rd R.*, 1061 ; R. A., 1238 (c. 120).

(77) An Act respecting the Hamilton, Grimsby and Beamsville Electric Railway Co. (Mr. Macdonald, B.C.). Int., 243 ; 2nd R.*, 266.

(78) An Act respecting the Ottawa River Valley Ry. Co. (Mr. Domville). Int., 355 ; 2nd R.*, 399 ; 3rd R.*, 674 ; R. A., 718 (c. 77).

(79) An Act to incorporate the Thompson River Improvement Co. (Mr. McHugh). Int., 391 ; 2nd R.*, 415 ; M. to concur in amts., rem., Mr. Kerr (Toronto), Mr. McHugh, Mr. Ellis, Mr. McMillan, Mr. Baird, Mr. Watson, Mr. Macdonald (B.C.), 855 ; Mr. Wilson, Mr. Kerr (Toronto), Mr. McHugh, Mr. Templeman, 856 ; Mr. McHugh, Mr. Landry, Mr. Kerr (Toronto), Mr. Landry, M. postponed, 857 ; M. agreed to and 3rd R.*, 858 ; R. A., 1238 (c. 113).

(80) An Act respecting the West Canadian Collieries, Limited (Mr. McHugh). Int., 716 ; 2nd R.*, 729 ; 3rd R.*, 857 ; R. A., 1237 (c. 114).

(82) An Act respecting the Essex Terminal Railway Co. (Mr. Casgrain, Windsor). Int., 266 ; 2nd R.*, 398 ; 3rd R.*, 674 ; R. A., 718 (c. 76).

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(83) An Act respecting the Nepigon Railway Co. (Mr. McMullen). Int., 242 ; 2nd R.*, 247 ; 3rd R.*, 266 ; R. A., 270 (c. 37).

(85) An Act to incorporate the Alberta Railway and Irrigation Company, and to provide for the amalgamation therewith of the Alberta Railway and Coal Company, the Canadian Northwest Irrigation Company, and the St. Mary's River Railway Co. (Mr. Lougheed). Int., 242 ; 2nd R.*, 265 ; 3rd R.*, 266 ; R. A., 270 (c. 38).

(86) An Act to amend the Criminal Code, 1892, respecting the punishment of fraudulent debtors (Mr. Béique). Int., 266 ; 2nd R., 346 ; in Com., rem., Ferguson, 396 ; Mr. Béique, Mr. Lougheed, 397 ; Mr. Béique, Mr. Macdonald (P.E.I.), Mr. Power, 398 ; rep. from Com. (Mr. Dandurand) and 3rd R., 398 ; R. A., 717 (c. 57).

(90) An Act to incorporate the Bessemer and Barry's Bay Railway Co. (Mr. Gibson). Int., 242 ; 2nd R.*, 292 ; 3rd R.*, 364 ; R. A., 717 (c. 69).

(91) An Act respecting the Toronto and Hamilton Railway Co. (Mr. McMullen). Int., 243 ; 2nd R.*, 265 ; 3rd R.*, 298 ; R. A., 717 (c. 42).

(92) An Act respecting certain patents of William A. Damen (Mr. Kerr, Cobourg). Int., 198 ; 2nd R.*, 266 ; 3rd R.*, 415 ; R. A., 717 (c. 73).

(93) An Act respecting a certain patent of E. A. Small (Mr. Mitchell). Int., 198 ; 2nd R.*, 292 ; 3rd R.*, 415 ; R. A., 717 (c. 62).

(94) An Act respecting the Timagami Railway Co. (Mr. Edwards). Int., 243 ; 2nd R.*, 265 ; M. (Mr. Sullivan) to ref. B. back to Com., rem., Mr. Watson, Mr. Sullivan, 495 ; Sir M. Bowell, Mr. Watson, Mr. Sullivan, 496 ; Mr. Kerr (Toronto), Mr. Tessier, Mr. Gibson, 497 ; Mr. McHugh, Mr. Landry, deb. adjd., 498; Mr. Edwards. 617 ; M. to ref. B. back to Com., rem., Mr. Kerr (Cobourg), 618 ; Mr. Landry, 619 ; Mr. Gibson, 620 ; amt. (Mr. Gibson) to concur in rep. of Com., Mr. Landry, point of order and ruling, (Mr. Speaker), rem., Mr. McMullen, 621 ; Mr. McHugh, Mr. Macdonald (P.E.I.), Mr. Ferguson, Mr. Watson, 622 ; Mr. Edwards, Mr. Kerr (Toronto), Mr. McGregor, Mr. Speaker, 623 ; amt. agreed to, c. 16, n. c. 13 ; 3rd R. 624 ; R. A., 1237 (c. 103).

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(96) An Act to incorporate the Crawford Bay and St. Mary's Bay Railway Co. (Mr. Templeman). Int., 242 ; 2nd R.*, 266 ; 3rd R.*, 298 ; R. A., 717 (c. 45).

(97) An Act respecting the Trans-Canada Railway Co. (Mr. Tessier). Int., 639 ; 2nd R.*, 657 ; 3rd R.*, 675 ; R. A., 718 (c. 79).

(100) An Act to amend the Pilotage Act (Mr. Scott). Int., 270 ; 2nd R., 679 ; 3rd R., 709 ; R. A., 717 (c. 96).

(101) An Act to amend the Steamboat Inspection Act, 1898 (Mr. Scott). Int., 617 ; 2nd R.*, 680 ; 3rd R., 690 ; R. A., 718 (c. 90).

(102) An Act to amend the Shipping Casualties Act, 1901 (Mr. Templeman). Int., 617; 2nd R., 674, 681 ; in Com., rem., Mr. Landry, Mr. Templeman, Mr. Macdonald (P. E.I), Mr. Lougheed, Mr. Power, 710 ; Mr. Lougheed, Mr. Power, Mr. Macdonald (B. C.), Sir M. Bowell, Mr. Templeman, 711 ; Sir M. Bowell, Mr. Power, Mr. Templeman, 712 ; rep. from Com. (Mr. Ellis) and amts. concurred in, 713 ; 3rd R., 714 ; R. A. 718 (c. 97).

(103) An Act to incorporate the Canadian Artillery Association (Mr. Templeman). Int., 270 ; 2nd R.*, 298 ; 3rd R.*, 415 ; R. A., 717 (c. 64).

(104) An Act respecting the Tilsonburg, Lake Erie and Pacific Railway Co. (Mr. Wilson). Int., 243 ; 2nd R.*, 292 ; 3rd R.*, 364 ; R. A., 717 (c. 53).

(105) An Act respecting the Lake Erie and Detroit River Railway Co. (Mr. Casgrain, Windsor). Int., 243 ; 2nd R.*, 265 ; 3rd R.*, 298 ; R. A., 717 (c. 43).

(106) An Act to incorporate the Chicoutimi and North Eastern Railway Co. (Mr. Domville). Int., 298 ; 2nd R.*, 347 ; 3rd R.*, 415 ; R. A., 717 (c. 65).

(109) An Act to incorporate the Montreal, Nipissing and Georgian Bay Railway Co. (Mr. Kerr, Toronto). Int., 298 ; 2nd R.*, 347 ; 3rd R.*, 399 ; R. A., 717 (c. 61).

(111) An Act respecting the Edmonton Street Railway (Mr. Casgrain, de Lanaudière). Int., 643 ; 2nd R.*, 674 ; 3rd R.*. 701 ; R. A., 1237 (c. 104).

(112) An Act to amend the Act respecting the Navigation of Canadian Waters (Mr. Scott). Int., 270 ; 2nd R., 299 ; in Com.,

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rem., Mr. Scott, Sir M. Bowell, 494 ; rep. from Com. (Mr. Watson) and 3rd R., 495 ; R. A., 717 (c. 66).

(113) An Act respecting the Inspection of Grain (Mr. Scott). Int., 966 ; 2nd R., rem., Mr. Scott, 1051; Mr. Ferguson, 1052; Mr. Watson, 1053 ; on M. to refer to com., Mr. Scott, 1053 ; Mr. Ferguson, Mr. Watson, Mr. Macdonald (P.E.I.) 1054 ; Mr. Young, Mr. Black, 1055 ; Sir M. Bowell, 1061 ; Mr. Scott, Mr. Ferguson, 1062 ; Mr. Béique, 1063; Mr. Ferguson, Sir M. Bowell, Mr. Watson, 1064; Sir M. Bowell, Mr. Béique, in Com., Mr. Scott, Mr. Ferguson, 1065 ; on 11th cl., Mr. Ferguson, Sir M. Bowell, on 13th cl., Mr. Ferguson, Mr. Scott, Sir M. Bowell, 1066 ; Mr. Scott, Mr. Ferguson, Sir M. Bowell, Mr. McHugh, Mr. Watson, 1067 ; on 29th cl., Sir M. Bowell, Mr. Young, on 50th cl., Mr. McMullen, Sir M. Bowell, Mr. Young, on 64th cl., Sir M. Bowell, Mr. Young, on 65th cl., Mr. Ferguson, Sir M. Bowell, Mr. Scott, 1068 ; on 69th cl., Mr. Ferguson, Sir M. Bowell, 1069; Sir M. Bowell, Mr. Young, Mr. Ferguson ; on 78th cl., Mr. Ferguson, Mr. Young, Mr. Black, 1070 ; on 80th cl., Mr. Ferguson, Mr. Watson, Mr. Young ; on 68th cl., Mr. Ferguson, 1071 ; Mr. McMullen, Mr. Ferguson, Sir M. Bowell, 1072 ; Mr. McMullen, Sir M. Bowell, Mr. Black, 1073 ; Sir M. Bowell, Mr. Young, Mr. McMullen, rep. from Com. (Mr. Béique) and 3rd R., 1074 ; R. A., 1238 (c. 121).

(114) An Act respecting the Western Assurance Co. (Mr. Frost). Int., 242 ; 2nd R., 247 ; 3rd R.*, 249 ; R. A., 270 (c. 19).

(115) An Act respecting the British America Assurance Co. (Mr. Frost). Int., 242 ; 2nd R., 248 ; 3rd R.*, 249 ; R. A., 270 (c. 20).

(116) An Act respecting certain Patents of the Can. Genl. Elec. Co. and others (Mr. Kerr, Toronto). Int., 292 ; 2nd R., 335, 347 ; 3rd R.*, 399 ; R. A., 717 (c. 60).

(119) An Act to amend the Canada Temperance Act (Mr. Lovitt). Int., 391 ; M. for 2nd R., rem., Mr. Scott, 624 ; Mr. Cloran, 625 ; Mr. Ferguson, Mr. McSweeney, 626 ; Mr. McGregor, 627 ; Mr. McMullen, Mr. Domville, 628 ; deb. adjd., 629 ; deb. resumed, Mr. Domville, 631-633; Mr. Baird, 633 ; Mr. Cloran, Mr. Black, 634 ; Mr. Edwards, 635 ; Mr. Vidal, 636 ; Mr. Poirier, 637 ; Mr. Béique, 638 ; Mr. Cloran, M. agreed to c. 26, n. c. 8, 2nd R., 639 ; 3rd R.*, 674 ; R. A., 717 (c. 75).

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(120) An Act respecting the Montreal Terminal Railway Co. (Mr. Casgrain, de Lanaudière). Int., 858 ; 2nd R.*, 858 ; 3rd R.*, 867 ; R. A., 1237 (c. 110).

(121) An Act respecting the Century Life Insurance Co. (Mr. Perley). Int., 639 ; 2nd R.*, 679 ; 3rd R.*, 709 ; R. A., 718 (c. 95).

(122) An Act respecting the Ottawa Fire Insurance Co. (Sir M. Bowell). Int., 639 ; 2nd R.*, 657 ; 3rd R.*, 677 ; R. A., 718 (c. 82).

(123) An Act to incorporate the Kingston and Dominion Central Railway Co. (Mr. Sullivan). Int., 495 ; 2nd R.*, 624 ; 3rd R.*, 681 ; R. A., 718 (c. 92).

(124) An Act to amend the General Inspection Act (Mr. Scott). Int., 966 ; 2nd R., 997 ; in Com., rem., Sir M. Bowell, 1074 ; Mr. Young, Mr. McMullen, Mr. McHugh, 1075 ; Mr. Béique, Sir M. Bowell, rep. from Com. (Mr. McKay, Alma) and 3rd R., 1076 ; R. A., 1238 (c. 122).

(126) An Act respecting certain parents of Siegfried Gironcoli (Mr. Poirier). Int., 495 ; 2nd R.*, 624 ; 3rd R.*, 657 ; R. A., 717 (c. 74).

(127) An Act to amend the Act providing for the payment of bounties on lead contained in lead-bearing ores mined in Canada (Mr. Templeman). Int., 270 ; 2nd R., 299 ; in Com., 393 ; rem., Mr. Templeman, Mr. Macdonald (P.E.I.) ; Sir M. Bowell, 394 ; Mr. Edwards, Mr. Templeman, Mr. Lougheed, 395 ; Mr. Ferguson, rep. from Com. (Mr. Béique) and 3rd R., 396 ; R. A., 717 (c. 56).

(129) An Act respecting certain patents of Edwin R. Cahoone (Mr. Kerr, Cobourg). Int., 495 ; 2nd R.*, 657 ; 3rd R.*, 675 ; R. A., 718 (c. 83).

(130) An Act respecting the Huron and Ontario Railway Co. (Mr. Kerr, Cobourg). Int., 495 ; 2nd R.*, 624 ; 3rd R.*, 675 ; R. A., 718 (c. 78).

(131) An Act to incorporate the Farmer's Bank of Canada (Mr. Sullivan). Int., 617; 2nd R.*, 657 ; 3rd R.*, 677 ; R. A., 718 (c. 81).

(132) An Act to amend the Railway Act, 1903 (Mr. Scott). Int., 864 ; rem., Sir M. Bowell, Mr. Scott, Mr. Landry, Mr. Cloran, Mr. Ferguson, 865 ; M. for 2nd R., rem., Mr. Macdonald (B. C.) 891 ; Sir M. Bowell, Mr. de Boucherville, Mr. Scott, 892 ; Sir M. Bowell, 893-895 ; Mr. Bernier,

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Mr. Scott, Mr. Wilson, Mr. Watson, 895 ; Mr. Kerr (Toronto), M. agreed to, 896 ; in Com., 935 ; rem., on 1st cl., Mr. Scott, Sir M. Bowell, on 2nd cl., Mr. Scott, 936-938 ; Mr. Macdonald (B.C.), Mr. Scott, 938 ; Mr. Ferguson, Mr. Scott, 939 ; Mr. Ferguson, Mr. Watson, Mr. Béique, Sir M. Bowell, 940 ; Mr. Béique, Mr. Dandurand, Mr. Ferguson, 941 ; Mr. McMullen, 942 ; Mr. Dandurand, Sir M. Bowell, 943 ; Mr. Power, Mr. Béique, 944 ; Mr. Ferguson, Mr. Scott, 945 ; Mr. Dandurand, 946 ; Mr. Ferguson, Mr. Béique, 947 ; prog. reptd. (Mr. Ellis) 948 ; in Com., rem., Mr. Ferguson, 972 ; Mr. Scott, Mr. Béique, Mr. Ferguson, 973 ; Mr. Béique, Mr. McMullen, 974 ; Sir M. Bowell, Mr. Scott, Mr. Dandurand, 975 ; Sir M. Bowell, Mr. Scott, 976 ; Mr. Ferguson, Mr. Power, Sir M. Bowell, 977 ; on 3rd cl., Mr. Ferguson, Mr. McMillan, 978 ; Mr. Béique, Mr. Scott, Mr. Ferguson, cl. agreed to, rep. from Com. (Mr. Ellis) and 3rd R., 979 ; R. A., 1238 (c. 107).

(136) An Act respecting the Similkameen and Keremeos Railway Co. (Mr. Watson). Int., 680 ; 2nd R.*, 688 ; 3rd R.*, 701 ; R. A., 718 (c. 46).

(137) An Act respecting Certain Patents of the Canadian Office and School Furniture Co., Limited (Mr. Merner). Int., 680; 2nd R.*, 698 ; 3rd R.*, 971 ; ; R. A., 1238 (c. 117).

(140) An Act respecting the Alliance Bank of Canada (Mr. Béique). Int., 680 ; M. for 2nd R., rem., Mr. Landry, Mr. Speaker, Mr. Béique, 714 ; M. agreed to, 715 ; 3rd R.*, 817 ; R. A., 1237 (c. 106).

(142) An Act respecting the Rio de Janeiro Light and Power Co., Limited, and to change its name to the Rio de Janeiro Tramway, Light and Power Co., Limited (Mr. Kerr, Toronto). Int., 680 ; 2nd R.*, 688 ; and 3rd R.*, 701 ; R. A., 717 (c. 94).

(143) An Act respecting the New Brunswick Southern Railway Co. (Mr. Domville). Int., 680.

(144) An Act to amend the Act of the present session respecting the Temiscouata Railway Co. (Sir Alphonse Pelletier). Int., 716 ; 2nd R.*, 729 ; 3rd R.*, 817 ; R. A., 1237 (c. 101).

(147) An Act to amend the Acts relating to Naturalization and Aliens (Mr. Scott). Int., 866 ; 2nd R., 875 ; 3rd R., 876 ; R. A., 1237 (c. 111).

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(148) An Act to amend the Dominion Elections Act, 1900 (Mr. Scott). Int., 1042 ; 2nd R., rem.. Mr. Scott. 1085 ; Mr. Ferguson, Mr. Scott. Mr. Macdonald (B.C.), 1086 ; in Com.. Mr. Ferguson, Sir M. Bowell, Mr. Scott. 1087 ; Mr. Landry, Mr. Scott, Sir M. Bowell. rep. from Com. (Mr. Béique) and 3rd R., 1088 ; R. A., 1238 (c. 124).

(149) An Act to amend the Representation Act, 1903 (Mr. Scott). Int., 890 ; 2nd R. 929 ; in Com., 934 ; 3rd R., 935 ; R. A., 1238 (c. 115).

(150) An Act to amend the Act of the present session entitled An Act to incorporate the Thorold and Lake Erie Railway Co. (Mr. Domville). Int., 716 ; 2nd R.*, 729 ; 3rd R.*, 817 ; R. A., 1237 (c. 102).

(152) An Act respecting an Arbitration between H. M. and the G. T. R. Co. of Canada (Mr. Scott) : Int., 954 ; 2nr R., rem., Mr. Scott, 995 ; Mr. Ferguson, Mr. Scott, 996 ; Sir M. Bowell, Mr. Scott, Mr. Ferguson, 997 ; in Com., rem., Mr. Scott, 1045 ; Sir M. Bowell, Mr. Ferguson, 1046 ; Mr. Scott, Sir M. Bowell, Mr. Dandurand, Mr. Béique, Mr. Ferguson, 1047 ; Mr. McMullen, Mr. Ferguson, rep. from Com. (Mr. Wilson) and 3rd R., 1048 ; R. A., 1238 (c. 119).

(153) An Act to amend the P. O. Act (Mr. Scott). Int., 967 ; 2nd R., 1076 ; in Com., rem., Sir M. Bowell, Mr. Scott, Mr. Ferguson, 1077 ; Mr. Power, Mr. Ferguson, Mr. Scott, 1078 ; Mr. Ferguson, Mr. Dandurand, 1079 ; Sir M. Bowell, Mr. Scott, Mr. Power, Mr. Ferguson, 1080, 1081 ; Sir M. Bowell, prog. reptd. (Mr. Kerr, Toronto), 1082 ; again in Com., rem., Mr. Scott, 1111 ; Mr. Ferguson, 1112-1114 ; Mr. Scott, 1114 ; Sir M. Bowell, Mr. Scott, Mr. Power, Mr. Ferguson, 1115 ; Mr. Scott, Mr. Ferguson, Sir M. Bowell, 1116 ; Mr. Ferguson, Mr. Scott, Sir M. Bowell, 1117 ; Mr. Ferguson, Mr. McMullen, 1118 ; Mr. Sullivan, Sir M. Bowell, rep. from Com. (Mr. Kerr, Toronto), 3rd R., Mr. Scott, 1200, 1201 ; R. A., 1238 (c. 137).

(154) An Act to amend chapter 61 of the Statutes of 1903 respecting the Revised Statutes of Canada (Mr. Scott). Int., 716; 2nd R. and 3rd R., 854 ; R. A., 1238 (c. 108).

(156) An Act for granting to His Majesty certain sums of money for the public service for the financial year ending June 30,

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1905 (Mr. Scott). Int., 2nd and 3rd R., 716 ; R. A., 718 (c. 142).

(157) An Act respecting the Payment of Certain Railway Subsidies (Mr. Scott). Int., 967 ; 2nd R., rem., Mr. Scott, Mr. Ferguson, 1082 ; Sir M. Bowell, Mr. Kerr (Toronto), Mr. Macdonald (P.E.I.), 1083 ; Mr. Dandurand, Mr. Wilson, Mr. Macdonald (P.E.I.), Mr. Ferguson, 1084 ; Mr. Wilson, Sir M. Bowell, 3rd R., 1085 ; R. A., 1238 (c. 123).

(158) An Act to amend the Land Titles Act, 1894 (Mr. Scott). Int. and 2nd R., in Com., rem., Mr. Scott, Sir M. Bowell, Mr. McMullen, 1137 ; Mr. Ferguson, Mr. Scott, Sir M. Bowell, prog. reptd. (Mr. Owens), 1138 ; in Com., rem., Mr. Scott, 1207 ; rep. from Com. (Mr. McMullen) and 3rd R., 1208 ; R. A., 1238 (c. 132).

(160) An Act to amend the Bank Act (Mr. Scott). Int., 890 ; 2nd R., rem., Mr. Scott, Mr. McMillan, 929 ; in Com., rem., Sir M. Bowell, Mr. Scott, Mr. McMullen, rep. from Com. (Mr. Casgrain, de Lanaudière) and 3rd R., 930 ; R. A., 1238 (c. 116).

(162) An Act respecting Aliens (Mr. Scott). Int., 1123 ; 2nd R. and M., 1221 ; rem., Mr. Scott, 1222 ; Mr. Baker, Mr. Dandurand, 1223 ; Mr. Baker, Mr. Landry, 1224 ; Mr. Mr. Kerr (Toronto), Mr. de Boucherville, 1225 ; Mr. Sullivan, Mr. Drummond, 1226 ; Mr. Macdonald (P.E.I.), Mr. Kerr (Toronto), 1227 ; Mr. Béique, Mr. Scott, Mr. Power, 1228 ; Mr. Baker, Mr. Landry, Mr. Béique, 1229 ; Mr. Macdonald (P.E.I.), Mr. Forget, Mr. Landry, Mr. Power, Mr. Kerr (Toronto), 1230 ; Mr. Drummond, Mr. Dandurand, Mr. de Boucherville, prog. reptd. (Mr. Thibaudeau) 1231 ; in Com. on 4th cl., rem., Mr. Kerr (Toronto), Mr. Landry, Mr. Drummond, 1234 ; Mr. de Boucherville, Mr. Kerr (Toronto), Mr. Sullivan, Mr. Cloran, M. (Mr. Drummond) that Com rise, rem., Mr. Watson, 1235 ; Mr. Baker, Mr. Watson, Mr. Domville, Mr. Dandurand, Mr. de Boucherville, M. agreed to.

(163) An Act authorizing the government of Canada to purchase the Canada Eastern Railway and to take possession of the Fredericton and St. Mary's Railway Bridge (Mr. Scott). Int., 2nd R., *m.*, rem., Sir M. Bowell, 1209-1211 ; Mr. Scott, Mr. Forget, 1212 ; Sir M. Bowell, Mr. Domville, 1213-1217 ; Mr. McMullen, 1217-1221; in Com. and 3rd R., 1221 ; R. A., 1238 (c. 135).

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(165) An Act to amend Chap. 68 of the Statutes of 1903 respecting Bounties on Steel and Iron (Mr. Scott). Int., 1042 ; 2nd R., rem., Mr. Scott, 1088 ; Mr. Power, Mr. McGregor, rep. from Com. (Mr. Young) and 3rd R., 1089 ; R. A., 1238 (c. 125.

(166) An Act to amend the Animal Contagious Diseases Act, 1902 (Mr. Scott). Int., 1056; 2nd R., *m.*, rem., Mr. Scott, 1098 ; Mr. Ferguson, Mr. Scott, Mr. Wilson, M. agreed to ; 3rd R., *m.*, rem., Mr. Power, Mr. Scott, Sir M. Bowell, Mr. Sullivan, 1099 ; Mr. Ferguson, Mr. Sullivan, 1100 ; Mr. Power, rep. from Com. (Mr. Wilson) and 3rd R., 1101 ; R. A., 1238 (c. 128).

(167) An Act to provide for the payment of Bounties on Crude Petroleum from Canadian wells (Mr. Scott). Int., 1089 ; 2nd R., *m.*, rem., Mr. Scott, 1091; Sir M. Bowell, Mr. McMullen, 1092 ; Mr. Ferguson, Mr. Bolduc, Mr. Dandurand, Mr. Scott, 1093 ; Sir M. Bowell, 1094 ; Mr. Dandurand, Sir M. Bowell, 1095 ; Sir M. Bowell, Mr. Watson, 1096 ; Mr. Ferguson, Mr. Edwards, 3rd R., 1098 ; R. A., 1238 (c. 127).

(168) An Act to amend the Inland Revenue Act (Mr. Scott). Int., 1059 ; 2nd R., *m.*, rem., Mr. Scott, 1089 ; Sir M. Bowell, Mr. Scott, Mr. Cloran, 1090 ; Sir M. Bowell, M. agreed to, 1091 ; in Com., rem., Mr. Scott, Sir M. Bowell, 1103-1106 ; Mr. McMullen, Mr. Cloran 1106 ; Mr. Macdonald (B.C.), Mr. Power, 1107 ; Sir M. Bowell, 1108 ; Mr. Dandurand, 1109-1111 ; Sir M. Bowell, rep. from Com. (Mr. Young) and 3rd R., 1111 ; R. A., 1238 (c. 129).

(169) An Act to further amend the Act providing for the payment of bounties on lead contained in lead-bearing ores mined in Canada (Mr. Scott). Int., 1138 ; 2nd R., rem., Mr. Scott, Sir M. Bowell, Mr. Templeman, 1139 ; Mr. Landry, Mr. Ferguson, 3rd R., 1140 ; R. A., 1238 (c. 130).

(170) An Act to amend the Customs Act (Mr. Scott). Int., 1140 ; 2nd R., in Com., rem., Mr. Scott, Sir M. Bowell, rep. from Com. (Mr. Baker) and 3rd R., 1208 ; R. A., 1238 (c. 134).

(171) An Act to authorize the granting of subsidies in aid of the construction of the lines of Railway therein mentioned (Mr. Scott). Int., 1231 ; rem., Mr. Scott, Mr. Landry, B. read 2nd and 3rd times, 1232 ; R. A., 1238 (Cc. 140).

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